Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N

GRANT THORNTON LIMITED,
IN ITS CAPACITY AS Court-Appointed Receiver of
MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

2450531 ONTARIO LIMITED

Respondents

MOTION RECORD
(returnable April 2, 2020)

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TO: SERVICE LIST

SERVICE LIST

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Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N

GRANT THORNTON LIMITED,
IN ITS CAPACITY AS Court-Appointed Receiver of
MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

2450531 ONTARIO LIMITED

Respondents

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

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TAB 1

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE MORTGAGE INVESTEMENT CORPORATION

Applicant

-and-

2450531 ONTARIO LIMITED

Respondent

NOTICE OF MOTION

GRANT THORNTON LIMITED ("**GTL**"), in its capacity as Court-appointed receiver ("**Receiver**") of the property municipally known as 293 Euclid Avenue, Toronto, Ontario (the "**Euclid Property**"), will make a motion to a Judge of the Commercial List on Thursday, April 2, 2020, at 10:00 am, or as soon after that time as the motion can be heard via a telephone conference.

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

THE MOTION IS FOR

(a) an order, *inter alia*,

(i) if necessary, abridging the time for and validating service of the Receiver's motion materials, so that this motion is properly returnable on April 2, 2020, and dispensing with further service thereof;

(ii) approving the First Report to the Court dated March 25, 2020 (the "**Report**") and the conduct and activities of the Receiver as described therein;

(iii) correcting certain technical errors with respect to registrations made against title to the Euclid Property, including the name of the registered owner;

(iv) approving the Agreement of Purchase and Sale dated January 16, 2020, (the "**Euclid Sale Agreement**") between the Receiver and Phillip Huang (the "**Euclid Purchaser**") for the sale of the Euclid Property (the "**Euclid Sale Transaction**") and vesting the rights, title and interest of the owner in and to the Euclid Property in the Euclid Purchaser free and clear of all encumbrances, except for permitted encumbrances on closing of the Euclid Sale Transaction (the "**Approval and Vesting Order**");

(v) subject to the terms set out herein, approving the proposed distributions of the net proceeds from the sale of the Euclid Property to Home Trust Company ("**Home Trust**") holding a first registered mortgage and Grant Thornton Limited in its capacity as court-appointed receiver ("**MGMIC Receiver**") of Money Gate Mortgage Investment Corporation ("**MGMIC**") holding a second registered mortgage against the Euclid Property in the manner described herein;

(vi) sealing Confidential Appendices 1 and 2 to the Report until the closing of the Euclid Sale Transaction or further order of this Court;

(vii) approving the fees and disbursements of the Receiver and its legal counsel, Chaitons LLP ("**Chaitons**") to the completion of this proceeding;

(viii) discharging the Receiver upon the filing of a certificate confirming that the Receiver has completed all Remaining Matters (as defined and described in the Report); and, releasing the Receiver from any claims which have been raised or which could have been raised in this proceeding against the Receiver, and any and all liability in respect of any act done or default made by GTL, or any acts or omission of GTL in respect of the Euclid Property and its conduct as the Receiver, except for gross negligence and willful misconduct; and

(b) such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. The Receiver was appointed pursuant to an order of this Court dated November 25, 2019 (the "**Receivership Order**") for the primary purpose of marketing and selling the Euclid Property. The Euclid Property is a semi-detached home located in the City of Toronto which contains 5 rental units.

2. The Receivership Order was obtained on an application by GTL in its capacity as the MGMIC Receiver. MGMIC carried on business as a mortgage investment corporation that, among other things, loaned money raised from investors to borrowers, which loans were secured by mortgages against the borrower's property.

3. The Euclid Property owner is a corporation owned and/or controlled by Payam Katebian ("**Payam**"). Payam, together with his father, was also a director, officer and controlling mind of MGMIC.

4. The Euclid Property was acquired by the existing owner on or around March 13, 2015. The parcel search discloses that 2450531 Ontario Inc. is the registered owner of this property. However, 2450531 Ontario Inc. was never a corporation incorporated and existing under the laws of Ontario and never had the corporate power to enter into or perform any obligations under the Home Trust or MGMIC loans. As described in greater detail in the Report, the Receiver learned that 2450531 Ontario Limited is the actual owner of the Euclid Property (the "**Euclid Owner**"). It appears that a technical error was made

when the transfer of the Euclid Property was registered recording 2450531 Ontario Inc. instead of 2450531 Ontario Limited as the transferee.

5. Payam caused MGMIC to make a loan to the Euclid Owner in the principal amount of $282,500. As security for this loan, MGMIC obtained, among other things, a second mortgage against the Euclid Property. Home Trust holds the first mortgage against the Euclid Property in the principal amount of $1,120,000.

Sale of the Euclid Property

6. The Euclid Property was marketed for sale for approximately two months prior to the Receiver's appointment. At the conclusion of that sale process, the highest unconditional offer received by the Euclid Owner was $1,455,000. The Euclid Owner also received a conditional offer in the amount of $1,550,000 for the Euclid Property which was accepted but failed to go firm within the required time period.

7. As described in greater detail in the Report, the Receiver, together with its listing agent, RE/MAX Hallmark Realty, Brokerage, conducted an extensive marketing process for the Euclid Property, which culminated in the Euclid Sale Transaction. The purchase price under the Euclid Sale Agreement is $1,565,000, which is higher than offers received in the sale process conducted by the Euclid Owner and the opinion of value obtained by the Receiver.

8. The only remaining condition under the Euclid Sale Agreement is the Receiver obtaining the Approval and Vesting Order. The Euclid Sale Agreement provides that the closing date shall be no earlier than ten days and no later than thirty days from the date that the Approval

and Vesting Order is obtained, provided however, that the Euclid Sale Transaction closes by April 30, 2020.

9. The purchase price under the Euclid Sale Agreement is sufficient to pay out the amounts owing to Home Trust under the first mortgage in full and to pay the majority of the amount owing to MGMIC under its mortgage.

10. In the Receiver's opinion, the Euclid Sale Transaction represents the best and highest offer for the Euclid Property. The Receiver's sale process was fair and reasonable. The Receiver made sufficient effort to obtain the best price and has not acted improvidently. The Euclid Sale Transaction is supported by Home Trust and the MGMIC Receiver, who hold the first and second mortgages against this property. Accordingly, the Receiver respectfully requests that the Court grant the Approval and Vesting Order.

Distributions to Mortgagees

11. The Receiver engaged Dentons LLP ("**Dentons**") to provide an independent legal opinion on the mortgages registered against title to the Euclid Property.

12. Dentons has provided the Receiver with a contingent security opinion which states, provided that:

(a) this Court grants an order *nunc pro tunc* correcting the name of 2450531 Ontario Inc. to 2450531 Ontario Limited: (1) as owner on title to the Euclid Property, as evidenced on title thereto; (2) as chargor on the charge registered in favour of Home Trust on title to the Euclid Property; and (3) as chargor on the charge registered in favour of MGMIC on title to the Euclid Property and directing the applicable registrar of Land Registry Office # 80 to make these corrections on title to the Euclid Property; and

(b) the registrar making the corrections listed at paragraph (a) on title to the Euclid Property,

the Home Trust Mortgage shall create a valid first-ranking charge in favour of Home Trust in the Euclid Property and the MGMIC Mortgage shall create a valid second-ranking charge in favour of MGMIC in the Euclid Property.

13. The Receiver seeks an order correcting the issues with registrations in the manner set out in Denton's opinion and authorizing the Receiver to distribute the net sale proceeds from the sale of the Euclid Property to Home Trust and the MGMIC Receiver as set out in the Report following the receipt of a final opinion from Dentons.

Discharge of the Receiver

14. Following the closing of the Euclid Sale Transaction and the distribution of the sale proceeds, the Receiver's mandate in this proceeding will be completed. As such, the Receiver respectfully requests that this Court grant an order discharging GTL as receiver of the Euclid Property and releasing GTL from any and all liability in its capacity as Receiver, subject only to the Receiver completing the remaining activities outlined in the Report and the filing of its discharge certificate.

15. Rules 2.03, 3.02, 16.01 and 37 of the *Rules of Civil Procedure* (Ontario).

16. 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 Report and the Appendices attached thereto; and
2. Such further and other evidence as counsel may advise and this Honourable Court may permit.

March 25, 2020

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GRANT THORNTON LIMITED in its capacity as court-appointed receiver of MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

\- and -

2450531 ONTARIO LIMITED

Respondent

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

NOTICE OF MOTION

(April 2, 2020)

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TAB 2

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE INVESTEMENT CORPORATION

Applicant

-and-

2450531 ONTARIO LTD.

Respondent

FIRST REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER OF THE PROPERTY MUNICIPALLY KNOWN AS 293 EUCLID AVENUE, TORONTO, ONTARIO

March 26, 2020

GrantThornton

Grant Thornton Limited
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Toronto, Ontario
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Appendix 3 – Affidavit of Payam Katebian affirmed November 22, 2019

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Appendix 5 – RE/MAX Listing Proposal

Appendix 6 – 293 Euclid Avenue Agreement of Sale

Appendix 7 – Parcel Search for 293 Euclid Avenue

Appendix 8 – MGMIC Commitment Letter and Renewal Documents

Appendix 9 – Cheque Payment (2450531 Ontario to MGMIC)

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Appendix 11 – Home Trust Payout Statement dated

Appendix 12 – MGMIC Payout Statement

Appendix 13 – Receiver's Final Statement of Receipts and Disbursements

Appendix 14 – Fee Affidavit of Jonathan Krieger sworn March 24, 2020

Appendix 15 – Fee Affidavit of Christopher Staples sworn March 24, 2020

CONFIDENTIAL APPENDICES

Confidential Appendix 1 – RE/MAX Opinion of Value dated December 6, 2019

Confidential Appendix 2 – Summary of Offers Received

Court File No. CV-18-00608917-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE INVESTEMENT CORPORATION

Applicant

-and-

2450531 ONTARIO LIMITED

Respondent

FIRST REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER OF THE PROPERTY MUNICIPALLY KNOWN AS 293 EUCLID AVENUE, TORONTO, ONTARIO

March 26, 2020

INTRODUCTION

1. This report (the "**First Report**") is filed by Grant Thornton Limited ("**GTL**") in its capacity as receiver (the "**Receiver**") over the property municipally known as 293 Euclid Avenue, Toronto, Ontario (the "**Euclid Property**"). As discussed in greater detail below, the Receiver understands that 2450531 Ontario Limited.[1] ("**245**", or the "**Euclid Owner**") is the owner of the Euclid Property.

2. The Receiver was appointed pursuant to the Order of this Court dated November 25, 2019 (the "**Receivership Order**"). A copy of the Receivership Order is attached as **Appendix "1".**

---

[1] The discussion regarding the issues with registration against title is found at paragraphs 45 to 55 of this Report.

PURPOSE OF THIS REPORT

3. The purpose of this First Report is to update the Court on this receivership proceeding and to provide information to the Court to support the Receiver's request for an order:

   (a) approving this First Report and the activities of the Receiver as described herein;

   (b) correcting certain technical errors with respect to registrations made against title to the Euclid Property, including the name of the registered owner;

   (c) approving the Agreement of Purchase and Sale dated January 16, 2020, (the "**Euclid Sale Agreement**") between the Receiver and Phillip Huang (the "**Euclid Purchaser**") for the sale of the Euclid Property (the "**Euclid Sale Transaction**"),

   (d) authorizing the Receiver to take all steps necessary to complete the Euclid Sale Transaction and vesting the rights, title and interest of 245 in and to the Euclid Property in the Euclid Purchaser free and clear of all encumbrances, except for permitted encumbrances on the closing of the Euclid Sale Transaction;

   (e) approving the proposed distributions of the net proceeds from the sale of the Euclid Property to Home Trust Company ("**Home Trust**") holding a first registered mortgage and GTL in its capacity as Receiver (the "**MGMIC Receiver**") of Money Gate Investment Mortgage Corporation ("**MGMIC**") holding a second registered mortgage against the Euclid Property in the manner described herein;

   (f) sealing Confidential Appendices 1 and 2 until the closing of the Euclid Sale Transaction or a further order of this Court;

   (g) approving the fees and disbursements of the Receiver to and including March 22, 2020, and its legal counsel, Chaitons LLP ("**Chaitons**") to and including March 23, 2020; In addition, approving the Final Fees to complete the receivership administration, as described further herein;

(h) discharging the Receiver upon the filing of a certificate confirming that the Receiver has completed all Remaining Matters (as defined herein); and, releasing the Receiver from any claims which have been raised or which could have been raised in this proceeding against the Receiver, and any and all liability in respect of any act done or default made by GTL, or any acts or omission of GTL in respect of the Euclid Property and its conduct as the Receiver, except for gross negligence and willful misconduct.

RESTRICTIONS

4. In preparing this First Report, the Receiver has relied upon unaudited financial information, MGMIC's books and records, books and records of the Euclid Owner and discussions with other parties. The Receiver's work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAP or IFRS with respect to such information.

5. This First Report has been prepared for the use of this Court in support of the relief described herein. This First Report should not be relied on for any other purpose.

BACKGROUND

6. The Receivership Order was obtained on an application by the MGMIC Receiver..

7. Materials related to the MGMIC Receivership, including the motion materials supporting the appointment of GTL as Receiver can be found at www.GrantThornton.ca/MGMIC.

8. GTL was appointed as Receiver over the property, assets and undertakings of MGMIC pursuant to an order of this Court dated November 6, 2018, on an application by the Ontario Securities Commission.

9. MGMIC carried on business as a mortgage investment corporation that lent money to borrowers, which loans were secured by mortgages, and/or acquired mortgages registered against commercial and residential properties located in the province of Ontario.

10. Between August 2014 and April 2017, MGMIC raised approximately $11 million from approximately 155 investors through the sale of preferred shares of MGMIC. Those investments were pooled and loaned to borrowers on secured basis or were used to acquire an interest in existing mortgages, including the loan to the Euclid Owner. The MGMIC Receiver anticipates that MGMIC's investors will suffer substantial losses on their investments.

11. Payam Katebian ("**Payam**") and Morteza (a.k.a. Ben) Katebian were each a director, officer and directing mind of MGMIC.

12. Pursuant to a Commitment dated September 15, 2016, MGMIC made a loan to 245 in the principal amount of $282,500 (the "**Loan**"). As security for the Loan, MGMIC was granted a second-ranking mortgage registered against the Euclid Property in the principal amount of $282,500. (the "**MGMIC Mortgage**"). The MGMIC Mortgage matured in April 2019 and was not repaid. As at the date of the Receivership Order the amount owing to MGMIC under the MGMIC Mortgage was $307,454.17 for principal and interest, but before costs.

13. Home Trust Company ("**Home Trust**") holds the first registered mortgage against the Euclid Property in the principal amount of $1,120,000 (the "**Home Trust Mortgage**").

14. The Euclid Property is a semi-detached house located in Toronto, Ontario which contains 5 rental units.

15. The Euclid Owner is a company owned and/or controlled by Payam.

RECEIVERSHIP APPLICATION

16. On October 16, 2019, the MGMIC Receiver brought an application for the appointment of GTL as Receiver over the Euclid Property (the "**Receivership Application**"). In support of its application, the MGMIC Receiver served and filed, among other things, an Affidavit of Jonathan Krieger sworn September 24, 2019 (the "**Krieger Affidavit**"). A copy of the Krieger Affidavit without exhibits is attached as **Appendix "2"**.

17. The Receivership Application was adjourned to November 25, 2019 to allow the Euclid Owner time to list the Euclid Property for sale. The Euclid Owner's marketing efforts are set out in detail in Payam's affidavit affirmed November 22, 2019 (the "**Responding Affidavit**"), served in response to the Receivership Application. A copy of the Responding Affidavit without exhibits is attached as **Appendix "3"**.

18. As described in greater detail in the Responding Affidavit, the Euclid Owner listed the Euclid Property for sale on or around September 26, 2019 with Afshin Nabavi of Tesa Real Estate Inc. Brokerage ("**Tesa**") as the listing agent with an asking price of $1,738,000. On November 8, 2019, the Euclid Property was re-listed at $1,398,888.00.

19. After the Euclid Property was relisted by the Euclid Owner at a lower price, the following four offers were received by the Euclid Owner:

    (a) An unconditional offer in the amount of $1,455,000;

    (b) $1,480,000 – conditional on tenant acknowledgements and two further site visits; and

    (c) $1,550,000 – conditional on financing and three further site visits (the "**Conditions**"). Note this offer was improved to $1,560,000 and was accepted (the "**Original Accepted Offer**").

20. The Original Accepted Offer provided that the Conditions had to be waived by 6:00 p.m. on November 25, 2019, the same date as the hearing of the Receivership Application.

21. The Receivership Application was heard at 10:00 a.m. on November 25, 2019 by the Honourable Mr. Justice Penny. At the conclusion of the hearing his Honour granted an Endorsement which provided, among other things, that unless the Original Accepted Offer becomes firm by 6:00 p.m. on November 25, 2019, as required, the Receivership Order shall come into effect (the "**Receivership Endorsement**"). A copy of the Receivership Endorsement is attached as **Appendix "4"**.

22. The Conditions were not waived by 6:00 p.m. on November 25, 2019. As a result, the Receivership Order went into effect at 6:00 p.m. on November 25, 2019.

23. Pursuant to the Receivership Order, the Receiver is authorized to, among other things, to market and sell the Euclid Property and to apply for any vesting order necessary to convey the property to a purchaser, free and clear of any liens or encumbrances affecting the Euclid Property.

RECEIVER'S ACTIVITIES

24. Since its appointment, the Receiver has performed the following activities:

(a) taking possession of the Euclid Property on November 26, 2019;

(b) in compliance with the *Residential Tenancies Act*, the Receiver notified the tenants that locks would be changed and general repair and maintenance would be completed on the Euclid Property;

(c) preparing statutory filings pursuant to section 245 and 246(1) of the Bankruptcy and Insolvency Act (the "**BIA**");

(d) corresponding with secured creditors, unsecured creditors and other stakeholders regarding the status of the Euclid Property;

(e) insuring the Euclid Property, securing rental payments from existing tenants and ensuring that utilities are maintained;

(f) marketing the Euclid Property for sale;

(g) negotiating an agreement of purchase and sale; and

(h) preparing this First Report.

MARKETING THE EUCLID PROPERTY

25. Following its appointment, the Receiver attempted to contact Tesa to learn about their existing marketing process, discuss Tesa's efforts to date and seek a new listing proposal. Despite several attempts to contact Tesa, they did not respond to the Receiver's calls in a timely manner. Accordingly, the Receiver terminated the listing with Tesa.

26. The Receiver sought an opinion of value and a listing proposal to market and sell the Euclid Property from RE/MAX Hallmark Realty, Brokerage ("**RE/MAX**"), who has experience dealing with properties in Court proceedings and extensive experience with tenanted residential properties in downtown Toronto. RE/MAX also provided the added service of assisting with tenant inquiries over the course of their engagement. A copy of the opinion is attached as **Confidential Appendix "1".** A copy of the listing proposal is attached as **Appendix "5".**

27. Based on the recommendations from RE/MAX (and taking into account the existing marketing process conducted by 245) the Receiver listed the Euclid Property for sale on January 7, 2020, for a sale price of $1,550,000.

28. In order to encourage offers and to effectively canvass the market, RE/MAX, together with guidance from the Receiver and its counsel:

(a) created a brochure containing key information on the Euclid Property;

(b) installed signage on-site at the Euclid Property;

(c) created a dedicated website, detailing the purchase opportunity, which included, among other things, property information, photographs, estimated net income statement and a detailed virtual tour of the Euclid property; and

(d) informed prospective purchasers of the opportunity to view the home inspection summary, full home inspection report and redacted lease agreements upon request.

29. The Receiver's counsel prepared a form of an Agreement of Purchase and Sale ("Form of APS") that the Receiver recommended interested parties use to submit their offers (while allowing such interested parties to make changes to the draft Form of APS with their offer).

30. RE/MAX posted and made available the listing on MLS, Realtor.ca and the agent's own commercial website.

31. A total of 71 phone calls were received by the agent about the opportunity, 9 inquiries were received through Realtor.ca, the virtual tour had 184 different people view the complete tour and the marketing package as described above, was emailed to 16 agents/prospective purchasers.

32. RE/MAX completed 36 physical showings of the Euclid Property.

33. The Receiver attempted to contact the prospective purchasers and brokers from the sale process conducted prior to its appointment in an attempt to solicit their interest but none came forward.

34. The Receiver corresponded with RE/MAX on a frequent basis to discuss the sale process, marketing efforts, interested parties, sales strategies, and eventually the submitted offers.

35. At RE/MAX's recommendation, a bid submission deadline was set for January 14, 2020 to allow sufficient time for the Euclid Property to be exposed to market. Five offers were received by the bid submission deadline. A summary of the five offers received is attached in **Confidential Appendix "2"**.

36. The Receiver identified an offer from the Euclid Purchaser as the best and highest offer for the Euclid Property. Between January 15, 2020 and January 22, 2020, the Receiver entered into negotiations with the Euclid Purchaser, which culminated in the Euclid Sale Agreement.

37. The Euclid Purchaser elected to maintain the current tenants occupying the Euclid Property. Pursuant to the Euclid Sale Agreement, the Purchaser acknowledged that the Receiver is not providing any representations, warranties, estoppels or agreements with respect to the Euclid Property and/or the existing tenancies.

38. A copy of the Euclid Sale Agreement is attached hereto as **Appendix "6"**.

39. The material terms of the Euclid Sale Agreement include:

(a) **Purchased assets**: the purchased assets consist of the Euclid Property, including existing leases;

(b) **Purchase price**: the final purchase price is $1,565,000;

(c) **Deposit**: a deposit of $75,000 has been received by the Receiver's counsel;

(d) **Closing date**: pursuant to the terms of the Euclid Sale Agreement, the Euclid Transaction has to close within thirty days of the Court granting an order approving the Euclid Sale Transaction and vesting title to the Euclid Property in the Euclid Purchaser free and clear of all claims and encumbrances (the "**Approval and Vesting Order**") but no sooner than 10 days from the date of the Approval and Vesting Order. The Euclid Sale Agreement also contains an outside closing date of April 30, 2020;

(e) **Conditions**: the only remaining outstanding condition under the Euclid Sale Agreement is the Court granting the Approval and Vesting Order.

COURT APPROVAL OF THE SALE

40. The Receiver conducted an extensive marketing process which widely exposed the Euclid Property to the market.

41. In light of the sale process conducted by the Euclid Owner prior to the Receiver's appointment, the opinion of value received by the Receiver and the offers that were received for the Euclid Property, the Receiver is of the opinion that the Euclid Sale Transaction represents the highest and best price for the Euclid

Property. The purchase price is higher than the existing conditional offer accepted by the Euclid Property owner prior to the receivership.

42. The Purchase Price is sufficient to pay out the amounts owing to Home Trust under its first mortgage in full and to pay the majority of the amounts owing to MGMIC under its second mortgage. Although the MGMIC Receiver is expected to suffer a shortfall under the MGMIC Mortgage, GTL in its capacity as MGMIC Receiver believes that the Euclid Sale Transaction will generate the highest possible recovery to MGMIC's stakeholders in the circumstances, including its investors.

43. In the Receiver's opinion, the Euclid Sale Transaction represents the best and highest offer for the Euclid Property. The Receiver's sale process was fair and reasonable. The Receiver made sufficient effort to obtain the best price and has not acted improvidently. The Euclid Sale Transaction is supported by Home Trust and the MGMIC Receiver. Accordingly, the Receiver respectfully requests that the Court approve the Euclid Sale Transaction, grant the Approval and Vesting Order and authorize the Receiver to take all steps necessary to complete the Euclid Sale Transaction.

CONFIDENTIAL APPENDICES

44. The Receiver is of the view that **Confidential Appendices** "**1**" through "**2**" should remain sealed until the earlier of the completion of the Euclid Sale Transaction or further order of the Court, as the information contained therein is commercially sensitive and could prejudice the sale of the Euclid Property in the event the Euclid Sale Transaction does not close. The Receiver does not believe that any party will suffer prejudice if the Confidential Appendices are sealed in this manner.

PROPOSED DISTRIBUTIONS AND ISSUES WITH REGISTRATIONS

45. A copy of the parcel search for the Euclid Property dated October 30, 2018 is attached as **Appendix "7"**.

46. As was described in greater detail in the Krieger Affidavit, the parcel search discloses that 2450531 Ontario Inc. (and not 2450531 Ontario Limited). 2450531 Ontario Inc. was never a corporation incorporated and existing under the laws of Ontario and never had the corporate power to enter into or perform any obligations under the Home Trust or MGMIC loan and security documents.

47. It is apparent from the following documents that a technical error was made at the time that the transfer of the Euclid Property was registered in favour of the Euclid Owner recording 2450531 Ontario Inc. as the registered owner of the Euclid Property and not 245:

(a) MGMIC's Commitment Letter and renewal documents are between MGMIC and 245. Copies of the Commitment Letter and renewal documents are collectively attached as **Appendix "8"**.

(b) 245 was the party making mortgage payments to MGMIC. A copy of a cheque from 245 to MGMIC is attached as **Appendix "9"**.

(c) In the Responding Affidavit, Payam confirmed that 245 is the registered owner of the Euclid Property.

48. The Receiver's engaged Dentons LLP ("**Dentons**"), to review the security and mortgage documents related to Home Trust and MGMIC.

49. Dentons has provided the Receiver with a contingent security opinion (the "**Contingent Opinion**") which confirms that subject to: (i) this Court granting an order *nunc pro tunc* correcting the name of 2450531 Ontario Inc. to 2450531 Ontario Limited: (1) as owner on title to the Euclid Property, as evidenced on title thereto; (2) as chargor on the charge registered in favour of Home Trust on title to the Euclid Property; and (3) as chargor on the charge registered in favour of MGMIC on title to the Euclid Property; (ii) such order of this Court directing the applicable registrar of Land Registry Office # 80 to make the corrections listed in clause (i) above on title to the Euclid Property; and (iii) the registrar making the corrections listed in clause (i) above on title to the Euclid Property:

(a) the Home Trust Mortgage shall create a valid first-ranking charge in favour of Home Trust in the Euclid Property; and

(b) the MGMIC Mortgage shall create a valid second-ranking charge in favour of MGMIC in the Euclid Property.

50. A copy of the contingent security opinion is attached as **Appendix "10"**.

51. The Receiver seeks an order of the Court for the relief as described in the Contingent Opinion.

52. Dentons has advised the Receiver that a final security opinion (the "**Final Opinion**") will be issued once the corrections set out in paragraph 48 of this Report are made to title to the Euclid Property.

53. The Receiver requested a payout statement from Home Trust. The Receiver has reviewed the calculation of Home Trust's secured indebtedness and has accepted the Home Trust claim at $1,130,664.95 (the "**Home Trust Claim**") as at April 30, 2020. A copy of Home Trust's payout statement is attached as **Appendix "11"**.

54. The MGMIC Receiver also prepared a payout statement reflective of the MGMIC Mortgage in respect of the security and charges. MGMIC's secured indebtedness and accepted claim is $330,975.00 (the "**MGMIC Claim**") as at April 30, 2020. A copy of MGMIC's payout statement is attached as **Appendix "12"**.

55. The Receiver respectfully requests the Court issue an order authorizing and directing the Receiver to distribute to sale proceeds (net of any priority payables) from the Euclid Sale Transaction after receiving the Final Opinion from Dentons as follows:

    (a) First to Home Trust, and up to the amount of the Home Trust Claim;

    (b) Second to the Receiver for payment of the fees and disbursements of the Receiver and its legal counsel as approved by the Court;

    (c) Third to the MGMIC Receiver up to the full amount of the MGMIC Claim.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

56. Attached as **Appendix "13"** is the Receiver's Final R&D which reflects the Receiver's receipts and disbursements from its appointment as Receiver to March 24, 2020. As at March 25, 2020, the balance in the receivership account was $22,996.72. The balance is exclusive of the $75,000 deposit from the Purchaser which is currently being held in trust by Chaitons.

57. The Receiver respectfully requests that the Court approve the Receiver's Final R&D.

PROFESSIONAL FEES

58. Pursuant to the terms of the Receivership Order, the Receiver and its counsel shall be paid their reasonable fees and disbursements at their standard rates and shall pass their accounts before the Court. The Receivership Order provides that such fees and disbursements shall rank behind the Home Trust Mortgage.

59. The total fees of the Receiver from its appointment to and including March 22, 2020 amount to $39,124.06, plus disbursements in the amount of $33.24, and HST in the amount of $5,090.45, totalling $44,247.75. The details of the time spent and services provided by the Receiver are more particularly described in the Affidavit of Jonathan Krieger, Senior Vice-President of GTL who is involved in this matter, sworn March 24, 2020 in support hereof, a copy of which is attached hereto as **Appendix "14".**

60. The total legal fees incurred by the Receiver for services provided to it by its independent legal counsel, Chaitons, from the Receiver's appointment to March 23, 2020 amount to $4,635.50, plus expenses and disbursements in the amount $158.85 and HST in the amount of $613.26, totalling $5,407.61. The details of the time spent and services provided by Chaitons are more particularly described in the Affidavit of Christopher Staples sworn March 24, 2020, in support hereof, a copy of which is attached hereto as **Appendix "15"**.

61. In addition, the Receiver plans to hold back $40,000 (inclusive of disbursements and HST) with respect to the Receiver's fees, Chaitons fees for time spent in connection with this motion, the closing of the Euclid Sale Transaction and to finalize the Receivership Proceedings as well as Dentons' fees for their work in providing a legal opinion (the "**Final Fees**"). Any unused portion of the holdback for Final Fees will be made available for distribution should the Court grant an order approving the Final Fees.

62. The Receiver respectfully requests that its fees and disbursements, and those of Chaitons, in addition to the Final Fees be approved.

DISCHARGE AND REMAINING ACTIVITIES

63. Following the completion of the sale of the Euclid Property and distribution of the sale proceeds, the Receiver's mandate in this receivership proceeding will be complete.

64. The Receiver respectfully requests that the Court grant an order discharging GTL as Receiver of the Euclid Property and releasing GTL from any and all liability in its capacity as Receiver, subject only to the Receiver completing the following remaining items (the "**Remaining Items**"), and the filing of its discharge certificate with the Court.

65. completion of the Euclid Sale Transaction, including maintaining the Euclid Property until such time when the Euclid Sale Transaction closes, and the filing of Receiver's Certificate to confirm the closing of the Euclid Sale Transaction;

66. remittance of final receivership related disbursements, approved fees and disbursements of the Receiver and its counsel, Chaitons and Dentons; and,

67. distribution of the net sale proceeds to Home Trust and the MGMIC Receiver pursuant to their indebtedness and security position.

RECOMMENDATION

68. Based on the foregoing, the Receiver respectfully requests that the Court grant the relief requested herein.

Respectfully submitted,

GRANT THORNTON LIMITED
In its capacity as court-appointed receiver of the Property municipally known as 293 Euclid Avenue, Toronto, Ontario and not in its personal or corporate capacity.

Per:

Jonathan Krieger, CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX 1

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE Mr.	)	MONDAY, THE 25TH
	)	
JUSTICE Penny	)	DAY OF NOVEMBER, 2019

BETWEEN:

GRANT THORNTON LIMITED,
in its capacity as Court-appointed Receiver of
MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

2450531 ONTARIO LIMITED

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 Grant Thornton Limited as receiver (the "**Receiver**") without security, of the lands and premises municipally known as 293 Euclid Avenue, Toronto, Ontario and having the legal description set out in **Schedule "A"** hereto (the "**Real Property**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Jonathan Krieger sworn September 24, 2019, the Affidavit of Payam Katebian affirmed on November 22, 2019 and the Supplemental Affidavit of Jonathan Krieger sworn on November 22, 2019, and on hearing the submissions of counsel for the Applicant, counsel for the Respondent and such other counsel listed on the Counsel Slip, no one else on the service list appearing although duly served as appears from the affidavits of service filed with the Court, and on reading the consent of Grant Thornton Limited 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, Grant Thornton Limited is hereby appointed as Receiver, without security, of the Real Property.

RECEIVER'S POWERS

2. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Real 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 Real Property and any and all proceeds, receipts and disbursements arising out of or from the Real Property;

(b) to enter upon, inspect and appraise the Real Property;

(c) to demand and obtain any information from either the borrower or any tenant as the case may be relating to tenancies at the Real Property, including, tenancy agreements and the state of account in respect of any such tenancies;

(d) to receive, preserve, and protect the Real 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;

(e) 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;

(f) to receive and collect all monies and accounts now owed or hereafter owing with respect to the Real Property and to exercise all remedies of the owner of the Real Property (the "**Owner**") in collecting such monies, including, without limitation, to enforce any security held by the Owner;

(g) to settle, extend or compromise any indebtedness owing to the owner of the property with respect to the Real Property;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of the Real Property, whether in the Receiver's name or in the name and on behalf of the owner, 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 Real 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 Real Property, including advertising and soliciting offers in respect of the Real 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 Real Property or any part or parts thereof with the approval of this Court, and notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

(l) to apply for any vesting order or other orders necessary to convey the Real Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Real 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 Real 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 Real Property against title to any of the Real 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 Owner;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Owner; and

(q) 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 Owner, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. **THIS COURT ORDERS** that (i) the Owner, (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 Real Property in such Person's possession or control, shall grant immediate and continued access to the Real Property to the Receiver, and shall deliver all such

Real Property to the Receiver upon the Receiver's request. For the purposes of paragraphs 3 to 5 of this Order only, the term Person shall not include Home Trust Company.

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

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.

NO PROCEEDINGS AGAINST THE RECEIVER

6. **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 REAL PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

8. **THIS COURT ORDERS** that all rights and remedies against the Receiver, or affecting the Real 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) exempt the Receiver from compliance with statutory or regulatory provisions relating to health, safety or the environment, (ii) prevent the filing of any registration to preserve or perfect a security interest, or (iii) prevent the registration of a claim for lien against the Real Property.

NO INTERFERENCE WITH THE RECEIVER

9. **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 Owner, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

10. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Owner 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 Owner 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 Owner'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 Owner 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

11. **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 Real 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.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

14. **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

15. **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 Real 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 Real Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA, with the exception of the Charge/Mortgage of Land in favour of Home Trust Company against the Real Property, registered as Instrument No. AT4329958 (the "**Home Trust Charge**").

16. **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.

17. **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

18. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $75,000.00 (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 Real 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 Home Trust Charge, 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.

19. **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.

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

21. **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

22. **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.

23. **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 Owner's creditors or other interested parties at their respective addresses as last shown on the records of the Owner 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.

24. **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 Owner'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

25. **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.

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

27. **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.

28. **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.

29. **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 income generated by or the sale of the Real Property with such priority and at such time as this Court may determine.

30. **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.

Penny J.

SCHEDULE "A"

PIN:	21249-0077 (LT); LRO #66
Registered Owner:	2450533 Ontario Inc.[1]
Property Description:	PART LOT 108, PL 314 TORONTO AS IN CA758318; CITY OF TORONTO

[1] There is no corporation registered in the province of Ontario as 2450533 Ontario Inc. The owner of this property is 2450533 Ontario Limited.

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. ____________

AMOUNT $__________________

1. THIS IS TO CERTIFY that Grant Thornton Limited, the receiver (the "**Receiver**") of real property municipally known 293 Euclid Avenue, Toronto, Ontario (the "**Real Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 7th day of January, 2019 (the "**Order**") made in an application having Court file number CV-18-•-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 Real 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 Real 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__.

GRANT THORNTON LIMITED, solely in its capacity as Receiver of the Real Property, and not in its personal capacity

Per: ________________________________

Name:

Title:

GRANT THORNTON LIMITED, in its capacity as Court-appointed Receiver of MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

\- and -

2450531 ONTARIO LIMITED

Respondent

Court File No.: CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

ORDER
(Appointing Receiver)

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

Maya Poliak (LSO # 54100A)
Tel: (416) 218-1161
Fax: (416) 218-1844
Email: maya@chaitons.com

Lawyers for the Applicant

APPENDIX 2

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

2450531 ONTARIO LIMITED

Respondent

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

AFFIDAVIT OF JONATHAN KRIEGER

I, **JONATHAN KRIEGER**, of the City of TORONTO, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Senior Vice President of Grant Thornton Limited ("**GTL**") and am the senior person at GTL with carriage of the receivership proceeding of Money Gate Mortgage Investment Corp. ("**MGMIC**"). As such, I have knowledge of the matters to which I hereinafter depose. The facts set forth herein are within my personal knowledge, determined from the face of the documents attached as exhibits hereto or from information and advice provided to me by third parties. Where I have relied upon such information and advice, I verily believe same to be true.

2. This affidavit is sworn in support of an application by GTL, in its capacity as the Court-appointed Receiver of MGMIC (the "**MGMIC Receiver**") for an order appointing it as receiver over the property municipally known as 293 Euclid Avenue, Toronto, Ontario (the "**Euclid Property**"). MGMIC holds a second mortgage registered against the Euclid Property.

THE PARTIES

3. MGMIC is an Ontario corporation that carried on business as a mortgage investment corporation that lent money to borrowers, which loans were secured by mortgages, and/or acquired mortgages registered against commercial and residential properties. As at the date of this affidavit, MGMIC's mortgage portfolio involves eight mortgages registered against seven properties located in the Province of Ontario, including the mortgage registered against the Euclid Property. Attached hereto as **Exhibit "A"** is a copy of MGMIC's corporate profile.

4. Morteza Katebian, also known as Ben Katebian ("**Ben**") and Payam Katebian ("**Payam**") were each a director, officer and directing mind of MGMIC.

5. GTL was appointed MGMIC Receiver pursuant to an order of this Court dated November 6, 2018 (the "**Receivership Order**"), on an application of Ontario Securities Commission ("**OSC**") under section 129 of the *Securities Act* (Ontario). A copy of the Receivership Order is attached hereto as **Exhibit "B"**.

6. The facts and circumstances leading to the appointment of the MGMIC Receiver are set out in the Affidavit of Louisa Fiorini sworn November 2, 2018 (the "**Fiorini Affidavit**") filed in support of OSC's receivership proceeding. A copy of the Fiorini Affidavit without exhibits is attached hereto as **Exhibit "C"**.

7. Pursuant to paragraphs 3(f) and 3(i) of the Receivership Order, the MGMIC Receiver was authorized and directed to: (i) receive and collect all monies owed to MGMIC; (ii) exercise all remedies MGMIC had in collecting such monies, including enforcing the security and charges held by MGMIC; and (iii) initiate any proceeding with respect to the mortgages held by MGMIC.

8. Attached hereto as **Exhibit "D"** is a copy of the parcel search for the Euclid Property. The parcel search discloses that 2450531 Ontario Inc. is the registered owner of the Euclid Property. I am advised by Chaitons LLP ("**Chaitons**"), lawyers for the MGMIC Receiver that a corporate profile search for "2450531 Ontario Inc." did not disclose any records of this corporation with the Ministry of Consumer and Business

Services Company in Ontario. I am also advised by Chaitons that its search revealed only one Ontario corporation bearing corporate number 2450531, 2450531 Ontario Limited ("**245 Limited**"). 245 Limited is also the borrower under the loan made by MGMIC that was secured by a mortgage on the Euclid Property. Attached hereto as **Exhibit "E"** is a copy of the Commitment dated September 15, 2016 between MGMIC and 245 Limited (the "**Commitment**"). Based on this information, it is my understanding that 245 Limited is the legal and/or beneficial owner of the Euclid Property.

9. Attached hereto as **Exhibit "F"** is a copy of the corporate profile for 245 Limited. The corporate profile discloses that Pantea Sahebdivani ("**Pantea**") is the sole director and officer of 245 Limited. I have reviewed the Fiorini Affidavit and based on the information contained therein believe that Pantea is Ben's common law spouse. Payam was also a director of 245 Limited from February 2015 until June 2017. Attached hereto collectively as **Exhibit "G"** are the point in time searches for 245 Limited.

10. At all relevant times since the appointment of the MGMIC Receiver, Payam has held himself out as representative for 245 Limited and has been engaged in all negotiations and discussions with the MGMIC Receiver in connection with this property.

THE PROPERTY

11. The Euclid Property is a semi-detached home located in Toronto, Ontario which contains four rental units. Attached hereto as **Exhibit "H"** is a copy of the Occupancy Report prepared by SPPC Sentinel Property Preservation Canada Inc. dated June 19, 2019.

12. The MGMIC Receiver requested from Payam copies of leases for the Euclid Property which have not been received. On August 19, 2019, Chaitons served a Demand for Particulars under the *Mortgages Act* (Ontario), a copy of which is attached hereto as **Exhibit "I"**. I am advised by Maya Poliak, a partner at Chaitons with carriage of this file that no response was received by Chaitons to the Demand for Particulars.

MGMIC'S LOAN

13. Pursuant to the terms of the Commitment, as amended, MGMIC made a loan to 245 Limited in the

principal amount of $282,500 (the "**Loan**"). The Loan is secured by a second mortgage (the "**MGMIC Mortgage**") registered in favour of MGMIC against the Euclid Property in the principal amount of $282,500. A copy of the Euclid Mortgage is attached hereto as **Exhibit "J"**.

14. On October 30, 2018, shortly prior to the date of the Receivership Order, the MGMIC Mortgage was renewed for a six month period with maturity date of April 30, 2019. A copy of the renewal is attached hereto as **Exhibit "K"**. Pursuant to the terms of the Euclid Mortgage, 245 Limited made the required monthly interest payments for the months of November 2018 through to April 2019.

15. The Euclid Mortgage matured on April 30, 2019. As at the date of this report, the Euclid Mortgage has not been repaid.

OTHER CREDITORS

16. I am advised by Chaitons that a title search for the Property discloses the following active registrations against the Euclid Property:

(a) A charge/mortgage in the principal amount of $1,120,000 registered on September 1, 2016 in favour of Home Trust Company ("**Home Trust**"), a copy of which is attached hereto as **Exhibit "L"**;

(b) A charge/mortgage in the principal amount of $282,500 registered on September 27, 2016 in favour of MGMIC; and

(c) A Caution on Land registered on March 31, 2017 (the "**Caution**"), a copy of which is attached hereto as **Exhibit "M"**.

17. On September 9, 2019, the MGMIC Receiver confirmed that Home Trust's mortgage has been in arrears since August 1, 2019. Based on the information provided by Home Trust to the MGMIC Receiver in December 2018, I understand that approximately $1.07 million is owed to Home Trust under its mortgage.

18. The Caution contains the following statement:

> "The applicant is entitled to register a caution to prevent any dealing with the land without the applicant's consent. The nature of interest is Bita Ghaffari is a Director and Shareholder of 2450531 Ontario Inc. and has the right to call for a charge.
>
> The Land Registrar is authorized to delete this caution 60 days from the date of registration.

19. The 60-day period referenced in the Caution has long expired and the Land Registrar is now authorized to delete the Caution.

20. I have reviewed the point in time corporate profile searches for 245 Limited and note that Ms. Ghaffari was a director of 245 Limited for the time period commencing February 3, 2015 and ending April 20, 2016. Based on my review of the corporate profile searches of 245 Limited and the parcel search in respect of the Euclid Property it appears that Ms. Ghaffari was not a director and/or officer of 245 Limited in September 2016 when Home Trust's and MGMIC's mortgages were registered.

21. I am also advised by Chaitons that the parcel search in respect of the Euclid Property discloses that on June 13, 2017, Ms. Ghaffari registered a Certificate of Pending Litigation against the Euclid Property which was subsequently deleted.

22. I am advised by Ms. Poliak that on February 5, 2019, David Brooker, a lawyer with Steinberg Title Hope & Israel (**"Steinberg"**), former lawyers for MGMIC[1], provided Ms. Poliak with the following documents:

(a) a copy of the Statement of Claim issued on May 25, 2017 (the **"Ghaffari Claim"**) pursuant to which, Ms. Ghaffari, together with a related company, commenced a proceeding against, among others, MGMIC, Home Trust, Ben, Payam and 2450531 Ontario Inc. (the **"Ghaffari Proceeding"**);

(b) a copy of the statement of defense of MGMIC, Ben, Payam and 2450531 Ontario Inc. (the

[1] I am advised by Ms. Poliak, that Mr. Brooker and Steinberg were removed as lawyers of record for the MGMIC Defendants pursuant to an Order of Master Muir dated January 31, 2019.

"MGMIC Defense"); and

(c) a copy of an order of Master Sigunasiri dated February 2, 2018 (the "**Sigunasiri Order**") wherein the Court ordered, among other things, that the Ghaffari Proceeding is stayed against MGMIC, Home Trust, Ben, Payam and 2450531 Ontario Inc. until such time as the plaintiffs pay the cost order Master Jolley made September 11, 2017 in the amount of $12,780.28.

23. Attached hereto as **Exhibits "N"** to **"P"**, respectively, are copies of the Ghaffari Claim, the MGMIC Defense and the Sigunasiri Order.

24. Attached hereto as **Exhibit "Q"** is a copy of the email correspondence between Mr. Brooker and Ms. Poliak dated February 5, 2019, wherein Mr. Brooker, among other things, advised Ms. Poliak that the Ghaffari Proceeding has not proceeded forward since the issuance of the Sigunasiri Order.

25. The Receiver had no knowledge of the Ghaffari Proceeding until Steinberg brought its motion to be removed as counsel of record in February 2019.

26. I am advised by Ms. Poliak that on February 11, 2019, she received a letter from Adam Wygodny, legal counsel for Ben and Payam in the MGMIC receivership proceeding, addressed to Yigal Rifkind, lawyer for Ms. Ghaffari. In his letter, Mr. Wygodny referenced a motion brought by Mr. Rifkind in the Ghaffari Proceeding on February 11, 2019 and an Endorsement granted by Justice Pattillo. A copy of this letter is attached hereto as **Exhibit "R"**.

27. I am also advised by Ms. Poliak that on February 5, 2019, she had a telephone conversation with Mr. Wygodny who advised her that the Plaintiff's motion was adjourned.

28. On February 12, 2019, Ms. Poliak sent a letter to Mr. Rifkind advising him of the Receivership Order and the stay of proceedings against MGMIC and requesting a copy of the motion record served by his office in support of the motion referenced in Mr. Wygodny's letter dated February 5, 2019. A copy of this letter is attached hereto as **Exhibit "S"**.

29. No response was received from Mr. Rifkind's office. On July 18, 2019, Ms. Poliak again followed up with Mr. Rifkind regarding this proceeding and the Plaintiff's motion. By email dated July 18, 2019, Mr. Rifkind advised Ms. Poliak that the plaintiffs in the Ghaffari Proceeding are bringing a motion against "the Katebians", that their motion against MGMIC is stayed and that motion materials will be served on the Receiver. A copy of the email correspondence between Ms. Poliak and Mr. Rifkind dated July 18, 2019 is attached hereto as **Exhibit "T"**.

30. I am advised by Ms. Poliak that she has not received any further documents or correspondence from Mr. Rifkind or anyone else in connection with the Ghaffari Proceeding. Attached hereto as **Exhibit "U"** is a copy of Ms. Poliak's email to Mr. Rifkind dated August 8, 2019 wherein she followed up on the status of the Plaintiff's motion materials. Mr. Rifkind will be served with a copy of the MGMIC Receiver's application record in this proceeding.

IT IS JUST AND CONVENIENT TO APPOINT A RECEIVER

31. The MGMIC Mortgage matured on April 30, 2019. 245 Limited has been provided with ample time to obtain alternative financing to repay the Loan. Despite numerous assurances by Payam on behalf of 245 Limited that refinancing is imminent, the MGMIC Mortgage has not been repaid. GTL on behalf of MGMIC has the right to immediately enforce its security, including the right to apply to the Court for the appointment of a receiver over the Euclid Property.

32. It is just and convenient in the circumstances to have a receiver appointed over the Euclid Property to take control of and realize on the property in a manner that is open and transparent under the supervision of the Court for the benefit of all of 245 Limited stakeholders, including MGMIC's investors.

33. The MGMIC Receiver proposes that GTL be appointed as receiver over the Euclid Property. The appointment of a third party to act as receiver of the Euclid Property would add significant unnecessary layers of professional fees which would be borne by the MGMIC investors who are largely the parties with an economic interest in this property.

34. Home Trust should not be prejudiced by the appointment of a receiver since, based on a review of the sale prices of comparable properties and the MPAC assessment value obtained by the MGMIC Receiver and filed on a confidential basis with the Court, Home Trust appears to be fully secured by the property. A copy of the MPAC assessment for the property and Comparable Sales Report are attached hereto and marked as **Exhibit "V"**

35. GTL has agreed to accept the appointment, and a copy of its consent is attached hereto and marked as **Exhibit "W"**. In the MGMIC Receiver's view there is no conflict between GTL's role as proposed Receiver over the Euclid Property and the receiver of MGMIC.

SWORN before me at the City of Toronto, Province of Ontario this 24 day of September, 2019 A Commissioner, etc. Faddie-Ann Lakeram, a Commissioner, etc., Province of Ontario, For Grant Thornton Limited, Expires March 30, 2020.	))))) Jonathan Krieger

APPENDIX 3

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF section 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

B E T W E E N:

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

- and –

2450531 ONTARIO LIMITED

Respondent

AFFIDAVIT OF PAYAM KATEBIAN
(affirmed November 22, 2019)

I, Payam Katebian, of the City of Toronto, in the Province of Ontario, AFFIRM:

1. I am an authorized representative of the Respondent, 2450531 Ontario Limited (the "**Respondent**"), the owner of the subject property in the within proceeding, which property is municipally located at 293 Euclid Avenue, Toronto, Ontario (the "**Property**"), and as such have knowledge of the matters to which I hereinafter depose. Where I have stated facts based on information and belief, I have identified the source of the information and verily believe such facts to be true.

2. I have reviewed the Application Record of the Applicant, Grant Thornton Limited in its capacity as Court-appointed Receiver of Money Gate Mortgage Investment Corporation (the **"Applicant"**). I wish to respond.

3. The appointment of a receiver in this matter on November 25, 2019 (the **"Return Date"**) would be unfair and unjust in the circumstances because, as further deposed to hereinbelow, the Respondent has entered into an agreement of purchase and sale for the Property that would provide for all of the Property's encumbrances to be paid out in full.

THE MARKETING & SALE OF THE PROPERTY

4. I engaged Afshin Nabavi (the **"Agent"**), of TESA Real Estate Inc. Brokerage, to market and sell the Property.

5. On October 16, 2019, the Property was listed for sale on the Multiple Listing Service (**"MLS"**) with an asking price of $1,738,000.00 and an offer date of November 8, 2019. The offer date of November 8, 2019, was chosen to allow for there to be two weekends on which "open house" showings of the Property could occur. Although there were eleven showings, no offers were received.

6. On November 8, 2019, the Property was re-listed at $1,398,888.00 and an open house showing scheduled for the weekend of November 16, 2019, with the offer night scheduled for November 18, 2019. I am advised by the Agent and verily believe that between November 8 and November 16, 2019, there were approximately 40 showings of the Property.

7. On November 18, 2019, four offers, ranging from $1.4 million to $1.55 million, were received. After several days of negotiations, the Respondent entered into an OREA Form 100 Agreement of Purchase and Sale (the "**APS**") with the person, who is an arm's length third party, who made the highest offer. The APS, in relevant part, provides for a purchase price of $1.56 million with a deposit of $70,000.00, conditional upon the purchaser being able to obtain financing by 6 p.m. on the fourth business day after acceptance of the offer (*i.e.* Monday, November 25, 2019), and a closing date of January 21, 2019 (the "**Closing Date**").

8. Because the financing condition has not yet been waived and there are three other offers (the "**Other Offers**") for the Property, I am not annexing a copy of the APS to my affidavit; however, I am advised by my lawyer, Adam J. Wygodny, and verily believe that a copy of the APS was provided to the lawyer for the applicant to the within proceeding along with copies of the other offers received.

No Prejudice to the Applicant; Prejudice to 245

9. In that the Property is the subject of the APS, and there are three other offers in hand—all of which would result in the Applicant being paid out in full—there is no need to further market or show the Property. Further, in light of the approximately 40 showings, the APS and the Other Offers, there is no reason to believe that a better price would be obtained if the instant receivership application is granted.

10. Moreover, in light of the APS and the Other Offers, there is no need for the Applicant to attempt to sell the Property under power of sale or by way of a privately

appointed receiver. The purchase price provided for in the APS and the Other Offers are each sufficient to pay out all registered encumbrances on the Property in full.

11. Finally, on January 30, 2017, 245 paid down the principal of the mortgage by way of four payments totalling $68,874.64. Attached hereto and marked as **Exhibit "A"** is a copy of the statement for the Respondent's bank account on which I highlighted the aforesaid transactions.

REQUEST FOR ADDITIONAL TIME

12. I have kept the Applicant's lawyer apprised of the sale process throughout.

13. On November 13, 2019, my lawyers wrote to the Applicants' lawyer and provided them with an update on the sale process and requested an adjournment of the within application to a date subsequent to the Closing Date. Attached as **Exhibit "B"** is a copy of the email from my lawyers to the Applicant's lawyers dated November 13, 2019.

14. On November 20, 2019, my lawyers provided the Applicant's lawyer with three of the four offers we received (including the APS) and requested that the within matter be adjourned to a date subsequent to the Closing Date. Attached as **Exhibit "C"** is a copy of the emails from my lawyers to the Applicant's lawyers dated November 20, 2019 (without the attached offers).

15. On November 22, 2019, my lawyers again follow-up with the Applicant's lawyer with respect to the request for an adjournment of the within application. Attached as **Exhibit "D"** is a copy of the email from my lawyers to the Applicant's lawyers dated November 22, 2019.

16. Finally, I attach as **Exhibit "E"** a copy of the listing progress report dated November 11, 2019, and the email from the Agent dated November 18, 2019, which provide details as to the number of showing and real estate agents that viewed the Property.

17. I swear this affidavit in opposition to the with application and for no other or improper purpose.

AFFIRMED BEFORE ME at the City of Toronto, in the Province of Ontario on November 22, 2019

Commissioner for Taking Affidavits

ADAM J. WYGODNY

PAYAM KATEBIAN

APPENDIX 4

COUNSEL SLIP

COURT FILE NO.: CV-19-00628085-00CL DATE: Nov. 25, 2019

NO. ON LIST 7.

TITLE OF PROCEEDING: Grant Thornton Limited vs. 2450531 Ontario Limited.

COUNSEL FOR:
- [ ] PLAINTIFF(S)
- [x] APPLICANT(S)
- [ ] PETITIONER(S)

Grant Thornton Limited
Maya Poliak

PHONE (416)218-1161
FAX (416)218-1844
EMAIL maya@chaitons.com

COUNSEL FOR:
- [ ] DEFENDANT(S)
- [x] RESPONDENT(S)

Wygodny, Adam J.

PHONE 416-364-4900
FAX 416-364-3865
EMAIL awygodny@byldlaw.com

JUDICIAL NOTES:

Counsel For: Home Trust Company
Jeffrey Kukla

P: 905-5402467
F: 905-523-6813
E: jeffrey.kukla@gowlingwlg.com

November 25, 2019

This matter came before me on October 16, 2019. The application was commenced Sept 26, 2019 for the appointment of a receiver. The mortgage matured in April 2019. The first mortgage, with Home Trust has been in arrears since August 1. The first listing did not result in any offers. A second listing took place on November 8.

There were a number of showings and four offers were received. The highest was conditional on financing, which must be waived by 6 p.m. today. This was accepted.

Ms. Polish is prepared to hold off exercising any receivership to permit the purchaser to waive the condition and close on the scheduled date of January 21, 2020.

Mr Wygodny adds, in addition, asks if this purchaser does not waive, that his client be given the opportunity, for another week, to pursue a deal with one of the other offerors. This latter indulgence is not satisfactory to Ms. Polish.

Endorsement/Disposition ☐ **See attached Yellow Endorsement Form**

Commercial Form A

The Applicant has been patient and is naturally desirous of avoiding the cost of a receivership. However, the other offers were at prices that have a material impact on the second mortgagee.

In my view, the debtor has had plenty of time to conclude a prudent deal acceptable to the second mortgagee.

If the present agreement goes firm, the applicant can wait until January 21, 2020. If the present condition is not waived, the receivership order may be acted upon.

(4)

Application for appointment of Grant Thornton as receiver over 293 Euclid is granted. Order is stayed until 6:00 p.m. today. If condition is waived, order will be further stayed until January 21, 2020.

Order to issue in the form signed by me this day, subject to the aforesaid endorsement term.

Court File No: CV-19-00628085-00CL Date: Nov.25, 2019

No. on List: 7

Title of Proceeding: Grant Thorton Limited vs 2450531 Ontario Limited

Counsel For Applicant: Grant Thorton Limited, Maya Poliak
Phone: (416) 218-1161
Fax: (416) 218-1844
Email: maya@chaitons.com

Counsel for Respondent: Wygodny, Adam J.
Phone: (416) 364-4900
Fax: (416) 364-3865
Email: awygodny@byldlaw.com

Counsel for Home Trust Company: Jeffry Kukla
Phone: (905) 540-2467
Fax: (905) 523-6813
Email: jeffrey.kukla@gowlingwlg.com

November 25, 2019

This matter came before me on October 16, 2019. The application was commenced September 26, 2019 for the appointment of a receiver. The mortgage matures in April 2019. The first mortgage, with Home Trust has been in arrears since August. The first listing did not result in any offers. A second listing took place on November 8.

There were a number of showings and four offers were received. The highest was conditional on financing, which must be waived by 6p.m. today. This was accepted.

Ms. Poliak is prepared to hold off exercising any receivership to permit the purchaser to waive the condition and close on the scheduled date of January 21, 2020.

Mr. Wygodny also, in addition, asks if this purchaser does not waive, that his client be given the opportunity, for another week, to pursue a deal with one of the other offers. This latter indulgence is not satisfactory to Ms. Poliak.

The Applicant has been patient and is naturally desirous of avoiding the cost of a receivership. However, the other offers were at prices that have a material impact on the second mortgagee.

In my view, the debtor has had plenty of time to conclude a provident deal acceptable to the second mortgagee. If the present agreement goes firm, the applicant can wait until January 21, 2020. If the present condition is not waived the receivership order may be acted upon.

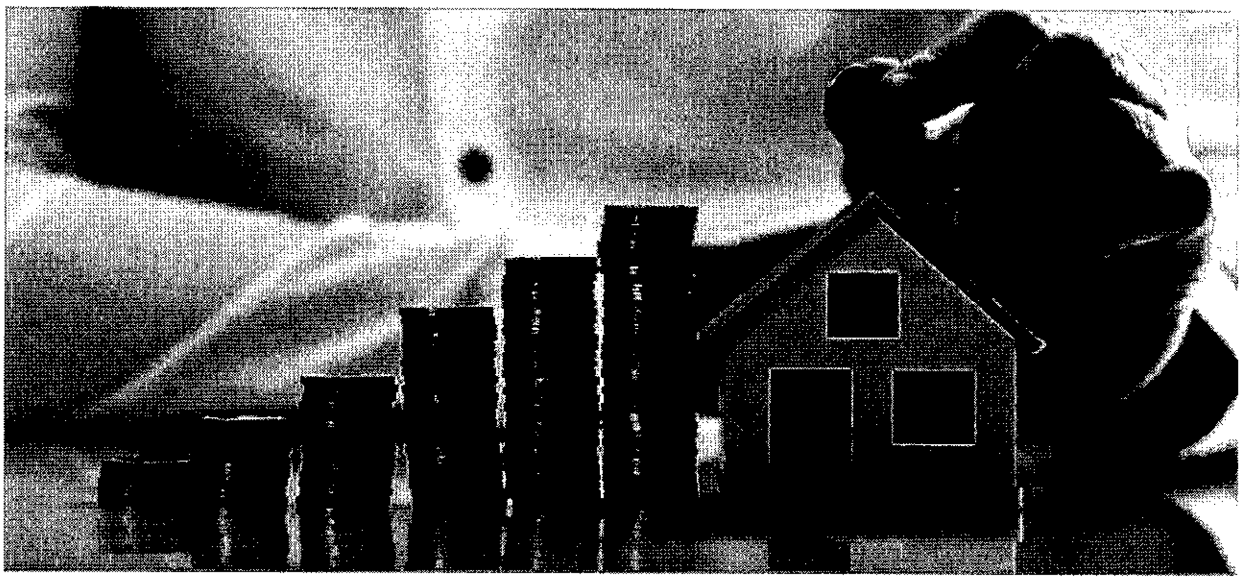
Application of appointment of Grant Thorton as receiver over 293 Euclid is granted. Order is stayed until 6:00 p.m. today. If condition is waived, order will be further stayed until January 21, 2020.

Order to issue in the form signed by me this day, subject to the aforementioned enforcement orders.

APPENDIX 5

MARKETING PLAN

The Ken McDonald Team's 50 point Marketing Plan. How we reach more people and create higher levels of interest that generate higher offers.



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7/10 International Buyers use Re/Max®

Marketing's multiple Goals

While it's the goal of our team to achieve the most amount of money possible for the Seller, there are other goals we achieve as well:

A. Since the value of this property is derived from the rent that the tenants pay, the tenants are also assets that require special attention. If the tenants are not treated with respect, they can become hostile making it difficult to show the property or scaring off potential buyers. We will execute a respectful process that will keep tenants happy and supported.
B. We will obtain terms that are fair market and support the seller's position.
C. Our process is transparent and well documented.
D. As this property is under a court proceeding, extra care will be taken to make sure the seller is protected and that the process is both fair and professionally handled.

Information Forward

I had an opportunity to meet the tenants and two made the comment that having a large amount of showings would be very disruptive to living in the apartment. Selling an income property is different than selling a principal residence. People selling their principal residence get a huge gain by showing their property to the public as their rewards are more money and the opportunity to move on to the next stage of their lives. While tenants on the other hand receive no benefit from the process only inconvenience.

So I am proposing that all my marketing materials be put online up front attached to the listing so that potential buyers can see, analysis and access for themselves if the property is right for them before they visit it.

A. We will provide our industry's best virtual tour where the potential buyers can see and "virtually" walk through all five apartments.
B. We'll provide a Carson and Dunlop Home inspection to make clear the properties attributes and deficiencies before they step foot on the property.
C. A floor plan of the property will be created so potential buyers can completely understand the layout and room dimensions.
D. A three minute listing video will be made available putting forward the benefits of the property and the opportunity it provides.
E. An accurate income statement will be provided showing the net income and the return offered.
F. Unlike previous listings on the property, 20 edited photos will be put on MLS.

We believe that this will weed out the tire kickers and keep the tenants happy and cooperative.

DETAILED MARKETING PLAN

PRE-LISTING SERVICES
Private Consultation to assess your Needs
Strategy discussion to maximize Monies received while reducing risk
Full explanation of current market
Current Market assessment of your property
Explanation of all Legal documents and forms
MARKETING SERVICES
HD Virtual Tour posted on Multiple Websites
Complete Floor and Room Measurements linked to listing
Home Inspection linked to listing
Posted to 1,600 Re/Max Hallmark Agents Websites
Social Media – Listing Video
Exposure on Corporate Re/Max® websites; local , Provincial, Regional and Global Multi-Lingual Site, IDX and DDF
Exposure on Social Media; Facebook and Instagram, LinkedIn
Exposure on our Private Website with Direct Marketing to our Database

Use of Search Engine Optimization to improve positioning online
20 Edited images uploaded to MLS site
Full Colour Feature brochures prepared and Replenished as required
Unlimited Interior and Exterior professional Photography enhanced for Publishing to Web and MLS
Multiple Listing Service with Toronto Real Estate Board
Full Colour – 'For Sale' sign
FOLLOW UP SERVICES DURING THE LISTING PERIOD
Contact each Realtor for feedback on showing your home
Provide weekly feedback report to you by email
New listings and sales to be provided throughout the duration of the listing – constant 'Market Watch"
Representation after business hours, holidays and weekends
Immediate Response to all internet Inquiries
Explanation of the market value of the property to all inquiring Agents
OFFERS | NEGOTIATION SERVICES
Attend all offer Presentations in person / if Required
Review and explain all terms and conditions of every offer
Negotiate counter offers until acceptance
Ensure proper contingencies are in place to protect your interests
Re-negotiate (if required) to amend and or terms to satisfy deficiencies after home inspection
Draft/Revise/Review/Analyze waivers, Notice of Fulfillment, Amendments and other legal paperwork associated with your sale
Follow up with conditions/terms in agreement; draft all related paperwork as required
Co-ordinate and assist with other specialists on your behalf as often as required to bring ...the offer to firm status (i.e. Home inspectors, Trades, Contractors, Engineers, Home insurance, Financial Institutions, Lawyers etc.)
Accept and monitor Monies in trust Account pending closing
Package and send all documents and information as required to your lender, lawyer and other professionals related to the transaction
Alert Lawyer on your behalf, if holdbacks are warranted, or re-negotiate if terms have not been met in the agreement.
CONSUMER PROTECTION SERVICES
Service guarantee in writing
Privacy Policy
Carry Professional Liability Insurance
Full-Time non-selling Support Manager
POST SALE SERVICES
Attend the home inspection with the cooperating agent
Provide moving guide and checklists
Available via Phone call/text/email on Closing Date
Post-Closing follow up; negotiate any issues on your behalf after closing if required

Listing Price

I believe the most effective listing price would be $1,550,000.

Listing Agreement Term

I'm proposing a listing of 4 months. Please note that in this time frame the period from now until January 15th 2020 is virtually a dead zone for activity and that a sale will mostly occur in January or February 2020.

Commission

The total commission shall be 4% whereas the listing broker shall work for 1.5% and the selling broker will be provided 2.5%.

We hope this meets your needs and should you require any further information please feel free to contact us.

APPENDIX 6

Authentisign ID: 6F2E8DF3-B065-4195-9EE4-C30DAA7AC900 -542F1EF1B85D

OREA Ontario Real Estate Association

Form 801
for use in the Province of Ontario

Offer Summary Document
For use with Agreement of Purchase and Sale

For Brokerage submitting the offer on behalf of the Buyer:

When sent to the Listing Brokerage this form can be used as evidence that you have a written signed offer from a Buyer to the Seller.

REAL PROPERTY ADDRESS: 293 EUCLID AVE Toronto ON M6J 2K1 (the "property")
(municipal address and/or legal description)

for an Agreement of Purchase and Sale dated: the 15 day of January, 20 20 ("offer")

This offer was submitted by: **BROKERAGE:** RE/MAX HALLMARK REALTY LTD.

SALES REPRESENTATIVE/BROKER: JUSTIN WU

I/We, Phillip Huang, have signed an offer for the property.
Name of Buyer(s)

Authentisign
Phillip Huang 01/15/2020
(Signature of Buyer) 01/15/2020 8:44 PM EST (Date) (Signature of Buyer) (Date)

This offer was submitted, email (by fax, by email or in person) to the Listing Brokerage at 9:00 PM (a.m./p.m.) on the 15th day of January, 20 20 Irrevocable until 7:00 (a.m./p.m.) on the 16 day of January, 20 20

(For Buyer counter offer - complete the following)

I/We, Phillip Huang, have signed an offer for the property.
Name of Buyer(s)

(Signature of Buyer) (Date) (Signature of Buyer) (Date)

An offer was submitted, ... (by fax, by email or in person) to the Listing Brokerage at .... (a.m./p.m.) on the .... day of ...., 20............ Irrevocable until .... (a.m./p.m.) on the .... day of ...., 20............

For Listing Brokerage receiving the offer:

SELLER(S): Grant Thornton Limited In Its Capacity As Receiver Over 293 Euclid

SELLER(S) CONTACT: email
(ie. phone / email / fax)

LISTING BROKERAGE: RE/MAX HALLMARK REALTY LTD.

SALES REPRESENTATIVE/BROKER: KENNETH B MCDONALD

This offer was received, email (by fax, by email or in person) by the Listing Brokerage at 9:32 pm (a.m./p.m.) on the 15th day of January, 20 20.

This offer was presented, email (by fax, by email or in person) to the Seller(s) at 9:45 pm (a.m./p.m.) on the 15th day of January, 20 19.

Offer was: ☐ Accepted ☒ Signed Back/Countered ☐ Expired/Declined

Comments: ....

OREA Ontario Real Estate Association

Form 320
for use in the Province of Ontario

Confirmation of Co-operation and Representation

BUYER: Phillip Huang

SELLER: Grant Thornton Limited In Its Capacity As Receiver Over 293 Euclid

For the transaction on the property known as: 293 EUCLID AVE Toronto ON M6J 2K1

DEFINITIONS AND INTERPRETATIONS: For the purposes of this Confirmation of Co-operation and Representation:
"Seller" includes a vendor, a landlord, lessor, or a prospective, seller, vendor, landlord or lessor and "Buyer" includes a purchaser, a tenant, lessee or a prospective, buyer, purchaser, tenant or lessee and "sale" includes a lease, and "Agreement of Purchase and Sale" includes an Agreement to Lease. Commission shall be deemed to include other remuneration.

The following information is confirmed by the undersigned salesperson/broker representatives of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act, 2002, (REBBA).

1. LISTING BROKERAGE

a) ☐ The Listing Brokerage represents the interests of the Seller in this transaction. It is further understood and agreed that:

1) ☐ The Listing Brokerage is not representing or providing Customer Service to the Buyer.
(If the Buyer is working with a Co-operating Brokerage, Section 3 is to be completed by Co-operating Brokerage)

2) ☐ The Listing Brokerage is providing Customer Service to the Buyer.

b) ☒ **MULTIPLE REPRESENTATION:** The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction. The Listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage. However, the Listing Brokerage shall not disclose:

- That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
- The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- The price the Buyer should offer or the price the Seller should accept;
- And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

Additional comments and/or disclosures by Listing Brokerage: (e.g. The Listing Brokerage represents more than one Buyer offering on this property.)

2. PROPERTY SOLD BY BUYER BROKERAGE – PROPERTY NOT LISTED

☐ The Brokerage ....represent the Buyer and the property is not listed with any real estate brokerage. The Brokerage will be paid
(does/does not)

☐ by the Seller in accordance with a Seller Customer Service Agreement

or: ☐ by the Buyer directly

Additional comments and/or disclosures by Buyer Brokerage: (e.g. The Buyer Brokerage represents more than one Buyer offering on this property.)

INITIALS OF BUYER(S)/SELLER(S)/BROKERAGE REPRESENTATIVE(S) (Where applicable)

PH	JW	DS	DS
BUYER	**CO-OPERATING/BUYER BROKERAGE**	**SELLER**	**LISTING BROKERAGE**

3. Co-operating Brokerage completes Section 3 and Listing Brokerage completes Section 1.

CO-OPERATING BROKERAGE- REPRESENTATION:

a) ☐ The Co-operating Brokerage represents the interests of the Buyer in this transaction.

b) ☐ The Co-operating Brokerage is providing Customer Service to the Buyer in this transaction.

c) ☐ The Co-operating Brokerage is not representing the Buyer and has not entered into an agreement to provide customer service(s) to the Buyer.

CO-OPERATING BROKERAGE- COMMISSION:

a) ☐ The Listing Brokerage will pay the Co-operating Brokerage the commission as indicated in the MLS® information for the property

.... to be paid from the amount paid by the Seller to the Listing Brokerage.
(Commission As Indicated In MLS® Information)

b) ☐ The Co-operating Brokerage will be paid as follows:

Additional comments and/or disclosures by Co-operating Brokerage: (e.g., The Co-operating Brokerage represents more than one Buyer offering on this property.)

The sales representative for the buyer will receive a commission of 2.5% of the Purchase Price + HST on closing of the transaction

DS

Commission will be payable as described above, plus applicable taxes.

COMMISSION TRUST AGREEMENT: If the above Co-operating Brokerage is receiving payment of commission from the Listing Brokerage, then the agreement between Listing Brokerage and Co-operating Brokerage further includes a Commission Trust Agreement, the consideration for which is the Co-operating Brokerage procuring an offer for a trade of the property, acceptable to the Seller. This Commission Trust Agreement shall be subject to and governed by the MLS® rules and regulations pertaining to commission trusts of the Listing Brokerage's local real estate board, if the local board's MLS® rules and regulations so provide. Otherwise, the provisions of the OREA recommended MLS® rules and regulations shall apply to this Commission Trust Agreement. For the purpose of this Commission Trust Agreement, the Commission Trust Amount shall be the amount noted in Section 3 above. The Listing Brokerage hereby declares that all monies received in connection with the trade shall constitute a Commission Trust and shall be held, in trust, for the Co-operating Brokerage under the terms of the applicable MLS® rules and regulations.

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

RE/MAX HALLMARK REALTY LTD. (Name of Co-operating/Buyer Brokerage)	RE/MAX HALLMARK REALTY LTD. (Name of Listing Brokerage)
685 SHEPPARD AVE E #401 TORONTO ON M2K1B6	724 PAPE AVENUE TORONTO ON M4K3S7
Tel: (416) 494-7653 Fax: (416) 494-0016	Tel: (416) 462-1888 Fax: (416) 462-3135
Authentisign 01/15/2020 (Authorized to bind the Co-operating/Buyer Brokerage) (Date)	DocuSigned by: ADB0BC8C506645B... 1/16/2020 (Authorized to bind the Listing Brokerage) (Date)
JUSTIN WU (Print Name of Salesperson/Broker/Broker of Record)	KENNETH B MCDONALD (Print Name of Salesperson/Broker/Broker of Record)

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction)

The Buyer/Seller consent with their initials to their Brokerage representing more than one client for this transaction.

PH DS

BUYER'S INITIALS **SELLER'S INITIALS**

ACKNOWLEDGEMENT

I have received, read, and understand the above information.

Authentisign Phillip Huang 1/15/2020 9:24:13 PM EST	01/15/2020	DocuSigned by: 2516DF0D75BE4A3...	1/16/2020
(Signature of Buyer) Phillip Huang	(Date)	(Signature of Seller)	(Date)
(Signature of Buyer)	(Date)	(Signature of Seller)	(Date)

OREA Ontario Real Estate Association

Agreement of Purchase and Sale

Form 100
for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 15 day of January 20 20

BUYER: Phillip Huang, agrees to purchase from
(Full legal names of all Buyers)

SELLER: Grant Thornton Limited in its capacity as Receiver over 293 Euclid Avenue, Toronto, Ontario, and not in its personal or corporate capacity., the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address 293 Euclid Avenue Toronto On M6J 2K1

fronting on the East side of Euclid Avenue

in the City of Toronto

and having a frontage of 17.5 Feet more or less by a depth of 129 Feet more or less

and legally described as PT LT 108 PL 314 Toronto as in CA758318; City of Toronto

(Legal description of land including easements not described elsewhere) (the "property")

PURCHASE PRICE: Dollars (CDN$) $1,565,000

One million five hundred and sixty five thousand Dollars

DEPOSIT: Buyer submits Upon Acceptance
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

Seventy Five Thousand Dollars (CDN$) 75,000

by Bank Draft ~~negotiable cheque~~ payable to Chaitons LLP, In Trust ~~Re/Max Hallmark Realty Ltd.~~ "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A & B & C **attached hereto form(s) part of this Agreement.**

1. **IRREVOCABILITY:** This offer shall be irrevocable by Seller ~~Buyer~~ (Seller/Buyer) until 9:00 ~~7:00~~ PM (a.m./p.m.) on the 16 day of January 20 20, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 5:00 ~~6:00~~ p.m. on the .... day of See Schedule "A 20 .... ~~Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.~~

INITIALS OF BUYER(S): PH **INITIALS OF SELLER(S):**

3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: 416-218-1844 (lawyer) (For delivery of Documents to Seller) FAX No.: .... (For delivery of Documents to Buyer)

Email Address: ken@kenmcdonald.ca (For delivery of Documents to Seller) Email Address: Justin@jwurealestate.com (For delivery of Documents to Buyer)

and Maya@chaitons.com (lawyer)

4. **CHATTELS INCLUDED:**

All Existing Fridges, Stoves, Hood-fans, Electrical Light Fixtures, Washer and Dryer.

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:**

Those fixtures owned by the tenants.

6. **RENTAL ITEMS (Including Lease, Lease to Own):** The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

Hot Water Heater (if a rental)

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. **HST:** If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be In addition to ~~included in~~ (included in/in addition to) the Purchase Price. ~~If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the sale of the property is not subject to HST.~~ Any HST on chattels, if applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

Authentisign ID: 6F2E8DF3-B065-4195-9EE4-C30DAA7AC900 -542F1EF1B85D

8. ~~**TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the .... day of ...., 20..........., (Requisition Date) to examine the title to the property at Buyer's own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or, (ii) five days prior to completion, to satisfy Buyer that there are no outstanding work orders or deficiency notices affecting the property, and that its present use (...) may be lawfully continued and that the principal building may be insured against risk of fire.~~ Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require, provided that no such authorizations shall authorize any inspection of the Real Property by the municipality or any other governmental authorities.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land ~~providing that such are complied with,~~ (b) any registered municipal agreements and registered agreements with publicly regulated utilities ~~providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility;~~ (c) any minor easements for the supply of domestic utility or telecommunication services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines or other ~~services which do not materially affect the use of the property.~~ services If within the specified times referred to in paragraph 8 any valid objection to title ~~or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire~~ is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario. Unless otherwise agreed to by the lawyers, such exchange of Requisite Deliveries shall occur by the delivery of the Requisite Deliveries of each party to the office of the lawyer for the other party or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property ~~except such as are in the possession or control of Seller.~~ If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller. **The Buyer acknowledges having the opportunity to include a requirement for a property inspection report in this Agreement and agrees that except as may be specifically provided for in this Agreement, the Buyer will not be obtaining a property inspection or property inspection report regarding the property.**

14. **INSURANCE:** ~~All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and~~ in the event of substantial damage, the Buyer Shall ~~may either terminate this Agreement and have all monies paid returned without interest or deduction or else~~ take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. ~~If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.~~

INITIALS OF BUYER(S): PH **INITIALS OF SELLER(S):**

DS

~~15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at Seller's expense to obtain any necessary consent by completion.~~

DS

16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. ~~If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.~~

17. **RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada; (b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.

18. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.

19. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.

20. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.

21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

22. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless the spouse of the Seller has executed the consent hereinafter provided.

DS

~~23. **UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.~~

DS

24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this docuement.

25. **CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.**

26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.

27. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S): PH **INITIALS OF SELLER(S):** DS

28. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) — Authentisign *Phillip Huang* 1/15/2020 9:22:45 PM EST (Buyer) (Seal) 01/15/2020 (Date)

(Witness) (Buyer) (Seal) (Date)

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) — DocuSigned by: E916DF0D75DE4A3... (Seller) Grant Thornton Limited in its capacity as Receiver over (Seal) 1/16/2020 (Date)

(Witness) (Seller) Toronto, Ontario, and not in its personal or corporate cap (Seal) (Date)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

(Witness) (Spouse) (Seal) (Date)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 7 PM (a.m./p.m.) ☐ ☐ this 16 day of January, 20 20

Authentisign *Phillip Huang* (Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)

Listing Brokerage RE/MAX Hallmark Realty Ltd. 416-426-1888 (Tel.No.)

Kenneth B. McDonald (Salesperson/Broker/Broker of Record Name)

Co-op/Buyer Brokerage RE/MAX HALLMARK REALTY INC 416-494-7653 (Tel.No.)

Justin Wu (Salesperson/Broker/Broker of Record Name)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

DocuSigned by: (Seller) Grant Thornton Limited in its capacity as Receiver over E916DF0D75DE4A3... 1/16/2020 (Date)

(Seller) Toronto, Ontario, and not in its personal or corporate cap (Date)

Address for Service

(Tel. No.)

Seller's Lawyer Maya Poliak - Chaitons LLP

Address 5000 Yonge St. Fl 10, Toronto, On

Email maya@chaitons.com

416-218-1161 (Tel. No.) 416-218-1844 (Fax. No.)

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

Authentisign *Phillip Huang* 1/16/2020 5:40:55 PM EST (Buyer) 01/16/2020 (Date)

(Buyer) (Date)

Address for Service

(Tel. No.)

Buyer's Lawyer Adam Richardson - Korman & Co

Address 721 Queen St E, Toronto, ON M4M 1H1

Email adam@kormancompany.com

416-465-4232 (Tel. No.) 416-465-6912 (Fax. No.)

FOR OFFICE USE ONLY **COMMISSION TRUST AGREEMENT**

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:
In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:

DocuSigned by: (Authorized to bind the Listing Brokerage) (Authorized to bind the Co-operating Brokerage)

SCHEDULE "A" TO THE AGREEMENT OF PURCHASE AND SALE

1. The Real Property is being sold on an "as is, where is" and "without recourse" basis with no representations, warranties or (except as expressly stated herein) condition, express or implied, statutory or otherwise of any nature and kind whatsoever as to title, encumbrances, description, present or future use, fitness for use, environmental condition including the existence of hazardous substances, merchantability, quantity, defect (latent or patent), condition, location of structures, improvements and mezzanines or the legality thereof, zoning or lawful use of the Real Property, rights over adjoining properties and any easements, right-of-way, rights of re-entry, restrictions and/or covenants which run with the land, ingress and egress to the Real Property, the condition or state of repair of any chattels, encroachments on the Real Property by adjoining properties or encroachments by the Real Property on adjoining properties, if any, any outstanding work orders, orders to comply, deficiency notices, building permits or building permit applications, municipal or other governmental requirements agreements or requirements (including site plan agreements, development agreements, subdivision agreements, building or fire codes, building and zoning bylaws and regulations, development fees, imposts, lot levies and sewer charges) or any other matter or thing whatsoever, either stated or implied. The Buyer acknowledges having reviewed the state of title to the Real Property and agrees to accept title subject to all of the foregoing, and that it shall, despite any presumption to the contrary at law or otherwise, not be entitled to make any requisition as to title or otherwise.

2. This Agreement is conditional upon the Seller obtaining an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") in the receivership proceeding for the Real Property (Court File No. CV-19-00628085-00CL) approving the Agreement and the sale transaction contemplated thereby and vesting title to the Real Property in the Buyer, on Closing (as hereinafter defined), free and clear of all claims and encumbrances, except for permitted encumbrances listed in Schedule B hereto (collectively, the "**Approval and Vesting Order**"). On Closing, title will be transferred by the Approval and Vesting Order and not by Transfer/Deed of Land.

3. The transaction contemplated hereunder shall be completed (the moment of completion shall be referred to as "**Closing**") on the day which is thirty (30) days immediately following the date upon which the Seller obtains the Approval and Vesting Order (the "**Closing Date**"), provided however, that such Closing shall be no earlier than at least ten (10) days after the date of the Approval and Vesting Order and that the Approval and Vesting Order has not been appealed prior to Closing.

4. The Buyer acknowledges that it has relied entirely on its own judgment, inspection and investigation of the Real Property and any rights necessary to the access, use and enjoyment of, appurtenant or otherwise, the Real Property.

5. The Seller shall not be required to furnish any abstracts of title or any survey or other document.

6. The Buyer acknowledges and agrees that the Buyer will acquire from the Seller all of the chattels currently situate at the Real Property for which the Seller has authority to sell (the "**Chattels**") in accordance with and subject to the provisions hereinafter set out. The Buyer acknowledges and agrees that it is acquiring such Chattels on an "as is where is" basis. The Buyer represents and

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warrants to the Seller that the Buyer has absolutely satisfied itself as to the status and condition of such Chattels including, without limitation, their state of repair.

7. The Buyer acknowledges that the fixtures, improvements and Chattels (to the extent applicable), if any, presently on the Real Property are to be taken by it, at its own risk completely, without representation or warranty of any kind from the Seller as to the ownership or state of repair of any such fixtures, improvements and Chattels (to the extent applicable). The Buyer further acknowledges that the fixtures and Chattels (to the extent applicable) presently on the Real Property may be subject to security interests.

8. The Buyer agrees with the Seller that the Buyer takes title to the Real Property subject to any tenancies in existence (the "**Existing Tenancies**"). The Buyer shall obtain possession of the Real Property at the Buyer's own expense. The Buyer acknowledges that the Seller will not obtain or provide any acknowledgements, representations, warranties, estoppels or agreements with respect to the Real Property and/or the Existing Tenancies thereof from, *inter alios*, any third parties, the property manager and any tenants. Notwithstanding the foregoing, the Buyer hereby acknowledges and agrees that the assignment of the Existing Tenancies shall exclude any arrears of rent properly due and owing under any lease agreement as of the Closing Date, if any, and such arrears shall remain the property of the Seller to be collected by it on its own account.

9. The Buyer acknowledges that any information supplied to the Buyer by the Seller or its agents or representatives is, and was supplied, without any representation or warranty, and that the responsibility for the verification of any such information shall be wholly the responsibility of the Buyer.

10. The Buyer shall be responsible for payment of all outstanding realty taxes and utilities, to the extent applicable, owing on the Real Property from the Closing Date, and payment of all taxes exigible on sale and transfer of the Real Property and any fixtures and Chattels (to the extent applicable), including without limitation, HST as applicable, retail sales tax as applicable and Land Transfer Tax.

11. The Seller shall provide the Buyer with only the keys to the Real Property that are in its possession.

12. On or prior to the Closing Date, the Buyer shall deliver to the Seller the following items, duly executed by the Buyer (if applicable):

    (a) the balance of the purchase price for the Real Property;

    (b) all certificates, indemnities, declarations and other evidence contemplated hereby in form and content reasonably satisfactory to the Seller's solicitors, acting reasonably, including, without limitation, a certificate of the Buyer acknowledging that the Property is being purchased on an "as-is, where-is" basis;

    (c) evidence satisfactory to the Seller that the Buyer is registered for HST under the *Excise Tax Act,* including the Buyer's registration number for purposes of HST together with an indemnity in form satisfactory to the Seller acting reasonably to pay the applicable HST with respect to the sale of the Real Property;

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(d) an undertaking realty tax refunds attributable to the period prior to the Closing Date, in such form as may be required by the Seller or its solicitors;

(e) a certificate of a senior officer of the Buyer certifying that each of the warranties and representations of the Buyer set out herein are true and accurate on the Closing Date except as disclosed therein; and

(f) any other documents relative to the completion of this Agreement as may be required by the Seller or the Seller's solicitors.

13. The Seller is entering into this Agreement solely in its capacity as the Receiver of the Real Property pursuant to the provisions of the order of the Ontario Superior Court of Justice (the "**Court**") dated November 25, 2019 and not in its personal or any other capacity and the Seller and its agents, officers, directors and employees will have no personal or corporate liability under or as a result of this Agreement, or otherwise in connection herewith. Any claim against the Seller shall be limited to and only enforceable against the Real Property and assets then held by or available to it in its said capacity as Receiver of the Real Property and shall not apply to its personal property and assets held by it in any other capacity. The term "Seller" as used in this Agreement shall have no inference or reference to the present registered owner of the Real Property.

14. The Buyer covenants and agrees that it will:

(a) keep confidential all non-public reports and non-public results of its inspections, tests, studies, surveys and investigations and all non-public information provided by the Seller or its agents to the Buyer hereunder; and

(b) effective on and after the Closing Date, assume and be fully responsible for any other obligations and liabilities assumed by the Buyer as provided for by this Agreement.

15. The Buyer hereby represents and warrants to the Seller as follows:

(a) the Buyer is and will be as of the Closing Date, a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified to purchase and own the Real Property and the Buyer has full power, authority and capacity to enter into this Agreement and carry out the transaction contemplated herein;

(b) all necessary action on the part of the Buyer and its directors has been taken to authorize and approve the execution and delivery of this Agreement and the completion of the transaction contemplated herein;

(c) no consent or approval of or registration, declaration or filing with any governmental authority, body, agency, commission, board, bureau, or department, whether federal, provincial or municipal, having or claiming jurisdiction over the Real Property is required for the execution or delivery of this Agreement by the Buyer, the validity or enforceability of this Agreement against the Buyer, or the performance by the Buyer of any of its

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obligations hereunder; and the Buyer is not a non-Canadian within the meaning of the *Investment Canada Act* (Canada).

16. The foregoing representations and warranties shall survive and shall not merge on the Closing Date.

17. This Agreement may be signed in counterpart and an electronic copy of a signature will be deemed to be as effective as if signed in the original.

18. In the event of any conflict or inconsistency between any provision of this Schedule "A" and any provision of this Agreement of Purchase and Sale not contained in Schedule "A", the provision of Schedule "A" shall govern and prevail.

19. The seller acknowledges and agrees that on or before closing the buyer shall have the right to direct title to the property to be registered in the name of a corporation to be determined; provided however that the buyer shall remain liable for all representations, warranties and covenants contained in this offer to purchase until the closing has been successfully completed.

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20. This Offer is conditional upon the approval of the terms hereof by the Buyer's Solicitor. Unless the Buyer gives notice in writing delivered to the Seller personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto January 22nd at 6:00 pm. not later than ~~5 pm Jan 24~~, 2020, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller as aforesaid within the time period stated herein.

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SCHEDULE "B"

PERMITTED ENCUMBRANCES

1. any reservations, restrictions, rights of way, easements or covenants that run with the land, to the extent such reservations, restrictions, rights of way, easements or covenants are preserved by Section 44 of the Land Titles Act (Ontario);
2. any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service;
3. all laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Real Property;
4. any minor easements for the supply of utility service to the Real Property or adjacent properties;
5. encroachments disclosed by any errors or omissions in existing surveys of the Real Property or neighbouring properties, which surveys have been delivered to the Buyer prior to execution of the Sale Agreement, and any title defect, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the Real Property and survey matters generally;
6. the exceptions and qualifications set forth in the Land Titles Act (Ontario); and
7. the reservations contained in the original grant from the Crown.

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OREA Ontario Real Estate Association

Form 105
for use in the Province of Ontario

Schedule C
Agreement of Purchase and Sale

Toronto Real Estate Board

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Phillip Huang, and

SELLER, Grant Thornton Limited in its capacity as Receiver over 293 Euclid Avenue, Toronto, Ontario, and not in its **

for the property known as 293 Euclid Avenue Toronto

dated the 15 day of January, 20 20

**name continued - "personal or corporate capacity"

The parties hereto consent and agree to the use of electronic signature pursuant to the Electronic Commerce Act 2000, S.O. 2000, c17 as amended from time to time with respect to this Agreement and any other documents respecting this transaction.

All parties in this transaction acknowledge and agree that the Buyer or his agent must deliver the above-mentioned deposit by bank draft payable to Seller's Solicitor's office., within 1 business day (excluding Saturdays, Sundays and Statutory holidays) of acceptance of this Agreement.

The Buyer and Seller agree and/or acknowledge that no information provided by RE/MAX Hallmark Realty Ltd., is to be construed as expert legal, financial, tax, building condition, zoning, construction, environmental or other professional advice and that they have the opportunity to consult with any such professional advisors prior to signing this agreement.

The Buyer and Seller agree and/or acknowledge that all information provided by RE/MAX Hallmark Realty Ltd., in the MLS listing, feature sheet, pre-inspection report, survey, side report [if any], floor plans and any other marketing materials have been obtained through sources deemed reliable; however they have been provided for information purposes only and as such, RE/MAX Hallmark Realty Ltd. does not warrant their accuracy. The Buyer is advised to verify any and all information upon which he or she is relying.

Buyer acknowledges that the Seller, Listing agent, and Buyer's agent are making no representation with regards to retrofit requirements of any of the units in the subject property, as well as any proposed or future use by the Buyer. The Buyer agrees to hold Seller, Listing agent and the Buyer's agent harmless from any and all liabilities arising from the Buyer's use of the subject property.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): PH **INITIALS OF SELLER(S):** DS

OREA Ontario Real Estate Association

Amendment to Agreement of Purchase and Sale

Form 120
for use in the Province of Ontario

BETWEEN:
BUYER: Phillip Huang
AND
SELLER: Grant Thornton Limited In Its Capacity As Receiver

RE: Agreement of Purchase and Sale between the Seller and Buyer, dated the 15 day of January, 20 20,

concerning the property known as 293 EUCLID AVE

Toronto ON M6J 2K1 as more particularly described in the aforementioned Agreement.

The Buyer and Seller herein agree to the following amendment(s) to the aforementioned Agreement:

Delete:
20. This Offer is conditional upon the approval of the terms hereof by the Buyer's Solicitor. Unless the Buyer gives notice in writing delivered to the Seller personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than Jan 22, 2020 at 6:00 PM that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller as aforesaid within the time period stated herein.

Insert:
Notwithstanding any provision to the contrary, the Closing Date of the transaction shall be no later than April 30, 2020, failing which this transaction shall be terminated, with all monies returned to the Buyer without interest or deduction.

The Seller shall provide completed Tenant Acknowledgements for all 5 residential units of the property on the Buyer's Solicitor's form by no later than 1 week prior to final closing, failing which the Seller shall credit the Buyer $1,500 per missing Tenant Acknowledgement on the Statement of Adjustments as compensation for failing to comply with this provision.

INITIALS OF BUYER(S): PH

INITIALS OF SELLER(S): DS Jk

IRREVOCABILITY: This Offer to Amend the Agreement shall be irrevocable by Buyer (Seller/Buyer) until 6:00 (a.m./p.m.)

on the 23 day of January, 2020, after which time, if not accepted, this Offer to Amend the Agreement shall be null and void.

For the purposes of this Amendment to Agreement, "Buyer" includes purchaser and "Seller" includes vendor.
Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective solicitors who are hereby expressly appointed in this regard.

All other Terms and Conditions in the aforementioned Agreement to remain the same.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Authentisign
Phillip Huang
1/22/2020 12:43:15 PM EST

(Witness) (Buyer/Seller) (Seal) 01/22/2020 (Date)

(Witness) (Buyer/Seller) (Seal) (Date)

I, the Undersigned, agree to the above Offer to Amend the Agreement.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

DocuSigned by:
Jonathan Krieger
E916DF0D75DE4A3...

(Witness) (Buyer/Seller) (Seal) 1/22/2020 (Date)

(Witness) (Buyer/Seller) (Seal) (Date)

The undersigned spouse of the Seller hereby consents to the amendment(s) hereinbefore set out.

(Witness) (Spouse) (Seal) (Date)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 2:40 pm (a.m./p.m.) this 22nd day of January, 2020

DocuSigned by:
Jonathan Krieger
E916DF0D75DE4A3...
(Signature of Seller or Buyer)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

DocuSigned by:
Jonathan Krieger
E916DF0D75DE4A3...
(Seller) ... Limited In Its Capacity As Receiver Over (Date) 1/22/2020

(Seller) (Date)

Address for Service

(Tel. No.)

Seller's Lawyer

Address

Email

(Tel. No.) (Fax. No.)

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

(Buyer) Phillip Huang (Date)

(Buyer) (Date)

Address for Service

(Tel. No.)

Buyer's Lawyer

Address

Email

(Tel. No.) (Fax. No.)

APPENDIX 7

PROPERTY DESCRIPTION: PT LT 108 PL 314 TORONTO AS IN CA758318; CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:	RECENTLY:	PIN CREATION DATE:
FEE SIMPLE LT CONVERSION QUALIFIED	FIRST CONVERSION FROM BOOK	2003/06/23

OWNERS' NAMES	CAPACITY	SHARE
2450531 ONTARIO INC	ROWN	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) ***						
***SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:*						
*** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, 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: 2003/06/23 ***						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
AT3832218	2015/03/13	TRANSFER	$2	MACAULAY, KERRI ANN	2450531 ONTARIO INC	C
AT3999558	2015/09/02	TRANSFER OF CHARGE		MONEY GATE MIC	MONEY GATE MIC 2418047 ONTARIO INC	C
REMARKS: AT3880352.						
AT4329958	2016/09/01	CHARGE	$1,120,000	2450531 ONTARIO INC	HOME TRUST COMPANY	C
AT4353622	2016/09/27	CHARGE	$282,500	2450531 ONTARIO INC	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
AT4526574	2017/03/31	CAUTION-LAND	$2	2450531 ONTARIO INC	GHAFFARI, BITA	C
AT5004195	2018/11/09	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST	GRANT THORNTON LIMITED	C
REMARKS: AT4353622 APPOINTS RECEIVER FOR MONEY GATE MORTGAGE INVESTMENT CORPORATION						
AT5009854	2018/11/16	CERTIFICATE		ONTARIO SECURITIES COMMISSION		C
REMARKS: CERTIFICATE OF DIRECTION.						

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT5381185	2020/03/04	APL (GENERAL)		GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER OVER THE PROPERTY		

APPENDIX 8

MONEY GATE Corporation

Money Gate Corp. – License # 12451 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

September 15th, 2016

Residential SECOND Mortgage

Based upon and subject to the accuracy of information furnished to us, we undertake to provide the mortgage financing, subject to the following terms and conditions set out below, and on Schedules "A" & "B" & "C" & "D" (if applicable), which schedules forms part of this Commitment.

Type of Mortgage: Residential Second Mortgage
Lender: Money Gate Mortgage Investment Corporation

Main Borrower: 2450531 Ontario Limited
Guarantor: Payam Katebian

Loan Amount: $282,500
Property Address: 293 Euclid Ave. Toronto Ont. M6J2K1

Term (Months)	Interest Rate	Interest PMT	Funding Date	Amortization (Months)	Lending Fee	Non Refundable Deposit
12	**12.00%**	**$2,825.00**	**September 21, 2016**	**Int. Only**	**N/A**	**N/A**

By signing this commitment you are acknowledging that the interest adjustment date may change if the final funding date changes.

Payments due under this mortgage will be made by a pre-authorized payment debit system. This mortgage will be paid monthly unless otherwise indicated by the Borrower and authorized by the lender on the Schedule A attached herein.

Additional Costs:

Your acceptance of this Commitment will be your undertaking to pay these costs together with all legal costs and fees incurred, whether or not this Charge/Mortgage is advanced. Please reference registered Standard Charge Terms No. 200433(ON) which form part of this commitment.

SOLICITOR – will be appointed to act on our behalf in this transaction. All documentation including, but not limited to, delivery of evidence confirming valid title insurance with applicable schedules from a title insurer approved by the lender and fire insurance must be acceptable to use prior to the advance of funds. Prior to closing, the solicitor is instructed to notify the lender or an agent approved by us, and the relevant underwriting department of the title insurer, of any concerns the solicitor may have regarding the identity of the borrower, the validity of prior registered instruments (particularly transfers and discharges), and any other matters that may affect the title of the subject property and/or the enforceability or priority of the lender's mortgage. In these circumstances, the solicitor may not proceed to complete the transaction until such time as the solicitor has obtained both the title insurer's and the lender's written authorization to proceed.

IN ALL MATTERS, TIME SHALL BE OF THE ESSENCE.
This commitment is open for your acceptance until the Commitment Acceptance Date after which time/date this Commitment will be null and void. This Commitment, if accepted is valid until the Final Funding Date after which time/date this Commitment will be null and void. If the Commitment becomes null and void and the Commitment Fee has already been paid, the non-refundable portion of the Commitment becomes null and void and the Commitment Fee has damages and the balance of the Commitment Fee, if any, returned to the Borrower(s). If the Commitment becomes null and void and the Commitment Fee has not already been paid, the non-refundable portion of the Commitment Fee set out above will be due by the Borrower(s) to Money Gate Corp. as liquidated damages.

FINAL ACCEPTANCE DATE: September 19th, 2016

Accepted this 19 **day of** Sept **, 2016**

X [signature]
2450531 Ontario Limited

X [signature]
Payam Katebian

Schedule "A"

Mortgage No.: **2016-11**

Mortgagor(s)/ **2450531 Ontario Limited** **Payam Katebian**
January 4, 1988

PLEASE NOTE: Funds for this Loan will not be advanced by the lender until all of the following conditions are met and maintained until funding. Money Gate Corp. may terminate the Commitment or decline to advance all or any part of the Mortgage until these conditions are satisfied to the lender's satisfaction.

This Commitment is subject to:

Original Appraisal of the subject property satisfactory to the lender or a **Letter of Transmittal** from the appraiser addressed to the lender reflecting a minimum value of **$1,650,000.00** based on a 60-90 day maximum marketing time. Also required is days on market (D.O.M) for all comparables. (Broker)

A new credit bureau will be run 30 days prior to the advance of funds. The credit must remain the same as or be better than the credit bureau run at the date of approval of the transaction. Should the credit not remain the same, this commitment will be subject to review and terms and conditions may be changed accordingly. (Broker)

Prior to closing, it is a condition of this commitment that the mortgage broker provides a copy of the Borrower Disclosure Statement fully executed by all parties involved. (Broker)

Executed Mortgage Loan Application for ALL Mortgagor(s) and Guarantor(s). (Broker)

1st Mortgage statement for the subject property showing a balance of no more than **$1,120,000.00.** (Broker)

Prior to funding, we require evidence by way of Statutory Declaration from the Mortgagor(s) that the premises being mortgaged are not and never have been insulated with Urea Formaldehyde Foam Insulation. (Solicitor)

All realty/provincial and municipal real property taxes/local improvements shall be paid by borrower and up to date prior to closing or from advancement of funds. (Solicitor)

Tax clearance certificates prior to funding. (Solicitor)

Borrower(s) to obtain legal representation

Prior to funding, delivery of evidence that valid title insurance policies with applicable schedules and with the lender as the insured party, has been placed with a title insurer approved by the lender. (Solicitor)

Solicitor to provide a clear Execution Certificate with the Final Report with a Marital Status declaration. (Solicitor)
It is a condition of this commitment that the solicitor confirms that (i) they have reviewed and verified the identity of the mortgagor(s) and any spouse consenting to the mortgage by means of 2 pieces of identification (one MUST be Primary

identification) acceptable to the mortgagee (ii) the identification appears to be genuine (iii) the identification belongs to the mortgagor(s) and consenting spouse and (iv) copies of the identification showing a true likeness of the originals will be submitted to the mortgagee. The lenders accepted forms of identification will be communicated to the solicitor upon instruction. (Solicitor)

Payment in Full on Sale
The outstanding amount of the mortgage loan may be prepaid only at the closing of a bona fide open market sale of the property and the payment of the Prepayment Charge as set out below

Prepayment Charge
Open

Schedule "B"

Payment By Pre-Authorized Debit:	The Borrower(s) agree(s), by acceptance of this Commitment to provide the mortgage payments by Pre-Authorized Debit payable to Money Gate Corp. In Trust
Accrued Interest:	Accrued interest calculated from the date that this mortgage is advanced to the Interest Adjustment Date will be deducted from the gross funds advanced. The Interest Adjustment Date is set one month prior to the First Payment Date.
Assignment of Commitment:	Neither this Commitment nor the proceeds of the Charge/Mortgage loan are assignable by the Borrower(s) without express written consent.
Credit Rating:	ytReceipt of an updated credit rating acceptable to the lender. The credit rating must be the same or better than the rating obtained with this Commitment was given. In the event the credit rating is less favourable, the terms and conditions of this Commitment will be subject to revision and the Loan may not be advanced.
Fire & Other Insurance:	Receipt of a copy of the fire and extended insurance policy for the Property, in form and substance acceptable to the lender with an insurer approved by the lender for the full replacement value of the property. Co-insurance is not acceptable **if the property is heated by oil, the lender must receive confirmation from the insurer that they are aware the property is oil heated.**
Legal & Other Costs/Fees:	All legal, appraisal, title insurance and fire insurance premiums and other costs and fees incurred in connection with this Loan (including those identified on the first page of this Commitment) are payable by the Borrower(s) whether or not this Loan ultimately is completed and the funds advanced.
Regulations:	Confirmation, in form and substance satisfactory to the lender that the property complies with all municipal, provincial and federal statues, regulations and requirements. This requirement is waived by delivery of the title insurance policy with applicable schedules covering such compliances matters.
Prepayment Restrictions:	It is intended and agreed that the Charge/Mortgage loan may not be prepaid prior to the maturity date unless provided herein as a privilege. See All Loans Prepayment.
Taxes:	All realty/provincial and municipal real property taxes/local improvements shall be paid by borrower and up to date prior to closing.
Purchaser Approval:	The may require that the Loan be immediately repaid with the applicable prepayment indemnity if the Borrower(s) sell(s), transfer(s) or otherwise dispose(s) of the property or any interest therein to a purchaser not approved by the lender.
Standard Charge Terms:	The Charge/Mortgage is deemed to contain all clauses included in registered Standard Charge Terms No. 200433 (Ontario) and Schedule "C" Schedule of Fees. Each Borrower(s) and Guarantor(s) acknowledge receipt of a copy of the applicable Standard Charge Terms.

Rent and Management: PROVIDED also and it is hereby further agreed by and between the Borrower and the Lender(s) that should default be made by the Borrower in the observance or performance of any of the covenants, provisos, agreements or conditions contained in this charge, the charge reserves the rights to enter into the said lands and premises and to receive the rents and profits and to be entitled to receive in addition to all other fees, charges and disbursements to which the charge is entitled. A management fee so as to reimburse the charge for reasonable item and trouble in the management of the said lands and premises. It is being understood and agreed that in the circumstances a management fee equal to 5% of the gross receipt received by the charge in the management of the said lands and the premises is just an equitable fee having regard to all of the circumstances.

Schedule of Fees: A schedule of our current servicing administration fees that will apply to the mortgage is provided in Schedule "C".

Renewal Options: Available subject to approval of the lender if all mortgages are in good standing based on new terms and condition.

Lender's Lawyer: **Sandeep Chahal – Mentis Law Professional Corporation**
216-2985 Drew Road Mississauga, ON
416-477-3355
info@mentislaw.ca

Money Gate Corp. reserves the right to charge reasonable fees for other administrative services and to amend its fees from time to time.

Schedule "C"

Our current schedule of administration and servicing fees includes the following charges:

$250.00 – Missed Payment Fee: Payable for each missed or late installment and for processing each NSF cheque or other returned payment. Plus $50 for each additional day until the cheque in the sufficient amount is provided and cleared.

$250.00 – Insurance: Payable for dealing with each cancellation, premium payment or other non-compliance with insurance requirements.

$1,500.00 – Default Proceedings: Payable for each act or proceeding instituted.

$175.00 – Mortgage Statements: For preparation of each statement.

$300.00 – Purchaser Approval: For processing each application for assumption, whether or not approved or completed.

$500.00 - Possession: For attending to take possession following default.

$300.00 – Demand Letter: For each demand letter in connection with any event of default under the Mortgage.

$150.00 – Notice under the Bankruptcy and Insolvency Act.

$150.00 – Notice under the Farm Debt Mediation Act.

$100.00 – Maintenance: For administration maintenance and security of the property in our possession, per day.

$350.00 – Discharge Statement: For discharge on one property. $175 for each additional property.

$100.00 – Tax and CAM Default Fee: For failure by the Borrower to provide satisfactory confirmation of tax payments and or CAM fees.

$200.00 – Annual Tax Account Administration Fee: For administering and servicing the tax account.

$200.00 – Annual CAM Account Administration Fee: For administering and servicing the condo account.

$200.00 – For any inspection of the said property as a result of enforcement for security.

$300.00 – Servicing Fee: For any payment the Chargee is called to make in order to protect its security

Schedule "D"

Disclosure of Material Risks

This mortgage provides the Lender with an interest until the borrower(s) repay the Loan. If the borrower(s) require the loan by a certain date and the Lender does not advance the loan by that date, the borrower(s) may be unable to satisfy their intended purpose for the loan. In the event the borrower(s) are unable to pay the monthly interest payments, realty taxes, fire insurance premiums or the loan amount when the loan is due, the Lender could obtain a court judgement and the borrower(s) assets and income could be seized to pay the judgment, or the Lender could keep the Lands or sell it. When the loan is due, if the Lender cannot or will not renew the Loan and borrower(s) no longer qualify for a loan of this amount because interest rates have risen, their income has fallen, their credit worthiness has deteriorated or the value of the lands has fallen, the lands may have to be sold in order to repay the loan. The borrower(s) acknowledge that Money Gate Corporation has, in accordance with a legal obligation, disclosed the material risks of the loan. The borrowers hereby accept the Commitment and confirm their agreement with all of the terms and conditions hereof, having either obtained legal advice independent of Money Gate Corporation or having been satisfied that legal advice is not required.

MONEY GATE Corporation

Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

October 30th, 2018

Residential SECOND Mortgage Renewal

Type of Mortgage: Residential Second Mortgage Renewal
Lender: 2374715 Ontario Limited

Main Borrower: 2450531 Ontario Limited
Guarantor: Pantea Sahebdivani

Loan Amount: $282,500.00
Property Address: 293 Euclid Ave. Toronto Ont. M6J2K1

Term (Months)	Interest Rate	Interest PMT	Funding Date	Amortization (Months)	Non Refundable Deposit
6	**12.00%**	**$2,825.00**	**N/A**	**Int. Only**	**N/A**

By signing this commitment you are acknowledging that the interest adjustment date may change if the final funding date changes.

Payments due under this mortgage will be made by a pre-authorized payment debit system. This mortgage will be paid monthly unless otherwise indicated by the Borrower and authorized by the lender on the Schedule A attached in the original signed commitment letter at funding.

Additional Costs: TBD

Your acceptance of this Commitment will be your undertaking to pay these costs together with all legal costs and fees incurred, whether or not this Charge/Mortgage is advanced. Please reference registered Standard Charge Terms No. 200433(ON) which form part of this commitment.

Initials:

MONEY GATE Corporation

Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

SOLICITOR – will be appointed to act on our behalf in this transaction. All documentation including, but not limited to, delivery of evidence confirming valid title insurance with applicable schedules from a title insurer approved by the lender and fire insurance must be acceptable to use prior to the advance of funds. Prior to closing, the solicitor is instructed to notify the lender or an agent approved by us, and the relevant underwriting department of the title insurer, of any concerns the solicitor may have regarding the identity of the borrower, the validity of prior registered instruments (particularly transfers and discharges), and any other matters that may affect the title of the subject property and/or the enforceability or priority of the lender's mortgage. In these circumstances, the solicitor may not proceed to complete the transaction until such time as the solicitor has obtained both the title insurer's and the lender's written authorization to proceed.

IN ALL MATTERS, TIME SHALL BE OF THE ESSENCE.

This commitment is open for your acceptance until the Commitment Acceptance Date after which time/date this Commitment will be null and void. This Commitment, if accepted is valid until the Final Funding Date after which time/date this Commitment will be null and void. If the Commitment becomes null and void and the Commitment Fee has already been paid, the non-refundable portion of the Commitment becomes null and void and the Commitment Fee has damages and the balance of the Commitment Fee, if any, returned to the Borrower(s). If the Commitment becomes null and void and the Commitment Fee has not already been paid, the non-refundable portion of the Commitment Fee set out above will be due by the Borrower(s) to Money Gate Corp. as liquidated damages.

Accepted this 30th **day of** October. **, 2018**

X____________________

2450531 Ontario Limited

X____________________

Pantea Sahebdivani

APPENDIX 9

10358 (1215)

THIS DOCUMENT IS PRINTED ON WATERMARKED PAPER. SEE BACK FOR INSTRUCTIONS.

The Toronto-Dominion Bank

79226477

500 REXDALE BOULEVARD
ETOBICOKE, ON M9W 6K5

DATE 2016-09-20
YYYYMMDD

Transit-Serial No. 262-79226477

Pay to the Order of MENTIS LAW PROF. CORP. IN TRUST

$ ****282,500.00

TWO HUNDRED EIGHTY TWO THOUSAND FIVE HUNDRED********************00/100 Canadian Dollars

Authorized signature required for amounts over CAD $5,000.00

Re

K2859
Number

The Toronto-Dominion Bank
Toronto, Ontario
Canada M5K 1A2

Authorized Officer

Countersigned

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND DRAFTS ON CANADA

⑈79226477⑈ ⑆09612⑉004⑆ ⑈3808⑈

APPENDIX 10

大成 DENTONS

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

大成 Salans FMC SNR Denton McKenna Long
dentons.com

March 25, 2020

SENT VIA EMAIL

Grant Thornton Limited
200 King St. W
11th Floor, Box 11
Toronto, ON
M5H 3T4

Attention: Jonathan Krieger and Jason Kanji

Dear Sirs/Mesdames:

Re: 2450531 Ontario Limited (the "Company")

We are acting as independent counsel to Grant Thornton Limited (the "**Receiver**") in its capacity as the court-appointed receiver in respect of the assets, undertakings and properties of the Company acquired for, or used in relation to, a business carried on by the Company including all proceeds thereof (collectively, the "**Assets**"). You have asked us to provide you with an opinion in connection with the enforceability and validity of the real property security, granted by the Company in favour of Home Trust Company and Money Gate Mortgage Investment Corporation (collectively, the "**Secured Parties**") that is listed in Schedule "A" hereto (collectively, the "**Security Documents**").

1. DOCUMENTATION

We did not participate in the preparation of or in the registration of any of the Security Documents. Our involvement with the Security Documents arises solely in our capacity as independent counsel to the Receiver.

To render our opinion, we have reviewed electronic copies of the executed Security Documents that have been provided to us along with the other documents listed in Schedule "A".

2. JURISDICTION

Our opinion is expressed only with respect to the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario in effect on the date of this opinion. Any reference to the "**Province**" means Ontario and any reference to the laws of the Province includes the laws of Canada that apply in the Province. Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, opposability, perfection, effect of perfection or non-perfection, enforcement or priority of the security interests created by the Security Documents as a result of the application of the conflicts of laws rules of the Province. In addition, we express no opinion whether, pursuant to those conflicts of laws rules, the laws of the Province would govern the validity, opposability, perfection, effect of perfection or non-perfection, enforcement or priority of such security interests.

3. SEARCHES AND REGISTRATIONS

We have conducted the land title searches identified in Schedule "B".

4. ASSUMPTIONS AND RELIANCES

We have not conducted a review of the minute books or any other corporate records of the Company.

We have assumed that:

(a) the Company is, and was at all relevant times, a corporation incorporated and existing under the laws of Ontario and has, and had at all relevant times, the corporate power to enter into and perform its obligations under the Security Documents to which it is a party;

(b) 2450531 Ontario Inc. was never a corporation incorporated and existing under the laws of Ontario and never had the corporate power to enter into or perform any obligations under the Security Documents.

(c) the execution and delivery of and performance by the Company of the Security Documents to which it is a party and the consummation of the transactions contemplated by them were and have been authorized by all necessary corporate action on the part of the Company;

(d) the execution and delivery of and performance by the Company of the Security Documents to which it is a party did not and does not constitute or result in a violation or breach of or a default under its articles of incorporation, as amended, by-laws, resolutions or any law, rule or regulation having the force of law in any jurisdiction;

(e) each of the Security Documents has been duly executed and delivered by each party thereto;

(f) each party to the Security Documents has properly authorized, executed and delivered each such document to which it is a party, and the Security Documents are enforceable in accordance with their respective terms against each such party;

(g) the performance of the obligations would not be illegal under the law of the place of performance if that is a place other than the Province;

(h) all facts and information set forth in the official public records, indices and filing systems and all certificates and documents supplied by public officials or otherwise conveyed to us by public officials are current, complete, true and accurate;

(i) all documents submitted to us as electronic transmissions are authentic;

(j) The Money Gate Charge secures the indebtedness of the Company in favour of Money Gate Mortgage Investment Corporation pursuant to the commitment Letter dated September 15, 2016.

(k) The Home Trust Charge secures indebtedness of the Company in favour of Home Trust Company.

(l) value has been given to the Company by the Secured Parties; and the parties to the Security Documents have not agreed to postpone the time for attachment of any security interests expressed to have been created under the Security Documents;

(m) we have been provided with all documentation and information affecting the enforceability of the Security Documents;

(n) each of the debts, liabilities or obligations of the Company, the payment or performance of which is secured by the Security Documents to which the Company is a party, constitutes legal, valid, binding and enforceable obligations of the Company and the indebtedness has not been repaid;

(o) except as otherwise specifically referenced herein, there is no postponement, subordination, agreement, waiver, release, discharge, course of dealing, understanding or other fact or circumstance affecting or concerning the Security Documents and the various principal obligations with respect to which the Security Documents were granted which was not apparent from a review of the Security Documents and which would or might affect the perfection, validity or enforceability of the Security Documents;

(p) if the creation of the security interests in the property secured by the Security Documents was in contravention of any agreement by which the Company or their properties were bound, the Secured Parties did not know and did not have any reason to believe at the time that there was such a contravention;

(q) the registered office of the Company is located in Ontario;

(r) the full and complete legal name of Company as set forth in Schedule "B"; and

(s) an electronic signature executing any of the Security Documents is valid as if it were an original signature.

5. OPINIONS

Based on as the foregoing and subject to the qualifications and limitations hereinafter expressed, we are of the opinion that:

1. Provided that: (i) a court order with retroactive binding effect (i.e. a nunc pro tunc order) is obtained from a court of competent jurisdiction in the Province which corrects the name of the Company, from "2450531 Ontario Inc." to "2450531 Ontario Limited": (a) as owner on title to the property identified by PIN 21249-0077 (the "**Property**"); and (b) as chargor on the Home Trust Charge (as defined in Schedule "A") (collectively, the "**Home Trust Corrections**"); (ii) such order of the court directs the applicable registrar of Land Registry Office # 80 to make the Home Trust Corrections on title to the Property; and (iii) the registrar makes the Home Trust Corrections on title to the Property, as evidenced on PIN 21249-0077, following the date upon which such registrar makes the Home Trust Corrections, the Home Trust Charge (as defined in Schedule "A"), shall create a valid, first-ranking charge in the Province in favour of Home Trust Company in the property described in the Home Trust Charge;

2. Provided that: (i) a court order with retroactive binding effect (i.e. a nunc pro tunc order) is obtained from a court of competent jurisdiction in the Province which corrects the name of the Company, from "2450531 Ontario Inc." to "2450531 Ontario Limited": (a) as owner on title to the Property; and (b) as chargor on the Money Gate Charge (as defined in Schedule "A") (collectively, the "**Money Gate Corrections**"); (ii) such order of the court directs the applicable registrar of Land Registry Office # 80 to make the Money Gate Corrections on title to the Property; and (iii) the registrar makes the Money Gate Corrections on title to the Property, as evidenced on PIN 21249-0077, following the date upon which such registrar makes the Money Gate Corrections, the Money Gate Charge (as defined in Schedule "A"), shall create a valid, second-ranking charge in the Province in favour of Money Gate Mortgage Investment Corporation in the property described in the Money Gate Charge; and

3. The provisions in the order(s) referenced above must be final. In the event they are either subsequently set aside, amended or appealed, for any reason whatsoever, Dentons Canada LLP's opinion shall be considered withdrawn, void and of no force or effect.

6. QUALIFICATIONS AND LIMITATIONS

The foregoing opinions are subject to the qualifications and limitations set out in Schedule "C" attached hereto.

This opinion is given solely for your benefit and, without our prior written consent, may not be provided to, or relied on in whole or in part by, any other person.

Yours truly,
DENTONS CANADA LLP

Dentons Canada LLP

SCHEDULE "A"

SECURITY DOCUMENTS

1. Charge granted by the Company (incorrectly named as 2450531 Ontario Inc.) in favour of Home Trust Company in respect of the property having PIN 21249-0077 and registered pursuant to the *Land Titles Act* (Ontario) on September 1, 2016 as instrument number AT4329958 (the "**Home Trust Charge**"); and

2. Charge granted by the Company (incorrectly named as 2450531 Ontario Inc.) in favour of Money Gate Mortgage Investment Corporation in respect of the property having PIN 21249-0077 and registered pursuant to the *Land Titles Act* (Ontario) on September 27, 2016 as instrument number AT4353622 (the "**Money Gate Charge**").

SCHEDULE "B"
SEARCHES AND RESULTS OF SEARCHES

Searches Conducted:

We have received searches or inquiries for:

Ontario:

(a) Charges under the LTA over real property having PIN 21249-0077, as described in the Security Documents, with a currency date of February 25, 2020.

Result: A report of the search results is attached below.

Company's Addresses:

Name	Address
2450531 Ontario Limited	28 Dale Park Court Markham, ON L3T 2A2

RESULTS OF LAND TITLE SEARCHES CONDUCTED IN ONTARIO

Property: PIN 21249-0077 (LT)

See attached.

Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #66

21249-0077 (LT)

PREPARED FOR amccormick
ON 2020/02/25 AT 10:34:10

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

PROPERTY DESCRIPTION: PT LT 108 PL 314 TORONTO AS IN CA758318; CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2003/06/23

OWNERS' NAMES
2450531 ONTARIO INC

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2003/06/20 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, 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: 2003/06/23 **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
CA758318	2002/02/04	TRANSFER		*** COMPLETELY DELETED ***	REGO, PAOLO	
CA758319	2002/02/04	CHARGE		*** COMPLETELY DELETED ***	SCOTIA MORTGAGE CORPORATION	
CA793412	2002/12/02	CHARGE		*** COMPLETELY DELETED ***	BEDFORD CAPITAL	
CA793413	2002/12/02	ASSIGNMENT GENERAL		*** COMPLETELY DELETED ***		
REMARKS: RENTS CA793412						
CA799794	2003/03/11	TRANSFER OF CHARGE		*** COMPLETELY DELETED ***	B2B TRUST IN TRUST FOR RRSP/RRIF #B639361	
REMARKS: CA793412						

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT441753	2004/03/26	CHARGE		*** COMPLETELY DELETED *** REGO, PAOLO	THE BANK OF NOVA SCOTIA	
AT452037	2004/04/07	TRANSFER		*** COMPLETELY DELETED *** REGO, PAOLO	REGO, PAULO GENTILE, ROSITA	
AT480809	2004/05/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** B2B TRUST IN TRUST FOR RRSP/RRIF #B639361		
REMARKS: RE: CA793412						
AT489705	2004/05/19	NOTICE		*** COMPLETELY DELETED *** REGO, PAULO GENTILE, ROSITA		
AT490748	2004/05/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** SCOTIA MORTGAGE CORPORATION		
REMARKS: RE: CA758319						
AT1397490	2007/03/14	TRANSFER		*** COMPLETELY DELETED *** GENTILE, ROSITA REGO, PAULO	REGO, PAULO	
AT1707210	2008/02/07	LR'S ORDER		*** COMPLETELY DELETED *** LAND REGISTRAR		
REMARKS: DELETE CA758318						
AT1821758	2008/06/30	TRANSFER		*** COMPLETELY DELETED *** REGO, PAULO	BEVERIDGE, ROBERT	
REMARKS: PLANNING ACT STATEMENTS						
AT1821759	2008/06/30	CHARGE		*** COMPLETELY DELETED *** BEVERIDGE, ROBERT	ROYAL BANK OF CANADA	
AT2185244	2009/09/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE BANK OF NOVA SCOTIA		
REMARKS: AT441753.						
AT2855362	2011/10/28	TRANSFER		*** COMPLETELY DELETED *** BEVERIDGE, ROBERT	MACAULAY, KERRI ANN	
REMARKS: PLANNING ACT STATEMENTS						
AT2855363	2011/10/28	CHARGE		*** COMPLETELY DELETED ***		

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				MACAULAY, KERRI ANN	HOME TRUST COMPANY	
AT2874476	2011/11/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: AT1821759.						
AT2971291	2012/03/21	CHARGE		*** COMPLETELY DELETED *** MACAULAY, KERRI ANN	COMPUTERSHARE TRUST COMPANY OF CANADA	
AT3023747	2012/05/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** HOME TRUST COMPANY		
REMARKS: AT2855363.						
AT3145923	2012/10/05	CHARGE		*** COMPLETELY DELETED *** MACAULAY, KERRI ANN	1592106 ONTARIO INC.	
AT3209777	2013/01/04	CHARGE		*** COMPLETELY DELETED *** MACAULAY, KERRI ANN	1592106 ONTARIO INC.	
AT3803296	2015/02/03	CHARGE		*** COMPLETELY DELETED *** MACAULAY, KERRI ANN	MONEY GATE MIC	
AT3803939	2015/02/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1592106 ONTARIO INC.		
REMARKS: AT3145923.						
AT3803940	2015/02/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1592106 ONTARIO INC.		
REMARKS: AT3209777.						
AT3832218	2015/03/13	TRANSFER	$2	MACAULAY, KERRI ANN	2450531 ONTARIO INC	C
AT3880352	2015/05/12	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** MONEY GATE MIC	2374715 ONTARIO LIMITED PALEN, REBECCA 1232501 ONTARIO LIMITED MONEY GATE MIC	
REMARKS: AT3803296.						
AT3999558	2015/09/02	TRANSFER OF CHARGE		MONEY GATE MIC	MONEY GATE MIC 2418047 ONTARIO INC	C
REMARKS: AT3880352.						

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4329958	2016/09/01	CHARGE	$1,120,000	2450531 ONTARIO INC	HOME TRUST COMPANY	C
AT4329959	2016/09/01	CHARGE		*** COMPLETELY DELETED *** 2450531 ONTARIO INC	MONEY GATE MORTGAGE INVESTMENT CORPORATION	
AT4334571	2016/09/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** MONEY GATE MIC		
REMARKS: AT3803296.						
AT4351413	2016/09/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** COMPUTERSHARE TRUST COMPANY OF CANADA		
REMARKS: AT2971291.						
AT4353611	2016/09/27	DISCH OF CHARGE		*** COMPLETELY DELETED *** MONEY GATE MORTGAGE INVESTMENT CORPORATION		
REMARKS: AT4329959.						
AT4353622	2016/09/27	CHARGE	$282,500	2450531 ONTARIO INC	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
AT4526574	2017/03/31	CAUTION-LAND	$2	2450531 ONTARIO INC	GHAFFARI, BITA	C
AT4595731	2017/06/13	CERTIFICATE		*** COMPLETELY DELETED *** GHAFFARI, BITA		
REMARKS: CERTIFICATE OF PENDING LITIGATION						
AT4671418	2017/08/31	APL COURT ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	2450531 ONTARIO INC.	
REMARKS: DELETE LIS PENDENS AT4595731						
AT5004195	2018/11/09	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST	GRANT THORNTON LIMITED	C
REMARKS: AT4353622 APPOINTS RECEIVER FOR MONEY GATE MORTGAGE INVESTMENT CORPORATION						
AT5009854	2018/11/16	CERTIFICATE		ONTARIO SECURITIES COMMISSION		C
REMARKS: CERTIFICATE OF DIRECTION.						
AT5233457	2019/09/10	CAUTION-LAND		*** COMPLETELY DELETED *** 2450531 ONTARIO INC	CANADA CAPITAL CORPORATION INC. CANADIAN LAND CORPORATION MANSTEEL NEW LISKEARD INC. HAZELTON HOMES CORPORATION ALIZADEH, LAILA	
REMARKS: EXPIRES 60 DAYS FROM 2019/09/10 - EXPIRED INTEREST, DELETED 2019/11/12 BY J. POTTER						

Ontario ServiceOntario

LAND REGISTRY OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

21249-0077 (LT)

PREPARED FOR amccormick
ON 2020/02/25 AT 10:34:10

* 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
AT5283875	2019/11/06	CERTIFICATE		*** COMPLETELY DELETED *** ALIZADEH, LAILA WORLD CORPORATION INC. CANADIAN LAND CORPORATION HAZELTON HOMES CORPORATION SKYMARK PROPERTIES VACANT LAND SKYMARK PROPERTIES CORPORATION LIBERTY & YORK CORPORATION		
REMARKS: CERTIFICATE OF PENDING LITIGATION						
AT5359776	2020/02/06	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	KATEBIAN, PAYAM	
REMARKS: DELETING AT5283875						

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.

SCHEDULE "C"
QUALIFICATIONS AND LIMITATIONS

1. The validity and enforceability of the Security Documents may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, winding-up, arrangement, fraudulent preference and conveyance, assignment and preference and other laws affecting creditors' rights generally.

2. The enforceability of the Security Documents may be limited by general principles of law and equity relating to the conduct of the parties prior to execution of or in the administration or performance of the Security Documents, including, without limitation, (i) undue influence, unconscionability, duress, misrepresentation and deceit, (ii) estoppel and waiver, (iii) laches, and (iv) reasonableness and good faith in the exercise of discretionary powers.

3. The rights of an unpaid seller of goods may affect the effectiveness of a security interest in such goods.

4. The discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies.

5. The discretion that a court may reserve to itself to decline to hear an action if it is contrary to public policy for it to do so or if it is not the proper forum to hear such action or if concurrent proceedings are being brought elsewhere.

6. Rights of indemnification may be limited by applicable law.

7. We express no opinion as to the creation or perfection of any security interest in any property (i) to the extent security interests with respect to such property are governed by the provisions of an Act of the Parliament of Canada including, without limitation, patents, trademarks or other intellectual property, rolling stock or vessels, (ii) are governed by the *Railways Act* (Ontario), or (iii) to which the PPSA, the LTA, or the *Mortgages Act* (Ontario) does not apply, including, without limitation, a transfer of an interest or claim in or under any policy of insurance.

8. We express no opinion as to the creation of any security interest in: (i) property consisting of a receivable, license, approval, privilege, franchise, permit, lease or agreement (collectively, "**Special Property**") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or hypothecation or require, as a condition of its assignability or hypothecation, a court approval or other authorization or registration which has not been made or given, (ii) debts, claims, demands, contractual rights and other rights which by their terms are not assignable or the assignment of which is subject to conditions under, or regulated by, applicable law, (iii) permits, quotas, licenses or other property which is neither personal property nor an interest in land, (iv) federal or Provincial Crown debts to the extent the applicable *Financial Administration Act* or the *Income Tax Act* (Canada) has not been complied with, or (v) with respect to any property or assets of the Applicant which are not identifiable or traceable.

9. The *Currency Act* (Canada) precludes a court in Canada from giving judgment in any currency other than Canadian currency, and such judgment may be based on a rate of exchange in existence on a day other than the day of payment of such judgment.

10. An assignment of a debt or account will not be binding on the obligor before notice of the assignment is given to the obligor, together with a direction to pay the same to the applicable Secured Party.

11. The PPSA, the *Mortgages Act* (Ontario) and the LTA impose certain obligations on secured creditors which cannot be varied by contract. The legislation may also affect the enforcement of certain rights and remedies under the Security Documents to the extent that these rights and remedies are inconsistent with or contrary to the legislation; however, in our opinion (subject to the various assumptions and other qualifications stated herein), such legislation does not render the Security Documents invalid as a whole, and there exists in the Security Documents or pursuant to the applicable law, legally adequate remedies for realization in the Province of the principal benefit of the security constituted thereby in accordance with applicable law.

12. The recoverability of costs and expenses may be limited to those a court considers to be reasonably incurred and the court has the discretion to determine by whom and to what extent costs and expenses incidental to court proceedings shall be paid, and counsel fees are subject to taxation.

13. We express no opinion as to the enforceability by or against a person who is not a party to the Security Documents of any provision in the Security Documents that purports to bind or affect or confer a benefit upon that person.

14. A court may decline to accept the factual and legal determinations of a party notwithstanding that a contract or instrument provides that the determinations of the party shall be conclusive.

15. Any provision that provides for interest to be paid at a higher rate after than before default, that provides for forfeiture of a deposit or any other property or that provides for a particular calculation of damages upon breach may not be enforceable if it is interpreted by a court to be a penalty or if the court determines that relief from forfeiture is appropriate.

16. The provisions for the payment of interest in the Security Documents may not be enforceable if those provisions provide for the receipt of interest by the Secured Parties at a "criminal rate" within the meaning of section 347 of the *Criminal Code* (Canada).

17. We express no opinion as to the enforceability of any provision of any of the Security Documents:

    (a) which purports to waive any or all defences which might be available to, or constitute a discharge of the liability of the Company;

    (b) which states that modifications, amendments or waivers are not binding unless in writing;

    (c) to the extent it purports to exculpate a Secured Party or any receiver, manager or receiver manager or any other person from liability in respect of acts or omissions which may be illegal, fraudulent, involve wilful misconduct or which may constitute an intentional tort;

    (d) providing for the severance of illegal or unenforceable provisions from the remaining provisions of the Security Documents; and

    (e) which purports to waive or affect rights to notices.

23. We express no opinion as to compliance with the *Personal Information Protection and Electronic Documents Act* (Canada) or any similar privacy laws.

24. The enforceability of the Security Documents is subject to the limitations contained in the *Limitation Act, 2002* (Ontario) and the *Real Property Limitations Act* (Ontario) and we express no opinion as to whether a court may find that any provision of the Security Documents will be unenforceable as an attempt to vary or exclude a limitation period under those Acts.

25. We express no opinion as to the enforceability of, nor as to the manner in which a court would interpret and apply, any provision of the Security Documents which (i) refers to, incorporates by reference, or requires compliance with any law, statute, rule or regulation of any jurisdiction other than the Province, or (ii) incorporates by reference a document or agreement governed by a law other than the law of the Province.

26. The Secured Parties may be required to exercise or discharge, in good faith and in a commercially reasonable manner, all rights, duties and obligations arising under the Security Documents.

27. No opinion is expressed as to notifications to or approvals, consents, orders, licences, permits or authorizations of third parties that may be required or advisable in connection with or to validly create or perfect the mortgages, charges, pledges or other security interests created by the Security Documents.

28. The appointment and exercise of the powers of a receiver or receiver and manager appointed pursuant to any of the Security Documents is subject to the intervention, on equitable grounds, of a court having jurisdiction.

29. No opinion is expressed with respect to any rights or remedies relating to rights of private sale or self-help remedies.

30. The obligation of an account debtor under an intangible or chattel paper assigned or subject to a security interest under the Security Documents to make payments to the assignee thereunder is subject to the PPSA which requires among other things, that the account debtor receive notice regarding that assignment in accordance with those sections.

31. To the extent that the collateral described in the Security Documents includes property that might be or become a fixture or a growing crop, further filings would be required to protect the security interest therein.

APPENDIX 11

Home Trust Company

145 King Street West, Suite 2400
Toronto, Ontario, M5H 1J8
Telephone: (416) 933-6721
Toll free: (877) 903-2133 x 6721
Facsimile: (416) 360-4080
Website: www.hometrust.ca

March 26, 2020

Chaitons LLP
5000 Yonge Street
North York ON
M2N 7E9

Mortgage Discharge Statement

Dear : Chaitons LLP

RE: Home Trust Mortgage Number: **DR** 10288999
Mortgagor: 2450531 Ontario Inc
Property Address: 293 Euclid Ave, Toronto ON M6J 2K1

Without prejudice to the Demand Letter issued by our solicitors on October 11, 2019 the following amount is required to obtain a discharge of this mortgage as at April 30, 2020 . Please note that after this date this statement will be null and void.

Principal balance as of	July 1, 2019		$	1,069,611.17
Accrued interest to	April 30, 2020	(305) at 5.30%	$	47,369.55
Return payment fees			$	450.00
Maintenance fees			$	565.00
Tax administration fees			$	565.00
Renewal fee			$	200.00
Information statement fee			$	100.00
Interest on arrears			$	1,403.50
Out of pocket/ E-registration fee:			$	76.55
Discharge fee			$	395.00
Tax account balance			$	(186.87)
Legal Admin fee			$	1,295.00
Property inspection fee			$	125.00
Legal fee			$	8,696.05
Subtotal:			$	1,130,664.95
Less credits:				
		Total:	**$**	**1,130,664.95**

Per diem: **155.31**

This statement is given on the assumption that all payments made under the mortgage have been cleared by the bank. Payments must be received in our office, by certified cheque, no later than 2:00 p.m. on the date of discharge. Any payments received thereafter will be subject to the per diem as calculated above.

Notwithstanding current legal status, if for any reason the sale / refinance transaction is delayed or should you have any questions or concerns, please contact:

Yours very truly,
HOME TRUST COMPANY
Per:

Monique Cheng
Subject Matter Expert, Default Recovery
Direct Phone: (416) 933-6721
E&OE **c.c. GOWLING WLG LLP, Hamilton**

APPENDIX 12

Grant Thornton

Chaitons LLP
5000 Yonge St,
North York, ON
M2N 7E9

Attention: Maya Poliak

Grant Thornton Limited
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4

T +1 416 366 0100
F +1 416 360 4949

March 26, 2020

RE: Receivership of 2450531 Ontario Limited (Court File No. CV-19-00628085-00CL)
Payout Statement – 293 Euclid Avenue, Toronto, Ontario

Below is a schedule detailing the amount owing to Money Gate Mortgage Investment Corporation ("**MGMIC**") with respect to the second mortgage registered as AT4353622 (the "**Second Mortgage**") on September 27, 2016 granted by 2450531 Ontario Limited (the "**Debtor**") in favour of MGMIC against the real property located at 293 Euclid Ave, Toronto, Ontario (the "**Property**").

The total amount due to MGMIC with respect to the Second Mortgage on the Property totals $330,975.00 (the "**Outstanding Amount**") as at April 30, 2020, consisting of:

Principal Balance	$ 282,500.00
Outstanding Interest Payments – 395 days x $100.13 per day[1]	39,550.00
Default Interest Penalty – *Mortgages Act*, R.S.O. 1990, c. M.40, s. 17(1)	8,475.00
Discharge Statement Fee	450.00
Outstanding Amount	**$ 330,975.00**

Please issue payment for the Outstanding Balance via certified cheque payable to:

Grant Thornton Limited, Court-appointed receiver of Money Gate Mortgage Investment Corporation
11th Floor, 200 King Street West, Box 11
Toronto, Ontario
M5H 3T4

Attention: Jason Kanji

[1] Interest payments have not been made since April 1, 2019; per diem interest rate equates to $100.13

Should you have any questions regarding the contents of this letter, please contact Jason Kanji of the Receiver's office at 416-777-6136 or Jason.Kanji@ca.gt.com.

Yours very truly,
GRANT THORNTON LIMITED,
solely in its capacity as the Court-appointed receiver and manager
of Money Gate Mortgage Investment Corporation
and not in its personal or corporate capacity

Per:

Jason Kanji

Jason Kanji CPA, CPA
Manager

APPENDIX 13

District of Ontario
Division – 09 - Toronto
Court File No.: CV-19-00628085-00CL

IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY MUNICIPALLY KNOWN AS 293 EUCLID AVENUE, TORONTO, ONTARIO
FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDING MARCH 25, 2020

Receipts	**$ CAD TOTAL**
Rental Income	30,138
Interest Income	47
Total Cash Receipts	30,186
Disbursements	
Security	3,405
Insurance	1,973
Repairs and Maintenance	665
HST Paid - Ontario	591
Ascend License Fee	275
Utilities	210
Filing fees paid to Official Receiver	70
Total Cash Receipts	7,189
Total Receipts Less Disbursements	**22,997**

APPENDIX 14

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE INVESTEMENT CORPORATION

Applicant

-and-

2450531 ONTARIO LTD.

Respondent

AFFIDAVIT OF JONATHAN KRIEGER

I, JONATHAN KRIEGER, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Senior Vice President of Grant Thornton Limited ("**GTL**"), Court-appointed Receiver of over the property municipally known as 293 Euclid Avenue, Toronto, Ontario (the "**Euclid Property**") owned by 2450531 Ontario Ltd. ("**245**", or the "**Euclid Owner**") and as such, have knowledge of the matters hereinafter deposed except where stated to be upon information in which case I do verily believe such information to be true. This affidavit is made in support of the Receiver's motion, among other things, to approve its accounts.

2. Attached and marked as **Exhibit "A"** to this my affidavit is a detailed billings setting out the fees and disbursements of GTL incurred in its role as Receiver of the Company from

November 25, 2019 to March 22, 2020, in the total amount of $44,247.75, including disbursements of $33.24 and HST of $5,090.45 and such is summarized on Exhibit "**B**" to this my affidavit. The average hourly rate is $349.63.

3. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

4. This affidavit is sworn in connection with the approval of the fees and disbursements of GTL and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 24th day of March 2020.

Commissioner for Taking Affidavits, etc.

Daniel Kenneth Wootton, a Commissioner, etc.
Province of Ontario
for Grant Thornton Limited
Expires April 06, 2022

JONATHAN KRIEGER

Exhibit "A" to the Affidavit of Jonathan Krieger,
sworn before me this 24th day of March 2020.

Daniel Kenneth Wootton, a Commissioner, etc.
Province of Ontario
for Grant Thornton Limited
Expires April 06, 2022

Exhibit "**B**" to the Affidavit of Jonathan Krieger,
sworn before me this 24th day of March 2020.

Daniel Kenneth Wootton, a Commissioner, etc.
Province of Ontario
for Grant Thornton Limited
Expires April 06, 2022

Court File No. CV-19-00628085-00CL

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE INVESTEMENT CORPORATION

Applicant

- and -

2450531 ONTARIO LTD.

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

AFFIDAVIT OF JONATHAN KRIEGER

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

Maya Pollak (LSO#54100A)
Tel: 416-218-1161
Fax: 416-218-1844
maya@chaitons.com

Lawyers for the Court-appointed Receiver, Grant Thornton Limited

APPENDIX 15

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N

GRANT THORNTON LIMITED,
IN ITS CAPACITY AS Court-Appointed Receiver of
MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

2450531 ONTARIO LIMITED

Respondents

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

AFFIDAVIT OF CHRISTOPHER STAPLES

(sworn March 24, 2020)

I, CHRISTOPHER STAPLES, of the Town of Caledon, in the Province of Ontario **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a partner with the law firm of Chaitons LLP ("**Chaitons**"), lawyers for Grant Thornton Limited ("**GTL**") in its capacity as court-appointed receiver (the "**Receiver**") of the property municipally known as 293 Euclid Avenue, Toronto, Ontario,) and as such have knowledge of the matters to which I hereinafter depose.

2. Attached hereto as the following exhibits are copies of the following accounts issued by Chaitons to the Receiver for the time period commencing November 30, 2019 and ending March 23, 2020, totalling $5,407.61 (comprised of fees of $4,635.50, disbursements of $158.85 and HST of $613.26) with respect to this proceeding:

(a) **Exhibit "A"** – account for the period up to and including November 30, 2019;

(b) **Exhibit "B"** – account for the period up to and including January 31, 2020;

(c) **Exhibit "C"** – account for the period up to and including February 29, 2020;

(d) **Exhibit "D"** – account for the period up to and including March 23, 2020;

3. Attached hereto as **Exhibit "E"** is a summary of additional information with respect to the accounts referred to in paragraph 2 above, indicating all members of Chaitons who have worked on this matter, their year of call to the bar, total time charged and hourly rates, and I hereby confirm that this list represents an accurate account of such information.

4. I confirm that the accounts described in paragraph 2 above accurately reflect the services provided by Chaitons in this matter and the fees and disbursements claimed by it from November 30, 2019 to March 23, 2020.

SWORN before me at the City of Toronto, in the Province of Ontario, this 24th day of March, 2020)	**CHRISTOPHER STAPLES**
A Commissioner, etc.	

Antoinette DePinto, a Commissioner, etc.,
Province of Ontario, for Chaitons LLP,
Barristers and Solicitors.
Expires September 10, 2020.

THIS IS EXHIBIT "A" TO
THE AFFIDAVIT OF
CHRISTOPHER STAPLES
SWORN BEFORE ME THIS 24TH
DAY OF MARCH, 2020

A. DePerta

A Commissioner Etc.

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

Chaitons LLP

INVOICE NUMBER: 273934 **December 16, 2019**

GRANT THORNTON LIMITED
200 KING STREET WEST
11TH FLOOR, BOX 11
TORONTO, ONTARIO, M5H 3T4

Re: 2350531 ONTARIO LIMITED (EUCLID PROPERTY)
Our file: 006588-64902

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including November 30, 2019:

PROFESSIONAL FEES		
SUBJECT TO HST	$472.50	
SUB-TOTAL		$472.50
HST at 13.00%		$61.43
GRAND TOTAL		**$533.93**

Amount payable on the current invoice	$533.93
Plus outstanding invoices on this matter	$0.00
Amount Due	**$533.93**
Trust Balance	

Chaitons LLP

PROFESSIONAL FEES:

Nov 25, 19	Draft notice to tenants of Euclid Property regarding receivership;
Nov 26, 19	Conference call with J. Kanji regarding attending at the Euclid Property; email to service list regarding the Receiver's appointment;
	To all matters of a general nature not more particularly referred to herein;

TOTAL PROFESSIONAL FEES	**$472.50**
HST at 13.00%	61.43
GRAND TOTAL	**$533.93**

CHAITONS LLP

per: Harvey Chaiton

Chaitons LLP

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	$525.00	0.90	$472.50
Total:		0.90	$472.50

**THIS IS EXHIBIT "B" TO
THE AFFIDAVIT OF
CHRISTOPHER STAPLES
SWORN BEFORE ME THIS 24TH
DAY OF MARCH, 2020**

A. DeRosa

A Commissioner Etc.

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

Chaitons LLP

INVOICE NUMBER: 274869 **January 31, 2020**

GRANT THORNTON LIMITED
200 KING STREET WEST
11TH FLOOR, BOX 11
TORONTO, ONTARIO, M5H 3T4

Re: 2350531 ONTARIO LIMITED (EUCLID PROPERTY)
Our file: 006588-64902

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including January 31, 2020:

PROFESSIONAL FEES		
SUBJECT TO HST	$1,398.00	
SUB-TOTAL		$1,398.00
HST at 13.00%		$181.74
GRAND TOTAL		**$1,579.74**

Amount payable on the current invoice	$1,579.74
Plus outstanding invoices on this matter	$533.93
Amount Due	**$2,113.67**
Trust Balance	$75,000.00

HST No R124110933

INVOICE NUMBER: 274869

PROFESSIONAL FEES:

Dec 1, 19	DM	Conducted research regarding a receiver's options when managing a property with residential tenants; specifically researched if the receiver is able to evict tenants prior to sale of property to purchaser
Dec 2, 19	DM	Conducted research regarding a receiver's options when managing a property with residential tenants; specifically researched if the receiver is able to evict tenants prior to sale of property to purchaser; completed research and communicated findings to M. Poliak;
Dec 19, 19	AMK	Review of standard form purchase agreement;
Jan 13, 20	MP	Review and revise draft Schedule A to the Euclid property;
Jan 13, 20	AMK	Review of and revisions to the schedule to the draft agreement of purchase and sale;
Jan 20, 20	MP	Email correspondence and call with counsel for the purchaser; conference call with J. Kanji regarding same;
Jan 31, 20	MP	Email correspondence with J. Kanji regarding Euclid Motion;

TOTAL PROFESSIONAL FEES	**$1,398.00**
HST at 13.00%	181.74
GRAND TOTAL	**$1,579.74**

CHAITONS LLP

per: ______________________
Maya Poliak

HST No R124110933

INVOICE NUMBER: 274869

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	$540.00	0.70	$378.00
MAYA POLIAK	$525.00	0.90	$472.50
ALEXANDRA KRANCEVIC	$295.00	0.50	$147.50
DARREN MARR	$200.00	2.00	$400.00
Total:		4.10	$1,398.00

THIS IS EXHIBIT "C" TO
THE AFFIDAVIT OF
CHRISTOPHER STAPLES
SWORN BEFORE ME THIS 24TH
DAY OF MARCH, 2020

A Commissioner Etc.

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

Chaitons LLP

INVOICE NUMBER: 275554

March 10, 2020

GRANT THORNTON LIMITED
200 KING STREET WEST
11TH FLOOR, BOX 11
TORONTO, ONTARIO, M5H 3T4

Re: 2350531 ONTARIO LIMITED (EUCLID PROPERTY)
Our file: 006588-64902

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including February 29, 2020:

PROFESSIONAL FEES		
SUBJECT TO HST	$432.00	
SUB-TOTAL		$432.00
DISBURSEMENTS		
NON TAXABLE	$11.95	
SUBJECT TO HST	$6.00	
SUB-TOTAL		$17.95
HST at 13.00%		$56.94
GRAND TOTAL		**$506.89**

Amount payable on the current invoice	$506.89
Plus outstanding invoices on this matter	$2,113.67
Amount Due	**$2,620.56**
Trust Balance	$75,000.00

c

HST No R124110933

INVOICE NUMBER: 275554

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, Interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4725223v1

PROFESSIONAL FEES:

Feb 27, 20	MP	Calls with Dentons and J. Kanji regarding security opinion; office conference with D. Bourassa regarding same;
Feb 28, 20	MP	Email correspondence with E. Lake regarding correcting the name name of registered owner;

TOTAL PROFESSIONAL FEES			**$432.00**
HST at 13.00%			56.16
DISBURSEMENTS:			
Subject to HST:	Teraview Charges Taxable	$6.00	
			$6.00
Non-Taxable:	Teraview Charges Non-taxable	$11.95	
			$11.95
TOTAL DISBURSEMENTS			**$17.95**
HST at 13.00%			0.78
GRAND TOTAL			**$506.89**

CHAITONS LLP

per: ______________________
Maya Poliak

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	$540.00	0.80	$432.00
Total:		0.80	$432.00

**THIS IS EXHIBIT "D" TO
THE AFFIDAVIT OF
CHRISTOPHER STAPLES
SWORN BEFORE ME THIS 24TH
DAY OF MARCH, 2020**

A Commissioner Etc.

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

Chaitons LLP

INVOICE NUMBER: 275682 **March 24, 2020**

GRANT THORNTON LIMITED
200 KING STREET WEST
11TH FLOOR, BOX 11
TORONTO, ONTARIO, M5H 3T4

Re: 2450531 ONTARIO LIMITED (EUCLID PROPERTY)
Our file: 006588-64902

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including March 23, 2020:

PROFESSIONAL FEES		
SUBJECT TO HST	$2,333.00	
SUB-TOTAL		$2,333.00
DISBURSEMENTS		
NON TAXABLE	$65.05	
SUBJECT TO HST	$75.85	
SUB-TOTAL		$140.90
HST at 13.00%		$313.15
GRAND TOTAL		**$2,787.05**

Amount payable on the current invoice	$2,787.05
Plus outstanding invoices on this matter	$2,620.56
Amount Due	**$5,407.61**
Trust Balance	$75,000.00

HST No R124110933 INVOICE NUMBER: 275682

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4739840v1

PROFESSIONAL FEES:

Mar 3, 20	MP	Email correspondence with E. Lake regarding correcting name of owner of Euclid;
Mar 4, 20	MP	Email correspondence with J. Krieger and E. Lake regarding correcting the name of the registered owner of Euclid;
Mar 16, 20	MP	Email correspondence with J. Krieger, J. Kanji and Gowlings regarding the motion for approval of the Euclid sale;
Mar 17, 20	MP	Conference call with R. Brosseau regarding Euclid opinion; office conference with H. Chaiton and R. Miller regarding same;
Mar 18, 20	MP	Email correspondence and conference calls with R. Brosseau and J. Kanji regarding sale motion and security opinion; letter to Commercial Court regarding urgent matter;
Mar 19, 20	MP	Conference call with J. Krieger regarding Euclid sale approval;
Mar 20, 20	MP	Email correspondence with Alsou regarding scheduling of the Euclid motion;
Mar 21, 20	MP	Call with counsel for Home Trust regarding opinion;
Mar 23, 20	AMK	Telephone communication with M. Poliak in respect of the preparation of a draft order regarding an application to correct the name of the registered owner of the property;

TOTAL PROFESSIONAL FEES	**$2,333.00**
HST at 13.00%	303.29

DISBURSEMENTS:

Subject to HST: Teranet Fee Taxable $10.85

	Teranet Electronic Registration Fee Taxable	$65.00	
			$75.85
Non-Taxable:			
	Registration/Filing Fee(s) Non-taxable	$65.05	
			$65.05

TOTAL DISBURSEMENTS **$140.90**
HST at 13.00% 9.86

GRAND TOTAL **$2,787.05**

CHAITONS LLP

per: ______________________
Maya Poliak

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	$540.00	4.20	$2,268.00
ALEXANDRA KRANCEVIC	$325.00	0.20	$65.00
Total:		4.40	$2,333.00

THIS IS EXHIBIT "E" TO
THE AFFIDAVIT OF
CHRISTOPHER STAPLES
SWORN BEFORE ME THIS 24TH
DAY OF MARCH, 2020

A. DeRita

A Commissioner Etc.

SUMMARY

Lawyer	Year of Call	Hours Billed	Hourly Rate	Amount Billed
Maya Poliak	2007	1.80	$525.00	$945.00
Maya Poliak	2007	5.70	$540.00	$3,078.00
Alexandra Krancevic	2017	0.50	$295.00	$147.50
Alexandra Krancevic	2017	0.20	$325.00	$65.00
Darren Marr	Articling Student	2.00	$200.00	$400.00
Total Hours and Amounts Billed		**10.20**		**$4,635.50**
Average Hourly Rate			**$454.46**	
Total Disbursements				**$158.85**
Total Taxes (HST)				**$613.26**
TOTAL				**$5,407.61**

GRANT THORNTON LIMITED
Applicant

-and-

2450531 ONTARIO LIMITED
Respondent

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

FEE AFFIDAVIT

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

Maya Poliak (54100A)
Tel : (416) 218-1161
Fax: (416) 218-1844

Lawyers for the Applicant

TAB 3

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE M	)	THURSDAY, THE 2ND
	)	
JUSTICE	)	DAY OF APRIL 2020

B E T W E E N:

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE MORTGAGE INVESTEMENT CORPORATION

Applicant

-and-

2450531 ONTARIO LIMITED

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by **GRANT THORNTON LIMITED** in its capacity as the Court-appointed receiver (the "**Receiver**") over the property municipally known as 293 Euclid Avenue, Toronto, Ontario and listed on **Schedule B** hereto (the "**Property**"), for an order, among other things:

1. approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale dated January 16, 2020 (the "**Sale Agreement**") between the Receiver and Philip Huang (the "**Purchaser**") appended to the First Report of the Receiver dated March 25, 2020 (the "**Report**");

2. vesting in the Purchaser, the right, title and interest of the owner of the Property (the "**Owner**") in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

3. sealing the confidential appendices to the Report until the closing of the Transaction or until further order of the Court; and

4. authorizing distributions of net sale proceeds from the sale of the Property,

was heard this day at via telephone conference.

ON READING the Report and on hearing the submissions of counsel for the Receiver, and such other parties as appearing at the hearing via telephone conference:

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

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

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the Owner's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Penny dated November 25, 2019; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted

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

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Metro Toronto (No. 80) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the Property in fee simple, and is hereby directed to delete and expunge from title to the Property all of the Claims listed in Schedule C hereto.

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

6. **THIS COURT ORDERS** that, after receiving a final security opinion from Dentons LLP, the Receiver is authorized to distribute the net sale proceeds from the sale of the Purchased Assets as follows:

(a) First to Home Trust Company up to the full amount owing under its mortgage against the Property;

(b) Second to the Receiver for payment of fees and disbursements of the Receiver and its legal counsel; and

(c) Third to Grant Thornton Limited in its capacity as the court-appointed receiver of Money Gate Mortgage Investment Corporation up to the full amount owing under its mortgage against the Property.

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

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

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Owner and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Owner;

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

9. **THIS COURT ORDERS** that the Confidential Appendices to the Report be and hereby are sealed pending the closing of the Transaction or an order of this Court.

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

Schedule A – Form of Receiver's Certificate

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE MORTGAGE INVESTEMENT CORPORATION

Applicant

-and-

2450531 ONTARIO LIMITED

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (the "**Court**") dated November 25, 2020, as amended, Grant Thornton Limited was appointed as the Receiver (the "**Receiver**") of the property municipally known as 293 Euclid Avenue, Toronto, Ontario (the "**Property**").

dated January 16, 2020 (the "**Sale Agreement**") between the Receiver and Philip Huang (the "**Purchaser**")

B. Pursuant to an Order of the Court dated April 2, 2020, the Court approved the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale made as of January 16, 2020 (the "**Sale Agreement**") between the Receiver and Philip Huang (the "**Purchaser**") and provided for the vesting in the Purchaser of the right, title and interest in and to the purchased assets described in the Sale Agreement (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the Sale Agreement) for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on closing pursuant to the Sale Agreement;

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

3. The Transaction has been completed to the satisfaction of the Receiver.

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

GRANT THORNTON LIMITED, in its capacity as Receiver over the property municipally known as 293 Euclid Avenue, Toronto, Ontario, and not in its personal capacity

Per: ______________________________

Name:

Title:

Schedule B – Purchased Assets

PIN: 21249-0077

PT LT 108 PL 314 TORONTO AS IN CA758318; CITY OF TORONTO

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

1. Instrument No. AT3832218 registered on March 13, 2015, being a Transfer from Kerri Ann Macaulay to 2450531 Ontario Inc. (as amended);

2. Instrument No. AT3999558 registered on September 2, 2015, being a Transfer of Charge from Money Gate MIC to Money Gate MIC and 2418047 Ontario Inc.;

3. Instrument No AT4329958 registered on September 1, 2016, being a Charge/Mortgage of Land granted in favour of Home Trust Company;

4. Instrument No. AT4353622 registered on September 27, 2016, being a Charge/Mortgage of Land granted in favour of Money Gate Mortgage Investment Corporation;

5. Instrument No. AT4526574 registered on March 31, 2017, being a Caution on Land in favour of Bita Ghaffari;

6. Instrument No. AT5004195 registered on November 9, 2018, being an Application to Register Court Order by Grant Thornton Limited; and

7. Instrument No. AT5009854 registered on November 16, 2018, being a Certificate of Direction in favour of the Ontario Securities Commission.

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

(unaffected by the Vesting Order)

(a) Any reservations, restrictions, rights of way, easements or covenants that run with the land, to the extent such reservations, restrictions, rights of way, easements or covenants are preserved by Section 44 of the *Land Titles Act* (Ontario);

(b) The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;

(c) Any registered or unregistered easements or rights of way in favour of any governmental authority or public utility provided that none of the foregoing interfere in any material adverse respect with the current use of the Property;

(d) Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due;

(e) All agreements and easements, registered or otherwise, for utilities and services for hydro, water, heat, power, sewer, drainage, cable and telephone serving the Property, adjacent or neighbouring properties, provided none of the foregoing interfere in any material adverse respect with the current use of the Property;

(f) Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property provided that in either case same do not materially adversely impair the use, operation, or marketability of the Property;

(g) Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;

(h) Any breaches of any Applicable Laws, including work orders and deficiency notices;

(i) Any subdivision agreements, site plan agreements, developments and any other agreements with the Municipality, Region, publicly regulated utilities or other governmental authorities having jurisdiction; and

(j) Minor title defects, if any, that do not in the aggregate materially affect the use of the Property for the purposes for which it is used on the date of this Order.

TAB 4

~~Revised: January 21, 2014~~

Court File No. ~~———~~CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE ———	)	~~WEEKDAY~~ THURSDAY, THE #
M	)	2ND
JUSTICE ———	)	DAY OF ~~MONTH,~~APRIL ~~20YR~~2020

B E T W E E N:

~~**PLAINTIFF**~~

~~Plaintiff~~

~~-and-~~

~~**DEFENDANT**~~

~~Defendant~~

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE MORTGAGE INVESTEMENT CORPORATION

Applicant

-and-

2450531 ONTARIO LIMITED

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~**GRANT THORNTON LIMITED** in its capacity as the Court-appointed receiver (the "**Receiver**") ~~of~~over the ~~undertaking, property and assets of [DEBTOR] (the "Debtor") for an order~~ property municipally known as 293 Euclid Avenue, Toronto, Ontario and listed on **Schedule B** hereto (the "**Property**"), for an order, among other things:

1. approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale dated January 16, 2020 (the "**Sale Agreement**") between the Receiver and ~~[NAME OF PURCHASER]~~Philip Huang (the ~~"~~"**Purchaser**~~") dated [DATE] and~~") appended to the First Report of the Receiver dated ~~[DATE]~~March 25, 2020 (the "**Report**")~~, and~~;

2. vesting in the Purchaser, the~~ Debtor's~~ right, title and interest of the owner of the Property (the "**Owner**") in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

3. sealing the confidential appendices to the Report until the closing of the Transaction or until further order of the Court; and

4. authorizing distributions of net sale proceeds from the sale of the Property,

was heard this day at ~~330 University Avenue, Toronto, Ontario~~via telephone conference.

ON READING the Report and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed[1]~~and such other parties as appearing at the hearing via telephone conference:

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

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

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved,[2] and the execution of the Sale Agreement by the Receiver[3] is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Receiver's Certificate**"), all of the ~~Debtor~~'Owner's right, title and interest in and to the Purchased Assets described in the Sale Agreement ~~[~~and listed on Schedule B hereto~~]~~[4] shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"[5]) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ~~[NAME]~~Penny dated ~~[DATE]~~November 25, 2019; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

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

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

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

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

4. ~~3.~~ **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the ~~[Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver][~~Land Titles Division of ~~{LOCATION}~~Metro Toronto (No. 80) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* ~~and/or the *Land Registration Reform Act*]~~[6], the Land Registrar is hereby directed to enter the Purchaser as the owner of the ~~subject real property identified in Schedule B hereto (the "Real~~ Property~~")~~ in fee simple, and is hereby directed to delete and expunge from title to the ~~Real~~ Property all of the Claims listed in Schedule C hereto.

5. ~~4.~~ **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds[7] from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale[8], as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS** that, after receiving a final security opinion from Dentons LLP, the Receiver is authorized to distribute the net sale proceeds from the sale of the Purchased Assets as follows:

(a) First to Home Trust Company up to the full amount owing under its mortgage against the Property;

(b) Second to the Receiver for payment of fees and disbursements of the Receiver and its legal counsel; and

(c) Third to Grant Thornton Limited in its capacity as the court-appointed receiver of Money Gate Mortgage Investment Corporation up to the full amount owing under its mortgage against the Property.

[6] ~~Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

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

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

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

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

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

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the ~~Debtor~~Owner and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the ~~Debtor~~Owner;

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

9. ~~8.~~ **THIS COURT ORDERS** ~~AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~that the Confidential Appendices to the Report be and hereby are sealed pending the closing of the Transaction or an order of this Court.

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

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

~~Revised: January 21, 2014~~

Schedule A – Form of Receiver's Certificate

Court File No. ~~________~~CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

~~**PLAINTIFF**~~

~~Plaintiff~~

~~-and-~~

~~**DEFENDANT**~~

~~Defendant~~

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE MORTGAGE INVESTEMENT CORPORATION

Applicant

-and-

2450531 ONTARIO LIMITED

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~Justice Penny of the Ontario Superior Court of Justice (the "**Court**") dated ~~[DATE OF ORDER], [NAME OF RECEIVER]~~November 25, 2020, as amended, Grant Thornton Limited was appointed as the ~~receiver~~Receiver (the ~~"~~"**Receiver**~~"~~") of the ~~undertaking, property and assets of [DEBTOR] (the~~

~~"Debtor").~~ property municipally known as 293 Euclid Avenue, Toronto, Ontario (the "**Property**").

dated January 16, 2020 (the "**Sale Agreement**") between the Receiver and Philip Huang (the "**Purchaser**")

B. Pursuant to an Order of the Court dated ~~[DATE],~~April 2, 2020, the Court approved the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale made as of ~~[DATE OF AGREEMENT]~~January 16, 2020 (the "**Sale Agreement**") between the Receiver ~~[Debtor] and [NAME OF PURCHASER]~~and Philip Huang (the "**Purchaser**") and provided for the vesting in the Purchaser of the ~~Debtor's~~ right, title and interest in and to the purchased assets described in the Sale Agreement (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the Sale Agreement) for the Purchased Assets; (ii) that the conditions to ~~Closing~~closing as set out in ~~section • of~~ the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

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

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

3. The Transaction has been completed to the satisfaction of the Receiver.

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

~~[NAME OF RECEIVER]~~GRANT THORNTON LIMITED, in its capacity as Receiver ~~of~~over the ~~undertaking, property and assets of [DEBTOR]~~property municipally known as 293 Euclid Avenue, Toronto, Ontario, and not in its personal capacity

Per: ______________________________

Name:

Title:

Schedule B – Purchased Assets

PIN: 21249-0077

PT LT 108 PL 314 TORONTO AS IN CA758318; CITY OF TORONTO

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

1. Instrument No. AT3832218 registered on March 13, 2015, being a Transfer from Kerri Ann Macaulay to 2450531 Ontario Inc. (as amended);

2. Instrument No. AT3999558 registered on September 2, 2015, being a Transfer of Charge from Money Gate MIC to Money Gate MIC and 2418047 Ontario Inc.;

3. Instrument No AT4329958 registered on September 1, 2016, being a Charge/Mortgage of Land granted in favour of Home Trust Company;

4. Instrument No. AT4353622 registered on September 27, 2016, being a Charge/Mortgage of Land granted in favour of Money Gate Mortgage Investment Corporation;

5. Instrument No. AT4526574 registered on March 31, 2017, being a Caution on Land in favour of Bita Ghaffari;

6. Instrument No. AT5004195 registered on November 9, 2018, being an Application to Register Court Order by Grant Thornton Limited; and

7. Instrument No. AT5009854 registered on November 16, 2018, being a Certificate of Direction in favour of the Ontario Securities Commission.

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

(unaffected by the Vesting Order)

(a) Any reservations, restrictions, rights of way, easements or covenants that run with the land, to the extent such reservations, restrictions, rights of way, easements or covenants are preserved by Section 44 of the *Land Titles Act* (Ontario);

(b) The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;

(c) Any registered or unregistered easements or rights of way in favour of any governmental authority or public utility provided that none of the foregoing interfere in any material adverse respect with the current use of the Property;

(d) Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due;

(e) All agreements and easements, registered or otherwise, for utilities and services for hydro, water, heat, power, sewer, drainage, cable and telephone serving the Property, adjacent or neighbouring properties, provided none of the foregoing interfere in any material adverse respect with the current use of the Property;

(f) Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property provided that in either case same do not materially adversely impair the use, operation, or marketability of the Property;

(g) Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;

(h) Any breaches of any Applicable Laws, including work orders and deficiency notices;

(i) Any subdivision agreements, site plan agreements, developments and any other agreements with the Municipality, Region, publicly regulated utilities or other governmental authorities having jurisdiction; and

(j) Minor title defects, if any, that do not in the aggregate materially affect the use of the Property for the purposes for which it is used on the date of this Order.

Document comparison by Workshare Compare on Wednesday, March 25, 2020 2:33:41 PM

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Description	Euclid Vesting Order
Rendering set	Standard

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Deleted cell	
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Split/Merged cell	
Padding cell	

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Moved to	2
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Format changed	0
Total changes	248

TAB 5

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE M	)	THURSDAY, THE 2ND
	)	
JUSTICE	)	DAY OF APRIL, 2020

B E T W E E N:

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE INVESTEMENT CORPORATION

Applicant

-and-

2450531 ONTARIO LIMITED

Respondent

TITLE CORRECTION ORDER
(Euclid Property)

THIS MOTION, made by **GRANT THORNTON LIMITED ("GTL")** in its capacity as the Court-appointed receiver (the "**Receiver**") over the property municipally known as 293 Euclid Avenue, Toronto, Ontario and described in Schedule A hereto (the "**Property**") for an order correcting the errors on title to the Property, was heard this day at via telephone conference.

ON READING the First Report of the Receiver dated March 25, 2020 and on hearing the submissions of counsel for the Receiver and such other parties and counsel as listed on the Endorsement, no one appearing for any person the service list, although properly served as appears from the affidavit of Lynda Christodoulou sworn March _, 2020, filed, and on being advised that Home Trust Company and GTL in its capacity as Court-appointed Receiver of Money Gate Mortgage Investment Corporation consent to this Order and the relief sought herein:

1. **THIS COURT ORDERS,** *nunc pro tunc* that the transferee incorrectly listed as 2450531 Ontario Inc. on Instrument No. 3832218 registered on title to the Property on March 13, 2015 be and is hereby corrected and replaced with

2. **THIS COURT ORDERS,** *nunc pro tunc* that the chargor incorrectly listed as 2450531 Ontario Inc. on the charge/mortgage bearing instrument number AT4329958 (registered on September 1, 2016) in favour of Home Trust Company be and is hereby corrected and replaced with 2450531 Ontario Limited.

3. **THIS COURT ORDERS,** *nunc pro tunc* that the chargor incorrectly listed as 2450531 Ontario Inc. on the charge/mortgage bearing instrument number AT4353622 (registered on September 27, 2016) in favour of Money Gate Mortgage Investment Corporation be and hereby is corrected and replaced with 2450531 Ontario Limited.

4. **THIS COURT ORDERS** that the Land Registry Office for the Land Titles Division of Metro Toronto (No. 80) (the "**Land Registrar**") is hereby directed to amend the parcel register for PIN 21249-0077 (LT) as follows:

   a. replace 2450531 Ontario Inc. as owner on title to the Property with 2450531 Ontario Limited;

   b. replace 2450531 Ontario Inc. with 2450531 Ontario Limited as chargor on the charge/mortgage bearing instrument number AT4329958 (registered on September 1, 2016) in favour of Home Trust Company; and

   c. replace 2450531 Ontario Inc. with 2450531 Ontario Limited as chargor on the charge/mortgage bearing instrument number AT4353622 (registered on September 27, 2016) in favour of Money Gate Mortgage Investment Corporation.

5. **THIS COURT ORDERS AND DIRECTS** that the Land Registrar give effect to this Order by registering this Order against title to the Property.

6. **THIS COURT ORDERS** that the Land Registrar shall take such further steps as may be required to give effect to the terms of this Order.

Schedule "A" – Property

PT LT 108 PL 314 TORONTO AS IN CA758318; CITY OF TORONTO

TAB 6

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE M	)	THURSDAY, THE 2ND
	)	
JUSTICE	)	DAY OF APRIL, 2020

B E T W E E N:

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE INVESTEMENT CORPORATION

Applicant

-and-

2450531 ONTARIO LIMITED

Respondent

DISCHARGE ORDER

THIS MOTION, made by **GRANT THORNTON LIMITED ("GTL")** in its capacity as the Court-appointed receiver (the "**Receiver**") over the property municipally known as 293 Euclid Avenue, Toronto, Ontario (the "**Property**") for an order, *inter alia*:

1. approving the fees and disbursements of the Receiver and its legal counsel as described in the First Report of the Receiver dated March 25, 2020 (the "**Report**"), the Affidavit of Jonathan Krieger sworn on March 24, 2020 and appended as Appendix _ to the Report and the Affidavit of Christopher Staples sworn March 24, 2020 (collectively, the "**Fee Affidavits**");

2. approving the Report and the activities of the Receiver as described therein;

3. discharging GTL as Receiver of the Euclid Property; and

4. releasing GTL from liability as set out in paragraph 6 of this Order,

was heard this day via telephone conference.

ON READING the Report and the Fee Affidavits and on hearing the submissions of counsel for the Receiver and ____:

1. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its legal counsel as described in the Report and the Fee Affidavits be and hereby are approved.

2. **THIS COURT ORDERS** that the Final Fees, as defined and described at paragraph(s) _ of the Report be and hereby are approved.

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

4. **THIS COURT ORDERS** that the Receiver's Statement of Receipts and Disbursements as described in paragraph _ of the Report and Appendix [13] to the Report be and is hereby approved.

5. **THIS COURT ORDERS** that upon the Receiver filing a certificate certifying that it has completed the remaining activities described in paragraphs __ and __ of the Report, the Receiver shall be discharged as Receiver over the Property, provided however that notwithstanding its discharge herein: (i) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (ii) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stay of proceedings in favour of GTL in its capacity as Receiver.

6. **THIS COURT ORDERS** that GTL is hereby released and discharged from any and all liability that GTL now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of GTL while acting in its capacity as Receiver herein, save and except for any gross negligence or willful misconduct on the Receiver's part. Without limiting the generality of the foregoing, GTL is hereby forever released and discharged form any and all liability relating to

matters that were raised or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or willful misconduct on the Receiver's part.

TAB 7

~~Revised: May 11, 2010~~

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	~~DAY~~THURSDAY, THE 2ND DAY
M	)	
JUSTICE	)	OF APRIL, ~~20~~ 2020

B E T W E E N:

~~**PLAINTIFF**~~

~~Plaintiff~~

~~- and -~~

~~**DEFENDANT**~~

~~Defendant~~

GRANT THORNTON LIMITED in its capacity as Court-appointed Receiver of MONEY GATE INVESTEMENT CORPORATION

Applicant

-and-

2450531 ONTARIO LIMITED

Respondent

DISCHARGE ORDER

THIS MOTION, made by ~~[RECEIVER'S NAME]~~**GRANT THORNTON LIMITED ("GTL")** in its capacity as the Court-appointed receiver (the "**Receiver**") ~~of~~over the ~~undertaking, property and assets of [DEBTOR] (the "Debtor"),~~property municipally known as 293 Euclid Avenue, Toronto, Ontario (the "**Property**") for an order, *inter alia*:

1. approving the ~~activities~~fees and disbursements of the Receiver ~~as set out~~and its legal counsel as described in the ~~report of the Receiver dated [DATE] (the "Report");~~ First Report of the Receiver dated March 25, 2020 (the "**Report**"), the Affidavit of Jonathan Krieger sworn on March 24, 2020 and appended as Appendix _ to the Report and the Affidavit of Christopher Staples sworn March 24, 2020 (collectively, the "**Fee Affidavits**");

2. approving the ~~fees~~Report and ~~disbursements~~the activities of the Receiver ~~and its counsel;~~ as described therein;

~~3. approving the distribution of the remaining proceeds available in the estate of the Debtor; [and]~~

3. ~~4.~~ discharging ~~[RECEIVER'S NAME]~~GTL as Receiver of the ~~undertaking, property and assets of the Debtor~~[Euclid Property; and

4. ~~5.~~ releasing ~~**[RECEIVER'S NAME]**~~GTL from ~~**any and all**~~ liability~~,~~ as set out in paragraph ~~5~~6 of this Order][1],

was heard this day ~~at 330 University Avenue, Toronto, Ontario.~~ via telephone conference.

ON READING the Report~~, the affidavits of the Receiver and its counsel as to fees (~~ and the "Fee Affidavits"~~)~~, and on hearing the submissions of counsel for the Receiver~~, no one else appearing although served as evidenced by the Affidavit of [NAME] sworn [DATE], filed[2];~~ and ____:

1. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its legal counsel as described in the Report and the Fee Affidavits be and hereby are approved.

2. **THIS COURT ORDERS** that the Final Fees, as defined and described at paragraph(s) __ of the Report be and hereby are approved.

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

~~[1] If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.~~

~~[2] This model order assumes that the time for service does not need to be abridged.~~

4. **THIS COURT ORDERS** that the Receiver's Statement of Receipts and Disbursements as described in paragraph _ of the Report and Appendix [13] to the Report be and is hereby approved.

5. ~~1.~~ **THIS COURT ORDERS** that ~~the activities of the Receiver, as set out in the Report, are hereby approved.~~

~~2. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, as set out in the Report and the Fee Affidavits, are hereby approved.~~

~~3. THIS COURT ORDERS that, after payment of the fees and disbursements herein approved, the Receiver shall pay the monies remaining in its hands to [NAME OF PARTY][3]. 4.~~

~~THIS COURT ORDERS that upon payment of the amounts set out in paragraph 3 hereof [and~~ upon the Receiver filing a certificate certifying that it has completed the ~~other~~remaining activities described in paragraphs __ and __ of the Report~~]~~, the Receiver shall be discharged as Receiver ~~of the undertaking, property and assets of the Debtor~~over the Property, provided however that notwithstanding its discharge herein: (~~a~~i) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein~~,~~; and (~~b~~ii) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and ~~stays~~stay of proceedings in favour of ~~[RECEIVER'S NAME]~~GTL in its capacity as Receiver.

6. ~~5. [~~**THIS COURT ORDERS** ~~**AND DECLARES**~~ that ~~**[RECEIVER'S NAME]**~~GTL is hereby released and discharged from any and all liability that ~~**[RECEIVER'S NAME]**~~GTL now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of ~~**[RECEIVER'S NAME]**~~GTL while acting in its capacity as Receiver herein, save and except for any gross negligence or ~~**wilful**~~willful misconduct on the Receiver~~'~~'s part. Without limiting the generality of the foregoing, ~~**[RECEIVER'S NAME]**~~GTL is hereby forever released and discharged ~~**from**~~form any and all liability relating to matters that were raised~~,~~ or which could have been raised, in the within receivership proceedings, save and except for any gross

~~[3] This model order assumes that the material filed supports a distribution to a specific secured creditor or other party.~~

negligence or ~~wilful~~willful misconduct on the Receiver's part.][4]

[4] ~~The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The general release language has been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.~~

Document comparison by Workshare Compare on Thursday, March 26, 2020 12:12:52 PM

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Format changed	0
Total changes	149

GRANT THORNTON LIMITED
Applicant

-and-

2450531 ONTARIO LIMITED
Respondent

Court File No. CV-19-00628085-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

MOTION RECORD

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Lawyers for the Applicant