

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

BETWEEN:

SALVATOR GALATI

Applicant

and

VINCENZO TETI, NICOLA MARINO
and 1828700 ONTARIO INC.

Respondents

MOTION RECORD

DATE: August 20, 2018

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TAB 1

**ONTARIO
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NOTICE OF MOTION

THE LIQUIDATOR, Schwartz Levitsky Feldman Inc., will make a motion before a Judge of the Ontario Superior Court of Justice (Commercial List) on August 27, 2018 at 10:00 a.m., or as soon after that time as the motion can be heard at 330 University Avenue, Toronto.

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

THE MOTION IS FOR:

1. an Order, substantially in the form of the draft Order attached as Schedule "A", seeking the following relief:
 - (a) continuing the winding-up and liquidation of 1828700 Ontario Inc. under the supervision of this Court;

- (b) appointing Schwartz Levitsky Feldman Inc. as Liquidator of 1828700 Ontario Inc.;
- (c) granting Schwartz Levitsky Feldman Inc. a priority charge over the assets, properties and undertakings of 1828700 Ontario Inc. to secure the reasonable fees and disbursements of the Liquidator and its counsel; and
- (d) such further relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

A. *The parties*

1. The moving party, Schwartz Levitsky Feldman Inc. (“SLF”), is the privately-appointed liquidator of 1828700 Ontario Inc. (the “Company”), appointed pursuant to Section 193 of the *Business Corporations Act*.
2. The responding parties, Salvator Galati (“Galati”), Nicola Marino (“Marino”), and Vincenzo Teti (“Teti”), are shareholders in the Company, together with a non-party named Evelyn Bieri (“Bieri”).

B. *Background to the motion*

3. The Company’s only asset is a property located at 520-524 Ellesmere Road, Toronto, Ontario (the “Property”) on which there is a six story medical building (the “Building”) situated on 6.8 acres of land. The Liquidator’s principal mandate was to liquidate the Property and wind up the Company.

4. However, since the Liquidator's appointment, it has been unable to fully carry out its mandate because Galati has refused to provide the Liquidator with critical information and documentation in his possession relating to the Property.

5. In order to carry out its mandate, the Liquidator now applies to the court for court supervision of the winding up and liquidation process.

C. The Company

6. The Company is a private Ontario corporation.

7. The shareholders of the Company are currently as follows:

Shareholder	% of Shares
Salvatore Galati	30.84
Vince Teti	30.84
Nick Marino	30.84
Evelyn Bieri	7.84
	100.00

8. The Building on the Property has a potential occupancy of 125,000 square feet.

9. Presently, the Building is approximately 60 percent occupied with the majority of vacant space having never been occupied or finished to allow occupation by new tenants.

10. In May 2016, Galati requisitioned Cushman and Wakefield Ltd. to appraise the Property. Cushman and Wakefield Ltd. appraised the Property at \$45,000,000.00 but the appraisal was based on the current leases and twenty six offers to lease which, the Liquidator understands, Galati represented existed but which, in fact, never

materialized. When advised that the leases never materialized, Cushman and Wakefield Ltd. retracted its appraisal.

11. The Company is financed by Meridian Credit Union ("Meridian") and shareholder loans. Meridian holds a first mortgage on the Property (the "First Mortgage") and is owed approximately \$15,000,000.00. The First Mortgage is in default. The First Mortgage is personally guaranteed by Galati, Marino, and Teti.

D. Galati Co and the Galati Mortgage

12. 1878351 Ontario Limited ("Galati Co") is an Ontario corporation owned by Galati and Antonia Bianchi ("Bianchi").

13. Galati Co is the master tenant for the leases relating to the third and fourth floors of the Building (the "Master Lease").

14. Galati Co entered into sub-leases with the actual tenants that occupy the third and fourth floors. As described below, Galati Co has refused to provide the Liquidator with copies of the sub-leases or even the details of the key financial and other terms in respect to those sub-leases.

15. The Master Lease is in default. Nevertheless, the Liquidator understands that Galati Co continues to collect the rents from the third and fourth floor sub-leases.

16. On November 30, 2012, Galati Co borrowed \$5 million from Meridian to fund tenant improvements for the third and fourth floors of the building. The loan is secured with a second collateral mortgage registered against the Property (the "Galati

Mortgage”). Galati and Bianchi personally guaranteed the loan. At present, Galati Co owes approximately \$3.5 million to Meridian.

17. According to the records reviewed by the Liquidator, as well as discussions with Teti and Marino, it appears that Galati purported to approve the Galati Mortgage on behalf of the Company without regard to his apparent conflict, and even though it does not appear that Galati had authority to approve this mortgage loan unilaterally.

18. Teti and Marino claim that they have no knowledge of this financing and were unaware that Galati had further encumbered the Property by arranging for the Galati Mortgage. In addition, Teti and Marino advise that they only recently discovered that Galati was a fifty percent shareholder of Galati Co.

E. Other pressing financial considerations

19. The Company is behind in paying its construction suppliers and trade payables, and \$3,640,547 in liens has been registered against title to the Property.

20. Although the precise amount is subject to dispute among the shareholders, it appears that the Company owes approximately \$7.7 million in shareholder loans.

21. In addition to the liens and shareholder loans, the Company owes approximately \$1,800,000.00 to other miscellaneous suppliers and over \$2,000,000.00 in property taxes.

22. On October 18, 2017, the City of Toronto issued a Warrant of Distrain for Property Taxes against the company, for \$666,919.10, which was stayed by the appointment of the Liquidator.

23. To date, the Company has made no payments against the tax arrears or current installments. Teti and Marino have advised the Liquidator that they were not aware of the realty tax deficiency until Meridian told them about the default in October 2017.

24. The company also has the following litigation pending against it:

- (a) by Access Self Storage, for \$6,000,000.00;
- (b) by United Drywall, for \$442,000.00;
- (c) by CP Rail, for \$350,000.00; and
- (d) Galati brought an oppression claim against Teti, Marino and the company but has not taken any steps since a failed motion for an injunction.

25. The Company is in default of issuance of its July 31, 2017 financial statements as the accountant for the company refused to issue the statements as they were not approved by the shareholders. The financial statement issues relate to the write off of old accounts receivables and the accounting for certain Galati shareholder loans.

F. Galati has failed to cooperate with the Liquidator

26. Galati did not support the appointment of the Liquidator. In fact, a few hours before the shareholders' meeting to consider the resolution to wind up and liquidate the company, Galati brought an injunction to try to prevent the meeting from taking place. Galati's motion was unsuccessful.

27. Since his appointment, the Liquidator has been unable to secure cooperation from Galati and/or Bianchi to provide the sub-leases for the third and fourth floors of the

building. This information is critical for the Liquidator to get a complete financial picture of the Property. Therefore, the Liquidator is only in possession and control of complete documentation and information regarding four/sixths of the building (ie floors one, two, five and six).

28. In the absence of the required information including, in particular, the sub-leases for floors three and four, the Liquidator has no ability to value the Property and its cash flow and no ability to carry out a property marketing and sales process for the Property.

29. On May 16, 2018, the Liquidator received an offer for the Property from an arm's-length third party. On June 13, 2018, the Liquidator received a further offer for the Property from the same party.

30. The Liquidator has no ability to properly assess the value of the offers as no marketing or sales process has taken place with respect to the Property and, as noted, the Liquidator does not have full access to all the information regarding the third and fourth floor rents.

31. Nevertheless, based on the information that the Liquidator has about the Property, the offer appears meaningful and the offered purchase price is more than sufficient to satisfy all of 182 Ontario's creditors identified in this Report. The Liquidator would like to pursue further discussions with this third party once the Liquidator is in possession of the outstanding information about the Property.

G. Statutory and other grounds

32. It is in the interest of contributories and creditors that the proceedings should be continued under the supervision of the court.

33. Sections 207(1)(b)(ii) and 208(1) of the *Business Corporations Act*, R.S.O. 1990, c. B.16.

34. Rules 1.04, 2.03, 3.02(1), 16, 37 and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.

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

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

- (a) the First Report of the Liquidator dated August 20, 2018 and the exhibits thereto; and
- (b) such further and other evidence as the lawyers may advise and this Honourable Court may permit.

DATE: August 20, 2018

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Schedule "A" to the Notice of Motion

Court File No. CV-17-588264-00CL

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APPLICATION UNDER Section 207(1)(b)(ii) of the *Business Corporations Act*, R.S.O.
1990, Chap. B. 6

WINDING-UP AND LIQUIDATION ORDER

THIS MOTION, made by Schwartz Levitsky Feldman Inc. in its capacity as the liquidator (in such capacity, the "Liquidator") of 1828700 Ontario Inc. ("182 Ontario") for an Order, among other things, continuing under the supervision of this Court the voluntary winding-up of 182 Ontario Corp. pursuant to section 207 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "OBCA"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report to this Court of the Liquidator dated August 16, 2018 (the "First Report") and on hearing the submissions of counsel for the Liquidator and counsel for 182 Ontario, Salvator Galati, Vincenzo Teti, Nicola Marino and Meridian Credit Union,

SERVICE

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

WINDING UP

2. THIS COURT ORDERS that that the winding-up of 182 Ontario shall continue to be effected and implemented under the supervision of this Court and any further order of this Court.

LIQUIDATOR'S POWERS

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

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage and operate the Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, or cease to perform any contracts of 182 Ontario in respect of the Property;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis,

including on a temporary basis, to assist with the exercise of the Liquidator's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets in respect of the Property or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to 182 Ontario in respect of the Property and to exercise all remedies of 182 Ontario in respect of the Property in collecting such monies, including, without limitation, to enforce any security held by 182 Ontario in respect of the Property;

(g) to settle, extend or compromise any indebtedness owing to 182 Ontario;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Liquidator's name or in the name and on behalf of 182 Ontario, 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 182 Ontario in respect of the Property or the Liquidator, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Liquidator in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the *Ontario Personal Property Security Act*, or section 31 of the *Ontario Mortgages Act*, as the case may be, shall not be required, and in each case the *Ontario Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Liquidator deems appropriate on all matters relating to the Property and the liquidation, and to share information, subject to such terms as to confidentiality as the Liquidator deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Liquidator, in the name of 182 Ontario in respect of the Property;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of 182 Ontario, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by 182 Ontario;
- (q) to exercise any shareholder, partnership, joint venture or other rights which 182 Ontario may have in respect of the Property; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Liquidator 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 182 Ontario, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

3. THIS COURT ORDERS that (i) 182 Ontario, (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 Liquidator of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Liquidator, and shall deliver all such Property to the Liquidator upon the Liquidator's request.

4. THIS COURT ORDERS that all Persons shall forthwith advise the Liquidator 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 182 Ontario relating to the Property, 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 Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator 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 Liquidator 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 Liquidator for the purpose of allowing the Liquidator 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 Liquidator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidator. Further, for the purposes of this paragraph, all Persons shall provide the Liquidator with all such assistance in gaining immediate access to the information in the Records as the Liquidator may in its discretion require including providing the Liquidator with instructions on the use of any computer or other system and providing the Liquidator with any and all access codes, account names and account numbers that may be required to gain access to the information.

6. THIS COURT ORDERS that the Liquidator shall provide each of the relevant landlords with notice of the Liquidator's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Liquidator's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Liquidator, or by further Order of this Court upon application by the Liquidator on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST 182 ONTARIO OR ITS PROPERTY

7. THIS COURT ORDERS that from the date of this Order until further order of this Court (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of 182 Ontario, or the Liquidator, or affecting any of 182 Ontario's current or

future assets, undertakings or properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "Property"), except with the written consent of the Liquidator, or with leave of this Court, and any and all Proceedings currently under way against or in respect of 182 Ontario or affecting the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of 182 Ontario or the Liquidator, or affecting the Property, are hereby stayed and suspended except with the written consent of the Liquidator, or leave of this Court, provided that nothing in this Order shall: (i) empower the Liquidator to carry on any business which 182 Ontario is not lawfully entitled to carry on; (ii) exempt the Liquidator from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or re-perfect an existing security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sub-lease, licence or permit in favour of or held by 182 Ontario, except with the written consent of the Liquidator, or leave of this Court.

CONTINUATION OF SERVICES

9. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with 182 Ontario 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, employee benefits, transportation services, utility, leasing or other services to 182 Ontario, 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 Liquidator, and that the Liquidator shall be entitled to the continued use of 182 Ontario's current premises, 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 Liquidator in accordance with normal payment practices of 182 Ontario or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

10. THIS COURT ORDERS that during the Stay Period, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of 182 Ontario with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of 182 Ontario whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers of 182 Ontario.

THE LIQUIDATOR

11. THIS COURT ORDERS that the Liquidator shall provide any creditor or shareholder of 182 Ontario with information provided by 182 Ontario in response to reasonable requests for information made in writing by such creditor or shareholder addressed to the Liquidator or its legal counsel. The Liquidator shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Liquidator has been advised by 182 Ontario or the Inspectors is confidential or otherwise material, non-public information, the Liquidator shall not provide such information to creditors or shareholders unless otherwise directed by this Court, or on such terms as the Liquidator and the Inspectors may agree.

12. THIS COURT ORDERS that, in addition to the rights and protections afforded the Liquidator under the OBCA, the Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by the OBCA or any applicable legislation

LIQUIDATOR'S ACCOUNTS

13. THIS COURT ORDERS that the Liquidator and counsel to the Liquidator 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 Liquidator and counsel to the Liquidator shall be entitled to and are hereby granted a charge (the "Liquidator's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Liquidator's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.

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

15. THIS COURT ORDERS that prior to the passing of its accounts, the Liquidator 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 Liquidator or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE LIQUIDATION

16. THIS COURT ORDERS that the Liquidator be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time

to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Liquidator by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Liquidator'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 Liquidator's Charge.

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

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

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

SERVICE AND NOTICE

20. 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.

21. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Liquidator 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 182 Ontario's creditors or other interested parties at their respective addresses as last shown on the records of 182 Ontario and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

22. THIS COURT ORDERS that Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties under this Order.

23. 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 Liquidator and its respective 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 Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Liquidator and its respective agents in carrying out the terms of this Order.

24. THIS COURT ORDERS that the Liquidator 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 Liquidator 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.

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

SCHEDULE "A"
LIQUIDATOR'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Schwartz Levitsky Feldman Inc., the liquidator (the "Liquidator") of 1828700 Ontario Inc. pursuant to the Order of the Ontario Superior Court of Justice (the "Court") dated the 27th day of August, 2018 (the "Order") appointing the Liquidator, made in an application having Court file number CV- CV-17-588264-00CL, has received from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Liquidator 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 Liquidator pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person and the right of the Liquidator to indemnify itself out of such Property in respect of its remuneration and expenses.

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Liquidator 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 Liquidator to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Liquidator 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__.

Schwartz Levitsky Feldman Inc., solely in its capacity as Liquidator, and not in its personal capacity

Per: _____

Name:

Title:

SALVATOR GALATI

Applicant

-and-

Court File No. CV-17-588264-00CL
VINCENZO TETI, NICOLA MARINO and
1828700 ONTARIO INC.
Respondents

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

PROCEEDING COMMENCED AT
TORONTO

WINDING-UP ORDER

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Lawyers for the Liquidator

SALVATOR GALATI

Applicant

-and-

Court File No. CV-17-588264-00CL
VINCENZO TETI, NICOLA MARINO and
1828700 ONTARIO INC.
Respondents

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

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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Lawyers for the Liquidator

TAB 2

***In the Matter of the Liquidation
of 1828700 Ontario Inc.***

Report to Stakeholders and the Court

A. OVERVIEW

1. On December 15, 2017, at a special meeting of the shareholders of 1828700 Ontario Inc. ("182 Ontario" or the "company"), Schwartz Levitsky Feldman Inc. ("SLF") was appointed liquidator (the "Liquidator") of 182 Ontario pursuant to Section 193 of the Business Corporations Act. A copy of the Minutes of the shareholders' meeting, Certificate appointing the Liquidator, and Notices concerning the Winding Up, all dated December 15, 2017, are enclosed as **Exhibit 1**.

2. 182 Ontario's only asset is a property located at 520-524 Ellesmere Road, Toronto, Ontario (the "Property") on which there is a six story medical building. The Liquidator's principal mandate was therefore to liquidate the Property and then wind up the company.

3. However, since the Liquidator's appointment, it has been unable to fully carry out its mandate because Salvatore Galati ("Galati"), one of the shareholders of 182 Ontario, has refused to provide the Liquidator with critical information and documentation in his possession relating to the Property.

4. Galati is currently the only shareholder with any property management responsibility for 182 Ontario. Unbeknownst to his fellow shareholders of 182 Ontario until recently, Galati is also a shareholder of 1878351 Ontario Limited, a company that holds the Master Lease for floors three and four of the building. In order to carry out its

mandate, the Liquidator now applies to the court for court supervision of the winding up and liquidation process.

B. PURPOSE OF THE REPORT

5. The purpose of this Report is to:

- (a) provide information on the Liquidator's activities since the date of its private appointment; and
- (b) seek an Order of the Court winding up 182 Ontario and appointing the Liquidator to liquidate 182 Ontario.

C. 182 ONTARIO

6. 182 Ontario is a private Ontario corporation. A copy of a corporate profile report for 182 Ontario is attached as **Exhibit 2**.

7. The Shareholders of 182 Ontario are currently as follows:

Shareholder	% of Shares
Salvatore Galati	30.84
Vince Teti	30.84
Nick Marino	30.84
Evelyn Bieri	7.84
	100.00

8. As noted above, 182 Ontario's only asset is the Property.

9. There is a six story medical building on the Property with a potential occupancy of 125,000 square feet. The building is situated on 6.8 acres of land.

10. Presently, the building is approximately 60 percent occupied with the majority of vacant space having never been occupied or finished to allow occupation by new tenants.

11. In May 2016, Galati requisitioned Cushman and Wakefield Ltd., appraisers, to appraise the Property. Cushman and Wakefield Ltd. appraised the Property at \$45,000,000.00 but the appraisal was based on the current leases and twenty six offers to lease which, the Liquidator understands, Galati represented existed but which, in fact, never materialized. When advised that the leases never materialized, Cushman and Wakefield Ltd. retracted their appraisal.

12. As described in more detail below, the Liquidator has been unable to requisition a current appraisal of the Property as it does not have full access to information or documentation regarding all of the leases and rents for the building.

13. 182 Ontario is financed by Meridian Credit Union ("Meridian") and shareholder loans.

14. Meridian holds a first mortgage on the Property (the "First Mortgage") and is owed approximately \$ 15,000,000.00. The First Mortgage is personally guaranteed by Galati, Nick Marino ("Marino") and Vince Teti ("Teti") who hold collectively 92.52% of the shares of 182 Ontario.

D. 1878351 ONTARIO LIMITED AND THE 187 MORTGAGE

15. 1878351 Ontario Limited ("187 Ontario") is an Ontario corporation owned by Galati and Antonia Bianchi ("Bianchi"). A copy of a corporate profile report for 187 Ontario is attached as **Exhibit 3**.

16. 187 Ontario is the master tenant for the leases relating to the third and fourth floors of the building (the "Master Lease"). A copy of the Master Lease is attached as **Exhibit 4**.

17. The Liquidator understands that 187 Ontario entered into sub-leases with the actual tenants that occupy the third and fourth floors. As described below, 187 Ontario has refused to provide the Liquidator with copies of the sub-leases or even the details of the key financial and other terms in respect to those sub-leases.

18. The Master Lease is in default. At the same time, the Liquidator understands that 187 Ontario continues to collect the rents from the third and fourth floor sub-leases.

19. In November 2012, 187 Ontario borrowed \$5 million from Meridian to fund tenant improvements for the third and fourth floors of the building. The loan is secured with a second collateral mortgage registered against the Property (the "187 Mortgage"). Galati and Bianchi personally guaranteed the loan. At present, 187 Ontario owes approximately \$3.5 million to Meridian.

20. According to the records reviewed by the Liquidator, as well as discussions with Teti and Marino, it appears that Galati purported to approve the 187 Mortgage on behalf

of 182 Ontario without regard to his apparent conflict and even though it does not appear that Galati had authority to approve this mortgage loan unilaterally.

21. Teti and Marino claim that they have no knowledge of this financing and were unaware that Galati had further encumbered the Property by arranging for the 187 Mortgage. In addition, Teti and Marino advise that they only recently discovered that each of Galati and Bianchi was a fifty percent shareholder of 187 Ontario (a fact that Bianchi has now admitted).

22. The Liquidator has not yet conducted a review of the security documentation relating to either the First Mortgage or the 187 Mortgage.

E. THE 182 ONTARIO SHAREHOLDER LOANS

23. The 182 Ontario shareholder group has injected the following funds to finance the project based on the last draft financial statements prepared by the company:

Shareholder	Loan Amount \$
Salvatore Galati	3,868,274.90
Vince Teti	1,888,000.00
Nick Marino	1,533,985.00
Evelyn Bieri	480,851.87
	<u>\$7,771,111.83</u>

24. Galati has asserted that Evelyn Bieri's loans are not accurate and that her shares have been pledged to a third party. In addition, Marino and Teti question Galati's

advances as they include \$ 900,000.00 of management fees which, they allege, were never approved.

F. CONSTRUCTION LIENS AND OTHER TITLE ISSUES

25. 182 Ontario is behind in paying its construction suppliers and trade payables and the following companies have registered liens against title to the Property:

Lien Claimant	Amount of Lien (\$)
Network Mechanical Inc. ¹	1,671,725
G & G General Supply Ltd. ²	903,806
1762550 Ontario Inc. o/a G & G Contracting	137,652
Energy Corp. ³	85,852
Goldomme Electrical Contractors Inc. ⁴	841,512
	<u>\$ 3,640,547</u>

1. Network Mechanical Inc. is fifty percent owned by Teti.
2. G & G General Supply Ltd. and 1762550 Ontario Inc. o/a G & G Contracting are owned by the Galati family.
3. Energy Corp is a company owned by the Galati family.
4. Goldomme Electrical Contractors Inc. is a third party supplier to the company

An abstract of the title to the Property is attached as **Exhibit 5**.

26. In addition to these liens and the debts described above, the company owes approximately \$1,800,000.00 to other miscellaneous suppliers and over \$2,000,000.00 in property taxes.

27. On October 18, 2017, the City of Toronto issues a Warrant of Distrain for Property Taxes against the company, for \$ 666,919.10 which was stayed by the appointment of the Liquidator. A copy of the Warrant to Distrain for Property Taxes is attached as **Exhibit 6**.

28. To date, the company has made no payments against the tax arrears or current installments. Teti and Marino have advised the Liquidator that they were not aware of the realty tax deficiency until Meridian told them about the default in November 2017.

29. The company also has the following litigation pending against it:

- (a) A lawsuit by Access Self Storage in the amount of \$ 6,000,000.00;
- (b) A statement of claim issued by a supplier, United Drywall for \$ 442,000.00;
- (c) A lawsuit by CP Rail for \$ 350,000.00; and
- (d) Galati brought an oppression claim against Teti, Marino and the company but has not taken any steps since his failed motion for an injunction.

G. 182'S MONTHLY CASH FLOW

30. The Liquidator has reviewed the monthly cash flow of the Property which is broken down in **Exhibit 7** to this report. The company has a cash flow deficiency of \$110,000.00 per month if it were to pay its property taxes monthly of \$50,420.00 and Meridian mortgage payment of \$120,000.00 per month.

31. The cash flow does not include any amounts related to rental income from the third and fourth floors of the building as they are payable to 187 Ontario, as described above.

32. The lease between 182 Ontario and 187 Ontario for the third and fourth floor is currently in default. 187 Ontario is also in default of its loan agreement with Meridian and owes arrears of interest of approximately \$80,000.

H. STEPS THE LIQUIDATOR HAS TAKEN SINCE ITS APPOINTMENT

1. Steps taken immediately following the appointment

33. On December 19, 2017, immediately after the Liquidator's appointment, the Liquidator held a meeting with Galati, Olga Galati (Galati's spouse) and Rey Atienza, a long time associate of Galati who provides bookkeeping and related services to Galati and 182 Ontario. The purpose of the meeting was to obtain information about the Property, its financial position, its key employees and to arrange meetings with tenants to inform them of the appointment of the Liquidator.

34. On December 20, 2017, the Liquidator attended at the Property and held meetings with the building employees and all tenants to advise them of the appointment of the Liquidator and that the Liquidator would be managing and controlling the Property going forward.

35. The Liquidator formally advised all tenants that commencing on January 1, 2018 and until further notice, payments for rent, hydro and common area expensed due in accordance with their lease should be made payable to "Schwartz Levitsky Feldman

Inc.” and would be picked up at the beginning of each month by Mr. Jose Flamenco, the property manager.

36. The Liquidator then held additional meetings with Mr. Sudin Ray, manager of the Family Health Team, to explain the Liquidator’s role and objectives and assist Mr. Ray with communicating the Liquidator’s role to the tenants.

37. On January 9, 2018, the Liquidator attended at the property to pick up rents collected by Mr. Flemenco and meet with the tenants who were unavailable December 20, 2017.

38. On January 11, 2018, the Liquidator held a meeting with Bianchi and advised her of the ramifications of the appointment of the Liquidator. At that meeting, the Liquidator requested information about the leases for the third and fourth floors, as well as financial statements of 187 Ontario in respect of fiscal 2016.

39. The Liquidator has never received the leases. Bianchi assured the Liquidator that she would provide financial statements for 187 Ontario for fiscal 2017 but, to date, these have not been provided.

40. On January 16, 2018, the Liquidator held a meeting with Mr. Galati and Mr. Rey Atienza to review all outstanding accounts receivables as at December 31, 2017 and related tenant issues. At the meeting, the Liquidator discovered that 182 Ontario had \$1,679,344.76 in outstanding receivables for Leaseholds, Rent and Hydro at December 31, 2017 and numerous issues with collection of rent from the tenants.

41. On January 25, 2018, the Liquidator served notice on the Bank of Nova Scotia (the company's bank) and requested that the Liquidator be added as a signatory to the bank accounts. The bank did not respond to the request but Galati subsequently agree to only issue cheques with his and the Liquidator's signatures.

2. Steps the Liquidator is taking on an ongoing basis

42. The Liquidator is in ongoing contact with the tenants to deal with day to day issues, collect rents and help collect rental arrears from delinquent tenants.

43. On February 2, 2018, the Liquidator received rental payments from the tenants for the first time. The Liquidator reconciled the rental payments against the tenant leases and confirmed the leases in place and the payments that were made.

44. Since that time, the Liquidator continues to attend at the Property on a monthly basis to collect rents, deal with tenant issues and review management of the building.

45. The Liquidator also continues to send collection notices to tenants in arrears and continues to help negotiate lease issues, renewals and extensions with tenants and their solicitors.

46. Finally, as described in more detail below, the Liquidator has: (i) supported discussions amongst the 182 Ontario shareholders about a resolution involving Galati purchasing the interests of his fellow shareholders; and (ii) been engaged with Meridain in ongoing discussions about the present situation.

I. GALATI HAS FAILED TO COOPERATE WITH THE LIQUIDATOR

47. Galati did not support the appointment of the Liquidator. In fact, a few hours before the shareholders' meeting to consider the resolution to wind up and liquidate the company, Galati brought an injunction to try to prevent the meeting from taking place. Galati's motion was unsuccessful. A copy of the Justice Myers' endorsement dismissing Galati's motion is attached as **Exhibit 8**.

48. Since the Liquidator's appointment, it has been unable to secure cooperation from Galati and/or Bianchi to provide the sub-leases for the third and fourth floors of the building. This information is critical for the Liquidator to get a complete financial picture of the Property. Therefore, the Liquidator is only in possession and control of documentation and information regarding four/sixths of the building (ie floors one, two, five and six).

49. Galati, Bianchi and 187 have also refused to account to the Liquidator for the rents that they are collecting in respect of the third and fourth floors. Teti and Marino have requested that Meridain attorn rents from the third and fourth floors but, to date, Meridan has refused.

50. In the absence of the required information including, in particular, the sub-leases for floors three and four, the Liquidator has no ability to value the Property and its cash flow and no ability to carry out a property marketing and sales process for the Property.

51. On May 16, 2018, the Liquidator received an offer for the Property from an arm's-length third party. A redacted copy of this offer is attached as **Exhibit 9** and an unredacted copy of the offer is attached as **Confidential Exhibit A**.

52. The Liquidator has no ability to properly assess the value of the offer as no marketing or sales process has taken place with respect to the Property and, as noted, the Liquidator does not have full access to all the information regarding the third and fourth floor rents.

53. Nevertheless, based on the information that the Liquidator has about the Property, the offer appears meaningful and the offered purchase price is more than sufficient to satisfy all of 182 Ontario's creditors identified in this Report. The Liquidator would like to pursue further discussions with this third party once the Liquidator is in possession of the outstanding information about the Property. Even though the offer has now expired, the Liquidator understands that the third party is still potentially interested in acquiring the Property.

J. GALATI'S ONGOING – AND UNSUCCESSFUL - EFFORTS TO REFINANCE THE PROPERTY AND BUYOUT HIS FELLOW SHAREHOLDERS

54. The Property is still being managed by Galati. Upon its appointment, the Liquidator requested quotes from professional third party property managers but deferred any appointment in order to be cost effective and allow Galati the opportunity to refinance the Property.

55. The Liquidator has had a number of meetings with Galati, Meridian representatives and Joseph Bergman, a representative of Teti and Marino. As a result of these meetings, Galati advised that he wished to refinance the Property with the view to payout Meridian, the liens, the accrued liabilities, the property taxes and the shareholder loans of the other shareholders.

56. With this in mind, Mr. Bergman confirmed that his clients (Teti and Marino) would accept a buyout of their shares for one dollar and full repayment of their shareholder loans with no interest provided Meridian would formulate a forbearance agreement for the period required by Galati to close the refinancing deal.

57. The terms of the agreement required that 182 Ontario bring interest arrears of \$220,000.00 into good standing by May 10, 2018, pay interest only on the First Mortgage going forward, pay \$750,000.00 in property tax arrears by May 15, 2018, pay another \$750,000.00 of property tax arrears by June 15, 2018 and pay out Meridian by September 18, 2018.

58. Galati agreed that Meridian's forbearance terms were acceptable given the commitment by Mr. Bergman regarding the shareholder buyouts.

59. The Liquidator has been advised by both Galati and Meridian that 182 Ontario paid \$180,000.00 of the interest arrears but is still in arrears of \$ 40,000.00 and has not paid the May 15, 2018 tax arrears payment.

60. The Liquidator, Mr. Bergman and representatives of Meridian held a meeting regarding the defaults and the forbearance agreement. At that meeting, it was decided to give Mr. Galati until May 29, 2018 to have financial statements completed and approved by the shareholders and to have a share purchase agreement completed and executed by the shareholders. Otherwise it was not worth amending the forbearance agreement as without these agreements, Mr. Galati had no chance of refinancing the Property.

61. To date, the Liquidator has not been provided with any binding commitment to refinance 182 Ontario, nor even any proof that Galati has paid commitment fees to any prospective financier.

K. 182 ONTARIO HAS NOT ISSUED ITS FINANCIAL STATEMENTS

62. 182 Ontario is in default of issuance of its July 31, 2017 financial statements as the accountant for the company refused to issue the statements as they were not approved by the shareholders. The financial statement issues relate to the write off of old accounts receivables and the accounting for certain Galati shareholder loans.

63. Galati, through a new accountant, has provided the Liquidator with new draft financial statements for the years ended July 31, 2017 for approval by the shareholders.

64. The new statements included an adjustment in favour of 182 Ontario for outstanding management fees of \$450,000.00 plus HST per year for eleven years or a credit to his loan account of \$5,593,500.00. The management fees were then capitalized as a part of the construction cost of the building.

65. Galati's shareholder loan already included management fees of \$900,000.00 plus HST for three years (\$300,000.00 per year) which is not part of the eleven years noted above. A copy of the draft financial statements is included at **Exhibit 10**.

66. Without financial statements for the year ended July 31, 2017 that are approved by the shareholders, Galati will not be able to refinance the Property and interest and property taxes will continue to accrue to the detriment of all stakeholders.

L. GALATI TRIES UNSUCCESSFULLY TO BUY OUT HIS FELLOW SHAREHOLDERS

67. As part of Galati's efforts to refinance the Property, he has been in discussions with his fellow shareholders about potentially buying out their interests. In this regard, on June 18, 2018, Galati produced a draft Share Purchase Agreement (the "Draft SPA"). The Liquidator has been advised that numerous terms in the agreement are completely unacceptable to Marino and Teti.

68. Galati has continued to negotiate and amend the Share Purchase Agreements but to date has not been successful in getting agreements from his other shareholders.

69. When Meridian was advised of the unsuccessful share purchase agreement negotiations, it advised that no forbearance agreement would be prepared and that if parties did not have share purchase agreements done by August 27, 2018, it would make a motion for the appointment of its own Court-Appointed Receiver.

70. Meridian is owed interest arrears of approximately \$300,000 from 182 and approximately \$80,000 from 187.

71. Galati has continued to negotiate and has fulfilled one important condition of the draft share purchase agreements by depositing \$450,000.00 in his lawyer's trust account.

72. However, as of the date of this report, Galati has been unable to agree on a share purchase with his fellow shareholders.

M. RECOMMENDATION

73. The Liquidator recommends that its appointment as Liquidator by the shareholders be converted to a Court appointed Liquidator in order for the Receiver to:

- (a) Take over management of the entire building;
- (b) Terminate the Master Lease for the third and fourth floors of the building to:
 - (i) allow the Receiver access to the lease information;
 - (ii) allow the Receiver additional rental income to help fund the cash flow deficiency; and
 - (iii) allow the Receiver to requisition a proper appraisal on the Property;
- (c) Run a sales process to market and sell the Property; and
- (d) Allow the Liquidator to obtain a Vesting Order on the eventual sale of the Property.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

August 20, 2018

**Schwartz Levitsky Feldman Inc, in its
capacity as Liquidator of 1828700 Ontario
Inc.**



TAB 1

MINUTES OF THE SHAREHOLDERS OF

1828700 ONTARIO INC.

(Meeting dated Friday, December 15, 2017)

The within document is the Minutes of a Special Meeting of the Shareholders of 1828770 Ontario Inc. (the "Corporation") held at 30 Pennsylvania Avenue, Unit 2, Concord, Ontario, L4K 4A5 on Friday, the 15th day of December, 2017. At such time the following occurred:

1. The meeting of the shareholders was scheduled to commence at 11:00 a.m. Salvatore Galati did bring an emergency Application to the Superior Court of Justice at Toronto (Commercial List) on the morning of December 15, 2017 seeking an injunction restraining the meeting of shareholders from taking place. The emergency Court Application came before Mr. Justice Myers with Mr. Justice Myers initially prohibiting the meeting from taking place until such time as a full ruling was made on the Application of Mr. Galati and with the Application to be heard commencing at 10:00 a.m. For reasons given by Mr. Justice Myers, the Injunction Application brought by Mr. Galati was dismissed with costs and, as a result of such dismissal, the meeting was scheduled to occur at 1:30 p.m.
2. Mr. Teti, as President of the company and the person who called the meeting, acted as the Chairman of the meeting.
3. The persons present at the commencement of the meeting were as follows:
 - (a) Mr. Nick Marino, a shareholder of the Corporation, and Mr. Marino was accompanied by his adult children McKenzie Marino and Anthony Marino.

- (b) Mr. Vince Teti, a shareholder of the Corporation.
- (c) Mr. Joseph Bergman. Mr. Bergman was a financial consultant who had been retained by Mr. Marino and Mr. Teti.
- (d) Mr. Rey Atienza. Mr. Atienza was an employee of Mr. Galati who assisted in the management of the building owned by the Corporation.
- (e) Mr. Sidlofsky who was acting as counsel for Salvatore Galati.
- (f) Mr. Martin Greenglass who was acting as counsel for Nick Marino and Vince Teti.
- (g) Mr. Salvatore Galati, a shareholder of the Corporation.
- (h) Mr. Rolf Piehler. Mr. Piehler is a solicitor for a company called Prime Investment Corporation.
- (i) Ms. Evelyn Bieri was not in attendance at the shareholders' meeting despite being a shareholder of the Corporation. She, however, had given a Proxy to Mr. Teti and such Proxy was filed.

4. Mr. Piehler attempted to assert that Prime Investment Corporation was the shareholder of the Corporation and not Ms. Bieri as Ms. Bieri was holding shares in trust for her husband and her husband had pledged those shares in favour of Prime Investment Corporation to secure some sort of debt obligation. When questioned, Mr. Piehler could not produce a written Trust Agreement confirming that the shares held by Ms. Evelyn Bieri in the Corporation were being held by her in trust for her husband. He also could not prove that there was a written Pledge Agreement whereby the husband of Ms. Evelyn Bieri pledged shares as security for repayment of a

debt. In fact, he admitted that the alleged pledge was oral. He admitted that there was no PPSA registration concerning the shares and the shares were not in the possession of his client so as to perfect same by possession. He further could not indicate whether any enforcement proceedings had been taken by Prime Investment Corporation in reference to the alleged pledge of shares and whether the oral pledge prohibited the shareholder from voting the shares at a shareholders meeting contrary to the wishes of Prime Investment Corporation. His tender of a Proxy and Voting Letter on behalf of Prime Investment Corporation was disallowed.

5. In accordance with the By-Laws of the Corporation, the shareholders present or appearing by Proxy then voted concerning whether any person present 'could remain at the shareholders' meeting (same being a procedure pursuant to Article 8.9 of By-Law No. 1). Mr. Marino, Mr. Teti and Mr. Teti using the Proxy of Ms. Bieri voted for all persons present to remain other than Mr. Piehler. Mr. Galati voted for all persons present to remain. Because a majority of the shareholders did not permit Mr. Piehler to remain, he was asked to leave and Mr. Piehler left the meeting.
6. Mr. Galati was asked whether or not he had an Offer to make to Mr. Teti, Mr. Marino and Ms. Bieri in reference to purchasing their shares and he proposed an Offer which was not acceptable to Mr. Marino and to Mr. Teti. There was no Counteroffer made by Mr. Marino or Mr. Teti.
7. Because no Offer made by Mr. Galati was acceptable to Mr. Marino and Mr. Teti, the meeting continued to deal with the items set forth in the Notice calling shareholders' meeting with the first matter being a motion to wind up the Corporation by way of Special Resolution pursuant to Section 193 of the *Business Corporations Act*. The motion was made and before a vote, the matter was discussed. At the end of the discussion, Mr. Galati sought to have the motion to deal with wind up deferred until other items were addressed and he handed out an agenda of matters he wished to

discuss. He claims the said agenda had been given to Mr. Marino and Mr. Teti prior to the meeting.

8. A vote was held as to whether or not the items in the agenda put forward by Mr. Galati would be dealt with prior to the vote on wind up. Same resulted in the shareholders directing that the motion for wind up should be proceeded with. Mr. Teti, Mr. Marino and Mr. Teti using the Proxy of Ms. Bieri, voted to proceed with the motion for wind up and Mr. Galati voted to proceed with his agenda. As Mr. Galati was outvoted, a vote was called with respect to the wind up Resolution.
9. Mr. Galati voted against wind up. Mr. Marino, Mr. Teti and Mr. Teti using the Proxy of Ms. Bieri voted for wind up. Because more than two-thirds of the shareholders present in person or by Proxy voted in favour of wind up, there was a Special Resolution passed for the Corporation to be wound up.
10. A motion was then made to appoint a Liquidator in furtherance of the Resolution for wind up. Schwartz Levitsky Feldman Inc. was nominated to act as the Liquidator. Mr. Galati requested that the choice of the Liquidator be deferred and that some sort of Proposal be circulated amongst licensed Trustees. That Proposal was rejected by the other shareholders. Mr. Galati felt that Schwartz Levitsky Feldman Inc. was not an appropriate person given that Schwartz Levitsky Feldman Inc. (the accounting firm) was involved in several lawsuits. He was reminded that Mr. Justice Myers commented in Court that Schwartz Levitsky Feldman Inc. was well known and an appropriate person to act as Liquidator. Mr. Galati put forward no other recommendation. A vote was held for the appointment of Schwartz Levitsky Feldman Inc. as Liquidator and all shareholders voted in favour of such Resolution other than Mr. Galati who voted against same.

11. A discussion was then initiated by Mr. Bergman concerning the books and records of the Corporation and Mr. Galati advised that he will co-operate with the Liquidator in terms of turning over books and records. He further indicated that no records had been destroyed or lost by him.

12. Mr. Greenglass advised that in the event the Liquidator needed legal counsel for litigation matters, that since he acted personally for Mr. Teti and Mr. Marino, he would not act as litigation counsel for the Liquidator as same would be a conflict of interest and the Liquidator would have to retain counsel of his own choosing. Mr. Greenglass advised that if the Liquidator proceeded in accordance with its mandate to sell the property owned by the Corporation, then his firm would be prepared to act as real estate counsel in reference to the conveyancing matter as same would not create a conflict of interest.

13. All shareholders then agreed to close the meeting by means of unanimous vote.

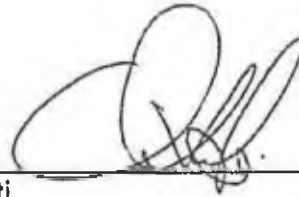
TAB 2

CERTIFICATE

I, Vince Teti, President of 1828700 Ontario Inc., do hereby certify that a Special Meeting of Shareholders held on December 15, 2017, the said shareholders did, pursuant to Section 193 of the *Business Corporations Act* pass a Special Resolution requiring the Corporation to be wound up voluntarily and appointing Schwartz Levitsky Feldman Inc. as Liquidator.

Dated this 15th day of December, 2017.

Vince Teti

A handwritten signature in black ink, appearing to read 'Vince Teti', is written over a horizontal line. The signature is stylized and cursive.

6 This notice is filed under subsection 210 (4) of the *Business Corporation Act*. The court has appointed the above named as the liquidator(s) of the corporation.

Le présent avis est déposé conformément au paragraphe 210 (4) de la Loi sur les sociétés par actions. Le tribunal a nommé les personnes susmentionnées comme liquidateur de la société.

By/Par



(Signature of an Officer of the Corporation or the Liquidator)
(Signature d'un dirigeant de la société ou du liquidateur)

Vince Teti
President

I have authority to bind the Corporation.

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
1828700	1828700 ONTARIO INC.	2010/07/05
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
511 MILLWAY AVENUE		NOT APPLICABLE
		Amalgamation Ind.
		A
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
511 MILLWAY AVENUE		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	
NOT AVAILABLE	00001 00010	NOT APPLICABLE

Request ID: 022008811
Transaction ID: 69018387
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/08/15
Time Report Produced: 16:47:21
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1828700

Corporation Name

1828700 ONTARIO INC.

Corporate Name History

1828700 ONTARIO INC.

Effective Date

2010/07/05

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Amalgamating Corporations

Corporation Name

2141992 ONTARIO INC.

2141573 ONTARIO INC.

Corporate Number

2141992

2141573

Request ID: 022008811
Transaction ID: 69018387
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/08/15
Time Report Produced: 16:47:21
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1828700	1828700 ONTARIO INC.

Administrator: Name (Individual / Corporation)	Address
SALVATORE GALATI	511 MILLWAY AVENUE CONCORD ONTARIO CANADA L4K 3V4

Date Began	First Director	Resident Canadian
2010/07/05	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Administrator: Name (Individual / Corporation)	Address
SALVATORE GALATI	511 MILLWAY AVENUE CONCORD ONTARIO CANADA L4K 3V4

Date Began	First Director	Resident Canadian
2010/07/05	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1828700	1828700 ONTARIO INC

Administrator: Name (Individual / Corporation)	Address
NICK MARINO	32 BAYSIDE COURT WOODBIDGE ONTARIO CANADA L4L 8J8

Date Began	First Director	Resident Canadian
2015/01/13	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Administrator: Name (Individual / Corporation)	Address
NICK MARINO	32 BAYSIDE COURT WOODBIDGE ONTARIO CANADA L4L 8J8

Date Began	First Director	Resident Canadian
2016/02/09	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	TREASURER	Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1828700	1828700 ONTARIO INC

Administrator: Name (Individual / Corporation)	Address
VINCE TETI	261 ROSELAWN DRIVE WOODBIDGE ONTARIO CANADA L4H 1A2

Date Began	First Director	Resident Canadian
2016/02/09	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Administrator: Name (Individual / Corporation)	Address
VINCE TETI	261 ROSELAWN DRIVE WOODBIDGE ONTARIO CANADA L4H 1A2

Date Began	First Director	Resident Canadian
2016/02/09	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

TAB 3

Request ID: 022008811
Transaction ID: 69018387
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/08/15
Time Report Produced: 16:47:21
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1828700	1828700 ONTARIO INC.

Last Document Recorded		
Act/Code	Description	Date
BCA	NOTICE CONCERNING WINDING	2017/12/21

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

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

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1878351	1878351 ONTARIO LIMITED	2012/08/02
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
511 MILLWAY AVENUE	NOT APPLICABLE	NOT APPLICABLE
	New Amal. Number	Notice Date
CONCORD	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		Letter Date
CANADA L4K 3V4		NOT APPLICABLE
Mailing Address	Revival Date	Continuation Date
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	
	Minimum	Maximum
	00001	00010
Activity Classification	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE

Request ID: 022000747
Transaction ID: 68997304
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/08/14
Time Report Produced: 12:29:34
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1878351

1878351 ONTARIO LIMITED

Corporate Name History

Effective Date

1878351 ONTARIO LIMITED

2012/08/02

Current Business Name(s) Exlst:

NO

Expired Business Name(s) Exlst:

YES - SEARCH REQUIRED FOR DETAILS

Administrator:

Name (Individual / Corporation)

Address

ANTONIA

310 ELLERSLIE AVENUE

BIANCHI

NORTH YORK
ONTARIO
CANADA M2R 1B7

Date Began

First Director

2012/08/02

YES

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 022000747
Transaction ID: 68997304
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/08/14
Time Report Produced: 12:29:34
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

1878351

Corporation Name

1878351 ONTARIO LIMITED

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2016	1C	2018/04/22 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

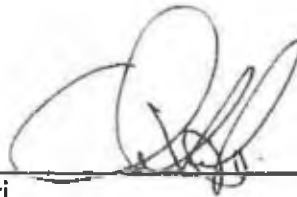
The issuance of this report in electronic form is authorized by the Ministry of Government Services.

CERTIFICATE

I, Vince Teti, President of 1828700 Ontario Inc., do hereby certify that a Special Meeting of Shareholders held on December 15, 2017, the said shareholders did, pursuant to Section 193 of the *Business Corporations Act* pass a Special Resolution requiring the Corporation to be wound up voluntarily and appointing Schwartz Levitsky Feldman Inc. as Liquidator.

Dated this 15th day of December, 2017.

Vince Teti

A handwritten signature in black ink, appearing to read 'Vince Teti', is written over a horizontal line. The signature is stylized and somewhat cursive.

TAB 4

ADDENDUM TO "OFFER TO LEASE"
Dated this 22nd day of December, 2012

BETWEEN:

1828700 ONTARIO INC., a/a ELLESMERE MEDICAL HEALTH
CARE CENTRE (EMHCC), 511 Millway Avenue, Concord, ON L4K
3V4
(the "Landlord")

- and -

1878351 ONTARIO LIMITED
(the "Tenant")

The Tenant agrees that the following is the "new" schedule of rent-free period revising the Offer to Lease dated September 14, 2012.

That the Fixturing Period which is originally from January 1, 2013 - March 31, 2013 has now been adjusted to commence from October 1, 2012 - December 31, 2012, the Tenant will receive a rent-free period of three (3) months.

Likewise, the Tenant agrees that "Possession Date" which is originally April 1, 2013 has now been adjusted to October 1, 2012.

1828700 ONTARIO INC.

Per: 
SALVATORE GALATI
(I have authority to bind the Corporation)

Date: 12/22/12

1878351 ONTARIO LTD.

Per: A. Bianchi
ANTONIA BIANCHI
(I have authority to bind the Corporation)

Date: 12/22/12

Per: _____

Date: _____

(I have authority to bind the Corporation)

ADDENDUM 2 TO "OFFER TO LEASE"
Dated this 7th day of January, 2013

BETWEEN:

1828700 ONTARIO INC., o/a ELLESMERE MEDICAL HEALTH
CARE CENTRE (EMHCC), 511 Millway Avenue, Concord, ON L4K
3V4
(the "Landlord")

- and -

1878351 ONTARIO LIMITED
(the "Tenant")

The Tenant agrees that the following is the "new" schedule of Minimum Net Rent revising the Offer to Lease dated December 15, 2012.

That the schedule of rent due which is originally for a total of 28,332 sq. ft. as per lease agreement, has now been adjusted as follows:

April 1, 2013 = the total rented space is 3,472 sq. ft.
April 1, 2014 = the total rented space is 7,083 sq. ft.

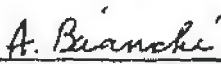
As the Tenant increases rental space, the monthly rent shall be adjusted and payable accordingly.

1828700 ONTARIO INC.

Per: 
SALVATORE GALATI
(I have authority to bind the Corporation)

Date: Jan. 7/13

1878351 ONTARIO LTD.

Per: 
ANTONIA BIANCHI
(I have authority to bind the Corporation)

Date: Jan. 7/13

Per: _____
(I have authority to bind the Corporation)

Date: _____

OFFER TO LEASE

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT

BETWEEN:

1828700 ONTARIO INC., o/a ELLESMERE MEDICAL HEALTH CARE CENTRE (EMHCC), 511 Millway Avenue, Concord, ON L4K 3V4
(the "Landlord")

- and -

1878351 Ontario Ltd.
(the "Tenant")

The Landlord agrees to lease to the Tenant and the Tenant agrees to lease from the Landlord, upon the terms and conditions set out in this Agreement, the Premises:

1. **Premises:** The Premises consist of 28,332 square feet, more or less, on floors three (3) and four(4) of the "Building" known municipally as 520 Ellesmere Road, Scarborough, ON M1R 0B1, to be identified by individual unit number at time of construction of interior space, but as indicated on the architect's drawing attached as Schedule "A".
2. **Use:** Family Health Group, comprised of approximately 40 full/part-time family physicians
3. **Term:** The lease will be for an initial Term of ten (10) years. The Commencement Date of the Term will be at the expiration of the Fixturing Period.
4. **Possession Date:** It is the intention of the Parties that the Premises be ready for the conduct of business by the Tenant on or before the Commencement Date. Accordingly, the Tenant will be permitted access to the Premises no later than April 1, 2013 (the "Possession Date"), for the purpose of commencing and completing all necessary Tenant's Work.
5. **Fixturing Period:** The Tenant will have a maximum of ninety (90) days from the Possession Date of the Premises to conduct the Tenant's Work. During the Fixturing Period, the Tenant will not be required to conduct its business in the Premises or pay Minimum Rent or Additional Rent except for charges for utilities used.
6. **Renewal:** The Term of the Lease will renew automatically for two (2) additional terms of five (5) years each, unless the Tenant provides the Landlord with six months prior notice that the Tenant does not wish to renew the Term. The Minimum Rent for the renewal term(s) will be such an amount per annum as may be agreed upon between the Landlord and Tenant and based on the increase in the proportionate Consumers Price Index (CPI), for the previous 5 years immediately preceding such renewal term. Failing such agreement within Forty-five (45) days prior to the expiration of the Term of the Lease or of any renewal hereunder, the minimum rent payable will be determined by a single arbitrator to be agreed upon by the Landlord and Tenant. In the event that the Landlord and the Tenant cannot agree upon a single arbitrator, an arbitrator will be appointed pursuant to the provisions of the *Arbitration Act* (Ontario).
7. **Minimum Net Rent:** The Tenant will pay the following Minimum Net Rent, without deduction or right of offset, to the Landlord in equal consecutive monthly instalments on or before the first day of each calendar month during the Term or any renewal of the Term together with any tax thereon (municipal, provincial, federal or otherwise assessed):

Year	From	To	Annual Rent	Monthly Payment	Rate/S.F.	Square Footage
1-3			\$708,300.00	\$59,025.00	\$25.00	28,332
4-6			\$764,964.00	\$63,747.00	\$27.00	28,332
7-8			\$821,628.00	\$68,469.00	\$29.00	28,332
9-10			\$878,292.00	\$73,191.00	\$31.00	28,332

8. **Rent-Free Period:** For the Fixturing Period from January 1, 2013-March 31, 2013, the Tenant will receive a rent-free period of three (3) months.

9. **Deposit:** Upon acceptance of this agreement by the Landlord, the Tenant will pay a deposit of \$202,762.68 incl. HST to be held by the Landlord's solicitor in trust pending completion or other termination of this offer to lease and, to be applied on account of the Minimum and Additional Rent due for the first and second months of the Term or the two (2) months following the rent free period.

10. **Additional Rent:** The Tenant will pay monthly its proportionate share (the "Proportionate Share") of the costs set out on Schedule "B" ("Operating Costs"), without any deduction or right of offset during the Term. The Tenant's Proportionate Share for the purposes of this offer to lease will be the percentage obtained by dividing the area of the Premises by the total area of all leasable space on the Lands. The Additional Rent is to be calculated and adjusted annually with reference to a fiscal period of twelve (12) months. (All applicable taxes extra).

11. **Arrears:** That the arrears of Minimum Net Rent and/or Additional Rent and any monies paid by the Landlord hereunder, on behalf of the Tenant shall bear an interest rate of 2% per annum above the minimum lending rate charged by the Toronto Dominion Bank at Toronto, Ontario, from such time as payments become due until paid to the Landlord by the Tenant. In addition, Tenant is to pay a penalty equivalent to three (3) months Minimum Rent and Additional Rent at time of default.

12. **Taxes:** The Tenant will pay all realty, business, school and other forms of value-added taxes levied against the Premises for the operation of the business therein, and its Proportionate Share of all such taxes levied against the External Common Areas (excluding Capital Tax and taxes personal to the Landlord) from the Commencement Date and thereafter throughout the entire Term of the Lease.

13. **Utilities:** The Tenant will pay for all utilities consumed or used in the Premises from the Possession Date and thereafter throughout the entire Term of the Lease.

14. **Exclusions:** The Landlord will not include as Operating Costs any Landlord's Income, capital or similar tax, payments under any land lease, costs of any Landlord's Work under this lease or any other lease, payments to other tenants, insurance of other tenants, or non-External Common Areas costs.

15. **Insurance:** The Tenant will, at its own expense, insure the Premises, the Tenant's fixtures, stock-in-trade, leasehold improvements and other chattels or systems in the Premises for the full replacement value and maintain public liability insurance naming the Landlord and Tenant as insured in an amount of not less than \$2,000,000, effective as of the Possession Date.

16. **Repairs:** The Tenant will, at its own expense, maintain the Premises in good order and condition, and effect and make all repairs and replacements to the Premises and to the fixtures, equipment and machinery contained in the Premises.

17. **Tenant's Work:** Prior to commencement of the Tenant's Work, the Tenant will provide, at its own expense, construction drawings indicating the extent and magnitude of work to be performed by the Tenant to the Landlord for approval, such approval not to be unreasonably withheld or delayed. Upon receiving the Landlord's approval, the Tenant will construct, at its own expense, the work specified in the approved construction drawings, employing the Landlord's consultants, and base building trades for the purposes of maintaining building warranties and insurance. All project management to be supervised by Building Base Constructor.

18. **Landlord's Work:** The Landlord will, at its own expense, perform in a good and workmanlike manner and in accordance with all plans, specifications and governmental regulations, all work specified as Landlord's Work in Schedule "C". The Landlord hereby undertakes to substantially complete, to the Tenant's reasonable satisfaction, all of the Landlord's Work set out in Schedule "C" on or before the Possession Date. Upon termination or expiration of the demise herein granted, the Tenant will be permitted to remove an or all of its own personal effects, furnishings, equipment, excluding landlord's furnishing, equipment, fixtures, millwork, floors etc. that form part of the leasehold structure.

19. **Signage:** The Tenant, at its own expense, will be permitted to erect place signage on interior door space of unit, in addition to Landlord's maintaining of Tenant Directory in the main lobby of building. Landlord to erect a pylon sign(s) on the Lands, and the Tenant will have the right, at its option, to participate in such pylon on a cost sharing basis based on the proportion of the area of the Tenant's signage. Alternatively, all building signage, either erected by the Landlord or Tenant is subject to existing governmental regulations and by-laws.

20. **Parking:** The Landlord covenants that at no time during the Term or any renewal of the Term will any fee be payable by the Tenant for the parking of vehicles by the Tenant, and its employees. Tenant's customers or invitees will have paid parking available on the Lands, with parking validation

available through purchase at the pharmacy located in EMHCC. Parking capacity to be sufficient to meet city by-laws. Tenants, and their employees, must park in designated tenant/employee parking spots.

21. **Lease Document:** The Landlord will deliver to the Tenant the Landlord's standard form of lease within fifteen (15) days from acceptance of this offer, which lease will contain the terms set forth herein. The Tenant will execute the said lease within ten (10) days from the waiving or fulfillment of all conditions contained herein. If, within thirty (30) days from the waiving or fulfillment of all conditions contained herein, the parties have not signed a formal Lease Agreement, then the terms and conditions included in this Offer to Lease shall form the basis of the tenancy agreement between the Landlord and Tenant until such time that a formal Lease is executed by the parties and the Landlord and Tenant agree that, from and after the acceptance of this Offer to Lease, they shall act in accordance with the requirements set out herein.

22. **Warranty of Ownership:** The Landlord warrants and represents to the Tenant that it is owner in fee simple of the Premises and of the Lands upon which the Premises are located and has full right and authority to enter into this Offer to Lease.

23. **Warranty re: Zoning:** The Landlord warrants and represents to the Tenant that the Lands are currently zoned to permit the use contemplated by the Tenant.

24. **Rent to Abate:** In the event the Premises are not ready for occupancy on the Commencement Date, the Rent will abate to the extent of such delay.

25. **Inspection:** Tenant to permit the Landlord or the Landlord's agents, at all reasonable times after not less than twenty-four (24) hours oral notice (except in cases of emergency in which case the Landlord may enter at any time without notice) during the term hereof to enter the demised premises to inspect the condition thereof; and, upon notice in writing given by the Landlord to the Tenant of any want of repair for which the Tenant is liable under the terms thereof, to rectify and make good any such defect in a good and workmanlike manner within fifteen (15) days from the delivery of the notice.

26. **Re-entry:** In the event that the Tenant fails to pay rates, services, utilities or other charges or costs which the Tenant has herein covenanted to pay, or in case of the non-performance of any covenant by the Tenant, or in case the demised premises shall be deserted or vacated for over thirty (30) days, the Landlord, in addition to the other rights hereby reserved to the Landlord shall have the right to re-enter the same as the agent of the Tenant either by force or otherwise, without being liable for any prosecution thereof and to re-let the whole or any portion of the demised premises, for any period equal to or greater or less than the remainder of the then current term as agent of the Tenant and to receive the rent therefore, said rent to be any sum which the Landlord deems reasonable, and for any use and purpose which the Landlord may deem appropriate. The Landlord shall also have the right to take possession of any furniture or other property on the demised premises and to sell the same without notice and to apply the proceeds of such sale to any rent outstanding and the Tenant shall remain liable to the Landlord for any arrears and for any charges in having the premises re-let to another Tenant. The Landlord shall not, in any event be required to pay to the Tenant any surplus of any sums received by the Landlord on a re-letting of the demised premises in excess of the rent reserved in the Lease.

27. **Group Managed Floors:** Landlord to assign two floors of EMHCC for operation as a Group Managed Practice, with a capacity for forty family physicians, practicing on a full/part-time basis. All family physicians practicing at EMHCC to make all referrals for the services offered by Alpha Laboratories Inc., as sole provider of all services listed within Section 2 of this Offer to Lease.

28. **Schedules:** The schedules which are attached hereto will form a part of this agreement, and consist of the following:

- Schedule "A" - Site Plan
- Schedule "B" - Operating Costs
- Schedule "C" - Landlord's Work
- Schedule "D" - Exclusion from Additional Rent in Landlord's Lease
- Schedule "E" - Provisions to be included or not included in the Landlord's Lease

29. **Indemnification:** The Tenant is to indemnify and save harmless the Landlord from all liabilities, damages, costs, claims, suits or actions arising out of any breach, violation or non-performance of any covenant herein contained on the part of the Tenant; any damage to property whatsoever occasioned by the use and occupation of the demised premises; any injury to any person or persons, including death resulting at any time therefrom, occurring in or about the demised premises or any part thereof or resulting from the use and occupation of the demised premises during the term of the Lease from any cause whatsoever.

30. **Assigning:** The Tenant will have the right to assign, from time to time, all or part of the Premises to any affiliated company of the Tenant. Subject to the foregoing, the Tenant will not assign the Lease without the Landlord's prior consent, which consent will not be unreasonably withheld or delayed. In the event of a permitted assignment hereunder, or in the event that the Landlord consents to an assignment of this Lease by the Tenant to a third party, or if required to consent by a Court, the Tenant will be released from all of its obligations contained herein.

31. **Subletting:** The Tenant will have the right to sublet, from time to time, all or part of the Premises, subject to the Landlord's prior written consent, consent of which cannot be unreasonably withheld. No subletting by the Tenant of the Leased Premises is permitted to subtenants whose operations compete with the use of other tenants at EMHCC.

32. **Tenant Inducement:** The Landlord, as an inducement to the Tenant to enter into this Offer to Lease and subsequent Lease, hereby agrees to pay to the Tenant without any restrictions or conditions attaching thereto, on the day the Tenant opens for business, a Tenant Inducement of \$25.00 per square foot to be applied toward the cost of leasehold improvements. The Tenant Inducement will be credited against costs of the leasehold charges incurred.

33. **Rules and Regulations:** Tenant agrees with the Landlord to abide by the general rules and regulations of the building as they pertain to quiet enjoyment of the premises, cleanliness and prohibition of any illegal activity on the premises, and also agrees to the following: no toasters, toaster ovens, hotplates or microwaves or any other cooking devices other than a coffeemaker or small refrigerator are permitted in Leased Premises; consumption of foods is only permitted in designated eating areas outside, or within designated cafeteria space on lower level of building; no bringing in of any outside catering-all foods for meetings to be ordered directly through onsite caterers at EMHCC; not to permit drug representatives to bring in any outside foods for meetings; all collective meetings with pharmaceutical or other outside companies are to be held in the designated boardrooms at the lower level of EMHCC.

34. **Telecommunications, internet and satellite:** Tenant is restricted to use the Landlord's telecommunication, internet and satellite provider and systems; no third party provider is allowed to provide services without the express written consent of the Landlord.

35. **Blinding Effect of Agreement:** This Agreement and everything herein contained shall ensure to the benefit of and be binding upon the respective heirs, executors, administrators, successors, assigns and other legal representatives, as the case may be, of each and every of the parties hereto, subject to the granting of consent by the Landlord to any assignment or sublease, and every reference herein to any party hereto shall include the heirs, executors, administrators, successors, assign and other legal representatives of such party, and where there is more than one tenant or there is a male or female party the provisions hereof shall be read with all grammatical changes thereby rendered necessary and all covenants shall be deemed joint and several.

36. **Open for Acceptance:** This Agreement will be irrevocable and open for acceptance until 5:00 p.m. on the third (3rd) day after the date of execution by the Tenant, after which time if not accepted; this agreement will become null and void.

37. **Time of the Essence:** Time will, in all respects, be of the essence of this agreement, provided that the time for doing or completing of any matters provided for, may be extended or abridged by an agreement in writing executed by the Parties herein.

The Tenant hereby accepts and agrees to be bound by the terms and conditions of this Agreement.

DATED this 15th day of Dec., 2012

1878351 Ontario Ltd.

Per: A. Bianchi

The Landlord hereby accepts and agrees to be bound by the terms and conditions of this Agreement.

DATED this 15th day of Dec., 2012

Per: 

SCHEDULE "A"

Site Plan

(to be provided by Landlord)

- 6 -

SCHEDULE "B"

Operating Costs

(to be provided by Landlord)

Year 1 is \$13.00 per square foot TMI plus all applicable taxes.

Years 2 to 10 to be assessed annually at end of fiscal period.

SCCHEDULE "C"

Landlord's Work

It is understood and agreed the Landlord, using base building trades, will provide and install, prior to the Tenant taking possession of the Demised Premises, the Landlord's work as set out below in accordance with 1878351 Ontario Ltd. Design Drawings and specifications, to be made available to the Landlord.

The Landlord will give to the Tenant at least fourteen (14) days written notification by registered mail stating the date the Landlord's Work shall be completed and ready for the commencement of the Fixturing Period. The Tenant will examine the Demised Premises before the Fixturing Period begins and unless the Tenant furnishes the Landlord with written notice specifying defects within seven (7) business days after the receipt of the Landlord's architect's certificate of substantial completion, the Tenant will be deemed to have examined the Demised Premises and to have agreed that they are substantially completed.

The following work is to be completed by the Landlord's base building trades in good and workmanlike manner as per applicable building codes and statutes prior to commencement of the Tenant Fixturing Period:

1. **Plans:** All base building plans (for work performed by Landlord only) including architectural, structural, mechanical and electrical plans, elevations, detailed cross-sections and the up-to-date site plans required to obtain all required permits.

Prior to the Landlord's submission of its plans and specifications to the Tenant, the Landlord shall consult with the Tenant to determine the Tenant's needs in regards to the location of internal windows and doors.

2. **Walls:** The exterior walls of the Demised Premises will be constructed of drywall.
3. **Floors:** Will be insulated concrete slab with a smooth finish. The Landlord will, within the floor slab to be constructed, provide all rough-in plumbing, electrical, draught and pop conduits, and water supply stubbed in the washroom, kitchen, bar, dining room area and service station. The locations of each area are to be as per Tenant's drawings.
4. **Doors:** Standard openings with 9' height.
5. **Ceiling Tiles:** Standard building at 9'.
6. **Lighting:** Standard building as per grid.
7. **Electrical:**
- Electrical outlets to be supplied one in each room
8. **Heating, Air Conditioning and Make-up Air:** All rough in for HVAC to be provided from main system. All additional HVAC make-up to be provided at Tenant's cost.
9. **Interior Partitions:** All interior partitions, including all interior washroom walls, will be drywalled, taped and sanded as per Tenant's design drawings. The partitions are to be constructed of 5/8" drywall and steel studs at 16" c/c. Plywood bucking is required for the support of washroom accessories and plumbing fixtures, wall shelves etc as shown on tenant's plan. All walls to extend to a ceiling height of 9'.
10. **Plumbing:** Tenant will provide dimensional copies of its plans to the Landlord prior to the pouring of cement. A two-inch (2") cold water supply and a six inch (6") sewer line will be supplied to the Tenant's designated point of entry within the Demised Premises including any back flow valves required with service. A meter or check meter to be supplied and installed on the Tenant's water line for the Demised Premises if the water supply is not separately metered. Landlord will complete roof drainage with rain-leader connected to the storm system. The sanitary sewer shall be designed and constructed to accommodate the Tenant's requirements.

Sprinkler system with heads dropped to finished ceiling height.
11. **Telephone Conduits:** Telephone conduits to electrical room closet or CAD 5 wire to the underside of ceiling in the desired areas for telephone and data.
12. **Meters:** All hydro, water and gas services to be separately metered to the Demised Premises.
13. **Fire Alarm:** To specifications of Ontario Building Code. The Landlord agrees to provide a fire safety

plan as required by the Municipality or by the Tenant.

17. **Emergency Lighting/Exit Lights:** To specifications of Ontario Building Code.

SCHEDULE "D"

Exclusions from Additional Rent in Landlord's Lease

In no event shall the Additional Rent under the Lease include (and, if necessary, there shall be deducted there from) the following:

1. Acquisition and financing costs and charges, income, capital and corporate taxes of the Landlord;
2. Any repairs and replacements chargeable to capital account in accordance with Generally Acceptable Accounting Principles, provided depreciation of such costs is included in operating costs;
3. Non-cosmetic repairs and replacements of a structural nature, whether due to structural defects or otherwise unless caused by Tenant's negligence;
4. Any insurance proceeds received by the Landlord to the extent that such proceeds relate to operating costs;
5. Any recoveries that reduce operating costs received by the Landlord from tenants of the Development (other than recoveries in respect of operating costs pursuant to corresponding clauses in their respective leases);
6. Any payments of principal, interest or other costs of mortgage payments, debt and financing or refinancing the Development;
7. Ground rental, brokerage and leasing commissions, and promotion costs relating to the leasing of the Development;
8. All costs of repairs or replacements caused as a result of faulty construction, improper materials or workmanship, or structural defects or weaknesses in respect of the Development and the Premises;
9. Costs recoverable by the Landlord pursuant to warranties, guarantees and insurance proceeds relating to the Development, to the extent that such costs relate to operating costs;
10. Costs directly recoverable from other tenants or other occupants of the Development including, but not limited to, costs incurred in preparing unoccupied premises for a tenant, repairs and replacements required following the departure of a tenant, installation of household improvements, supervision fees chargeable by the Landlord, or tenant inducements or allowances;
11. Amounts recoverable by the Landlord relating to its expenses that result from the deliberate or negligent acts of other tenants or from the breach of their leases;

SCHEDULE "E"

Provisions to be included or Not included in the Landlord's Lease

The form of Lease to be prepared by the Landlord shall contain or not contain, as the case may be, the following provisions:

- a) **Assignment by Landlord:** To the extent that the Landlord's covenants and obligations under this Lease are assumed by a purchaser of the Building or a portion thereof, or are assumed by an assignee of the Landlord's interest in this Lease or any interest therein, the Tenant covenants agrees that the Landlord shall, without further written agreement, be freed and relieved of such covenants and obligations and any continuing liability of the Landlord thereunder shall be limited solely to the Landlord's remaining equity in the Building. The Landlord acknowledges to the Tenant that any purchaser or assignee of the Building or a portion thereof shall become liable for the covenants and obligations applicable under the terms and conditions of the Lease.

- b) **Changes in Corporate Control:** Unless the prior written consent of the Landlord has been obtained, the Landlord may terminate this Lease upon thirty (30) days Notice to the Tenant if the Tenant is a corporation and if for any reason the control of the Tenant at the time that the Landlord accepts the Tenant's offer to lease premises in the Building. From and after that date, the Tenant shall forthwith deliver notice to the Landlord advising of any changes in control of the Tenant and at any time or times during the Term the Tenant shall make available to the Landlord for inspection, copying, or both, all books and records of the Tenant which along with other data show the person, persons or entity having control of the Tenant. The Landlord may terminate this Lease upon thirty (3) days notice if such books and records are not made available as requested by the Landlord.
 - i. Notwithstanding the prohibition contemplated by the above) of subparagraph, there shall be deemed to have been no change of control of the Tenant when the party acquiring control of the Tenant is a related corporation as reasonably determined by the Landlord.

 - ii. Any change in control of the Tenant (where the Tenant is a corporation), other than to a related corporation, shall be deemed to be an assignment of this Lease and shall be subject to the provisions of this Lease.

- c) **Mortgage Leasehold:** The Tenant shall not mortgage, pledge, hypothecate or otherwise encumber all or any portion of its interest under this Lease.

- d) **Waiver of Subrogation:** All property damage policies written on behalf of the Tenant shall contain a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord and against those for whom the Landlord is, in law, responsible.

- e) **Legal Fees:** The Tenant shall pay to the Landlord on demand all costs and expenses, including legal fees.

Additional inclusions/exclusions:

TAB 5

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

PROPERTY DESCRIPTION: PT LT 31 CDN 2 SCARBOROUGH; PT LT 32 CON 2 SCARBOROUGH PT 1, 64R15637; TORONTO , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 06154-0090

PIN CREATION DATE:
2000/08/28

OWNERS' NAMES
1828700 ONTARIO INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/08/25 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO</p> <p>** SUBSECTION 49(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</p> <p>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</p> <p>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</p> <p>** CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2000/08/28 **</p>						
64R15637	1997/10/10	PLAN REFERENCE				C
CA570917	1998/11/05	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** ONTARIO HYDRO	1321645 ONTARIO LIMITED	
CA570918	1998/11/05	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 1321645 ONTARIO LIMITED	ES-LEA HOLDINGS LIMITED DE PIERO, MABEL	
TR53756	1999/12/16	AGREEMENT		1321645 ONTARIO LIMITED	ACCESS SELF STORAGE INC.	C
TR53757	1999/12/16	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 1321645 ONTARIO LIMITED	ES-LEA HOLDINGS LIMITED LAURENTIAN TRUST OF CANADA INC. DELRIN INVESTMENTS INC.	
TR55891	2000/02/08	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** ES-LEA HOLDINGS LIMITED DE PIERO, MABEL	ACCESS SELF STORAGE INC.	

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

* 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
REMARKS: CA570918 POSTPONED TO TR5756						
TR58425	2000/04/06	CHARGE		*** DELETED AGAINST THIS PROPERTY *** 1321645 ONTARIO LIMITED	ES-LEA HOLDINGS LIMITED	
E499629	2002/01/23	NOTICE		*** COMPLETELY DELETED *** 1321645 ONTARIO LIMITED BIERI, ULI	ES-LEA HOLDINGS LIMITED	
REMARKS: TR58425						
E523134	2002/04/05	CHARGE		*** COMPLETELY DELETED *** 1321645 ONTARIO LIMITED	ES-LEA HOLDINGS LIMITED B2B TRUST, IN TRUST FOR RRSP/RRIF #B129631 B2B TRUST, IN TRUST FOR RRSP/RRIF #B123519	
E523135	2002/04/05	DISCH DF CHARGE		*** COMPLETELY DELETED *** ES-LEA HOLDINGS LIMITED LAURENTIAN TRUST OF CANADA INC. DELRIN INVESTMENTS INC.		
REMARKS: RE: TR53757						
E523136	2002/04/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** ES-LEA HOLDINGS LIMITED DE PIERO, MABEL		
REMARKS: RE: CA570918						
E535813	2002/05/14	POSTPONEMENT		*** COMPLETELY DELETED *** ES-LEA HOLDINGS LIMITED	ES-LEA HOLDINGS LIMITED B2B TRUST B2B TRUST	
REMARKS: TR58425, E499629 & E523134 DELETED JAN 28 2004 BY P.T. BY AT239627						
AT64685	2002/12/18	CHARGE		*** COMPLETELY DELETED *** 1321645 ONTARIO LIMITED	E. MANSON INVESTMENTS LTD. B2B TRUST #Z029500 B2B TRUST #B123517 1021135 ONTARIO LTD. 1034530 ONTARIO LIMITED	
AT210673	2003/07/02	CHARGE		*** COMPLETELY DELETED *** 1321645 ONTARIO LIMITED	ROMSPEN INVESTMENT CORPORATION	
AT210674	2003/07/02	NO ASSGN RENT GEN		*** COMPLETELY DELETED ***		

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LAND
 REGISTRY
 OFFICE #66

06154-0021 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: AT210673 - RENTS		1321645 ONTARIO LIMITED	ROMSPEN INVESTMENT CORPORATION	
AT239627	2003/08/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** ES-LEA HOLDINGS LIMITED		
		REMARKS: RE: TNS58425				
AT974361	2005/11/09	CHARGE		*** COMPLETELY DELETED *** 1321645 ONTARIO LIMITED	PRIME INVESTMENT CORPORATION LTD.	
AT1382379	2007/02/21	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** ES-LEA HOLDINGS LIMITED B2B TRUST	SKROBACKY, ABRAHAM	
		REMARKS: E523134				
AT1467535	2007/06/06	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** E. MANSON INVESTMENTS LTD. B2B TRUST #2029500 B2B TRUST #B123517 1021135 ONTARIO LTD. 1034530 ONTARIO LIMITED	1479474 ONTARIO INC. TETI, VINCE THE CANADA TRUST COMPANY	
		REMARKS: AT64685				
AT1545493	2007/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROMSPEN INVESTMENT CORPORATION		
		REMARKS: RE: AT210673				
AT1545505	2007/08/17	TRANSFER	\$2,100,000	1321645 ONTARIO LIMITED	2141573 ONTARIO INC.	C
		REMARKS: PLANNING ACT STATEMENTS				
AT1545595	2007/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** PRIME INVESTMENT CORPORATION LTD.		
		REMARKS: RE: AT974361				
AT1545597	2007/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** SKROBACKY, ABRAHAM		
		REMARKS: RE: E523134				
AT1545634	2007/08/17	CHARGE		*** COMPLETELY DELETED *** 2141573 ONTARIO INC.	CTC BANK OF CANADA	
AT1545635	2007/08/17	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2141573 ONTARIO INC.	CTC BANK OF CANADA	

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* 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
REMARKS: AT154563						
AT1577571	2007/09/18	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1479474 ONTARIO INC. TETI, VINCE THE CANADA TRUST COMPANY		
REMARKS: RE: AT164685						
AT2437896	2010/07/05	APL CH NAME OWNER		2141573 ONTARIO INC.	1828700 ONTARIO INC.	C
AT2507879	2010/09/20	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** BEL-CO EXPRESS INC.		
AT2510447	2010/09/23	NOTICE		*** COMPLETELY DELETED *** PRIME INVESTMENT CORPORATION LTD.		
AT2535063	2010/10/25	CERTIFICATE		*** COMPLETELY DELETED *** BEL-CO EXPRESS INC.		
REMARKS: AT2507879						
AT2548709	2010/11/10	CHARGE	520,000,000	1828700 ONTARIO INC.	MERIDIAN CREDIT UNION LIMITED	C
AT2548710	2010/11/10	NO ASSGN RENT GEN		1828700 ONTARIO INC.	MERIDIAN CREDIT UNION LIMITED	C
REMARKS: AT254709						
AT2549450	2010/11/10	DISCHARGE INTEREST		*** COMPLETELY DELETED *** PRIME INVESTMENT CORPORATION LTD.		
REMARKS: AT2510447						
AT2549705	2010/11/12	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** BEL-CO EXPRESS INC.		
REMARKS: AT2507879						
AT2572539	2010/12/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** CTC BANK OF CANADA		
REMARKS: AT154563						
AT2614237	2011/02/03	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** GILBERT STEEL LIMITED		
AT2628425	2011/02/24	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** GILBERT STEEL LIMITED		
REMARKS: AT2614237						

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* 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
AT2650743	2011/03/25	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** HOLCIM (CANADA) INC.		
AT2690009	2011/05/12	CERTIFICATE		*** COMPLETELY DELETED *** HOLCIM (CANADA) INC.	1828700 ONTARIO INC.	
REMARKS: AT2650743						
AT2718550	2011/06/13	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** HOLCIM (CANADA) INC.		
REMARKS: AT2650743. & AT2690009						
AT3187493	2012/11/30	CHARGE	\$5,000,000	1828700 ONTARIO INC.	MERIDIAN CREDIT UNION LIMITED	C
AT3191954	2012/12/06	APL COURT ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	ACCESS SELF STORAGE INC.	
AT4450837	2017/01/06	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	1828700 ONTARIO INC.	
REMARKS: AT3191954						
AT4748694	2017/12/01	CONSTRUCTION LIEN	\$1,671,725	NETWORK MECHANICAL INC.		C
AT4751343	2017/12/04	CERTIFICATE		NETWORK MECHANICAL INC.		C
REMARKS: AT4748694						
AT4762364	2017/12/15	CONSTRUCTION LIEN	\$899,495	G. & G. GENERAL SUPPLY LTD.		C
AT4762365	2017/12/15	CONSTRUCTION LIEN	\$137,653	1762550 ONTARIO INC.		C
AT4776081	2018/01/09	CONSTRUCTION LIEN	\$85,852	ENERGY CORP.		C
AT4785756	2018/01/22	CONSTRUCTION LIEN	\$841,512	GOLDDOME ELECTRICAL CONTRACTORS INC.		C
AT4811687	2018/02/28	CERTIFICATE		G&G GENERAL SUPPLY LTD.		C
REMARKS: AT4762364						
AT4811688	2018/02/28	CERTIFICATE		1762550 ONTARIO INC.		C
REMARKS: AT4762365						
AT4814239	2018/03/02	CERTIFICATE		GOLDDOME ELECTRICAL CONTRACTORS INC.		C
REMARKS: AT4785756, CERTIFICATE OF ACTION						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4825140 REMARKS: AT4774081	2018/03/21	CERTIFICATE		ENERGY CORP.		C

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PROPERTY DESCRIPTION: PT LT 31 CON 2 SCARBOROUGH PT 1, 64R8153; TORONTO , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 06154-0094

PIN CREATION DATE:
2000/08/28

OWNERS' NAMES
1828700 ONTARIO INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/08/25 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 4 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** 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.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2000/08/28 **</p>						
SC349109	1965/12/31	TRANSFER OF CHARGE		*** COMPLETELY DELETED ***	REVENUE PROPERTIES CO. LTD.	
REMARKS: SC30796						
SC460514	1972/08/03	AGREEMENT		*** COMPLETELY DELETED ***		
REMARKS: DELETED FEBRUARY 4, 2004 BY DIANE GLYNN AS CHARGE 349108 IS DELETED						
64R8153	1979/12/21	PLAN REFERENCE				C
SC599043	1980/03/03	AGREEMENT			THE CORPORATION OF THE BOROUGH OF SCARBOROUGH	C
REMARKS: SITE PLAN						
TB101232	1983/06/28	ASSIGNMENT GENERAL		*** DELETED AGAINST THIS PROPERTY ***		
REMARKS: REASSIGNMENT OF RENTS N797646						
TB101233	1983/06/28	ASSIGNMENT GENERAL		*** DELETED AGAINST THIS PROPERTY ***		

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* 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
REMARKS: ASSIGNMENT OF RENT NY797611						
TB521098	1988/07/08	TRANSFER		*** DELETED AGAINST THIS PROPERTY ***	U. BIERI HOLDINGS INC.	
TB521099	1988/07/08	CHARGE		*** DELETED AGAINST THIS PROPERTY ***	NATIONAL BANK OF CANADA	
TB633204	1989/09/07	CHARGE		*** DELETED AGAINST THIS PROPERTY ***	CANADIAN IMPERIAL BANK OF COMMERCE	
TB869832	1992/11/20	NOTICE		*** DELETED AGAINST THIS PROPERTY *** NATIONAL BANK OF CANADA		
REMARKS: RE: CHANGE OF ADDRESS, TB521099						
TB942518	1994/02/18	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** CANADIAN IMPERIAL BANK OF COMMERCE	PAUL SHAPIRO	
REMARKS: TB633204						
TB956825	1994/08/05	CHARGE		*** DELETED AGAINST THIS PROPERTY *** U. BIERI HOLDINGS INC., C.O.B. BIERI AUTOMOBILES	LEBEL, MARC H.	
TB972908	1995/08/11	CHARGE		*** DELETED AGAINST THIS PROPERTY *** U. BIERI HOLDINGS INC.	LAURENTIAN TRUST OF CANADA INC. FOR RRSP NO. 8000538	
TR30982	1998/09/30	LIEN		*** DELETED AGAINST THIS PROPERTY *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REP. BY THE MINISTER OF FINANCE		
TR30983	1998/09/30	LIEN		*** DELETED AGAINST THIS PROPERTY *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REP. BY THE MINISTER OF FINANCE		
TR51627	1999/11/08	TRANSFER OF CHARGE		*** DELETED AGAINST THIS PROPERTY *** LEBEL, MARC H.	1379043 ONTARIO LIMITED	
REMARKS: TB956825						
E402542	2001/03/29	TRANS POWER SALE		*** COMPLETELY DELETED *** 1379043 ONTARIO LIMITED	1452432 ONTARIO LIMITED	
REMARKS: TB521098, TB956825, TB972908, TR30982, TR30983, TR51627 DELETED						
E402543	2001/03/29	CHARGE		*** COMPLETELY DELETED *** 1452432 ONTARIO LIMITED	1379043 ONTARIO LIMITED	

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* 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
E405829	2001/04/11	CHARGE		*** COMPLETELY DELETED *** 1452432 ONTARIO LIMITED	TRACMOUNT/GLOJACK LEASING LTD.	
E405830	2001/04/11	POSTPONEMENT		*** COMPLETELY DELETED *** 1379043 ONTARIO LIMITED	TRACMOUNT/GLOJACK LEASING LTD.	
		REMARKS: E402543 TO E405829				
E566248	2002/07/10	CHARGE		*** COMPLETELY DELETED *** 1452432 ONTARIO LIMITED	B2B TRUST SNAPER, BARRY	
E566249	2002/07/10	POSTPONEMENT		*** COMPLETELY DELETED *** 1379043 ONTARIO LIMITED	B2B TRUST	
		REMARKS: E402543 TO E566248				
AT61966	2002/12/16	NOTICE OF LEASE		*** COMPLETELY DELETED *** 1452432 ONTARIO LIMITED	2874512 CANADA INC.	
AT64639	2002/12/18	CHARGE		*** COMPLETELY DELETED *** 1452432 ONTARIO LIMITED	E. MANSON INVESTMENTS LTD. B2B TRUST #2029500 B2B TRUST #B123517 1021135 ONTARIO LTD. 1034530 ONTARIO LIMITED	
AT64738	2002/12/18	POSTPONEMENT		*** COMPLETELY DELETED *** 1379043 ONTARIO LIMITED	E. MANSON INVESTMENTS LTD. B2B TRUST #2029500 B2B TRUST #B123517 1021135 ONTARIO LTD. 1034530 ONTARIO LIMITED	
		REMARKS: E402543 POSTPONED TO AT64639				
AT64750	2002/12/18	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1452432 ONTARIO LIMITED	E. MANSON INVESTMENTS LTD. B2B TRUST #2029500 B2B TRUST #B123517 1021135 ONTARIO LTD. 1034530 ONTARIO LIMITED	
		REMARKS: RENTS. RE: CHARGE NO. AT64639				
AT64803	2002/12/18	POSTPONEMENT		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
				TRACMOUNT/GLOJACK LEASING LTD.	E. MANSON INVESTMENTS LTD., B2B TRUST #2029500 B2B TRUST #B123517 1021135 ONTARIO LTD. 1034530 ONTARIO LTD.	
AT64810	2002/12/18	POSTPONEMENT		REMARKS: E405829 POSTPONED TO AT64839 *** COMPLETELY DELETED *** SHAPIRO, PAUL	E. MANSON INVESTMENTS LTD. B2B TRUST Z#029500 B2B TRUST #B123517 1021135 ONTARIO LTD. 1034530 ONTARIO LIMITED	
AT66900	2002/12/20	POSTPONEMENT		REMARKS: TB63304, TB942518, TO AT64639 *** COMPLETELY DELETED *** B2B TRUST SNAPER, BARRY	E. MANSON INVESTMENTS LTD. B2B TRUST #2029500 B2B TRUST #B123517 1021135 ONTARIO LTD. 1034530 ONTARIO LIMITED	
AT196637	2003/06/17	DISCH OF CHARGE		REMARKS: E566248 TO AT64639 *** COMPLETELY DELETED *** NATIONAL BANK OF CANADA		
AT210676	2003/07/02	CHARGE		REMARKS: RE: TB571099 *** COMPLETELY DELETED *** 1452432 ONTARIO LIMITED	ROMSPEN INVESTMENT CORPORATION	
AT210677	2003/07/02	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 1452432 ONTARIO LIMITED	ROMSPEN INVESTMENT CORPORATION	
AT239649	2003/08/05	POSTPONEMENT		REMARKS: AT210676 - RENTS *** COMPLETELY DELETED *** 1379043 ONTARIO LIMITED	ROMSPEN INVESTMENT CORPORATION, AS TRUSTEE	
AT403320	2004/02/05	LR'S ORDER		REMARKS: E402543 TO AT210676, AT210677 LAND REGISTRAR		C
AT894932	2005/08/18	CHARGE		REMARKS: DELETED SC349109, TB101232 AND TB102233 *** COMPLETELY DELETED *** 1452432 ONTARIO LIMITED	BANK, MICHAEL	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT926874	2005/09/23	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** TRACMOUNT/GLOJACK LEASING LTD.	THE SHAPIRO FAMILY TRUST	
		<i>REMARKS: E405829</i>				
AT974367	2005/11/09	CHARGE		*** COMPLETELY DELETED *** 1452432 ONTARIO LIMITED	PRIME INVESTMENT CORPORATION LTD.	
AT1274734	2006/10/04	CHARGE		*** COMPLETELY DELETED *** 1452432 ONTARIO LIMITED	BANK, MICHAEL	
AT1467533	2007/06/06	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** E. MANSON INVESTMENTS LTD. B2B TRUST #2029500 B2B TRUST #B123517 1021135 ONTARIO LTD. 1034530 ONTARIO LIMITED	1479474 ONTARIO INC. TETI, VINCE THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY	
		<i>REMARKS: AT64639</i>				
AT1467534	2007/06/06	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** E. MANSON INVESTMENTS LTD. B2B TRUST #2029500 B2B TRUST #B123517 1021135 ONTARIO LTD. 1034530 ONTARIO LIMITED	1479474 ONTARIO INC. TETI, VINCE THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY	
		<i>REMARKS: AT64639</i>				
AT1545492	2007/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROMSPEN INVESTMENT CORPORATION		
		<i>REMARKS: RE: AT210676</i>				
AT1545506	2007/08/17	TRANSFER	\$2,987,625	1452432 ONTARIO LIMITED	2141992 ONTARIO INC.	C
		<i>REMARKS: PLANNING ACT STATEMENTS</i>				
AT1545545	2007/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE SHAPIRO FAMILY TRUST		
		<i>REMARKS: RE: E405829</i>				
AT1545546	2007/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** SHAPIRO, PAUL		
		<i>REMARKS: RE: TE633204</i>				
AT1545593	2007/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				BANK, MICHAEL		
AT1545594	2007/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** PRIME INVESTMENT CORPORATION LTD.		
AT1545596	2007/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK, MICHAEL		
AT1545598	2007/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** B2B TRUST SNAPER, BARRY		
AT1545599	2007/08/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1379043 ONTARIO LIMITED		
AT1545636	2007/08/17	CHARGE		*** COMPLETELY DELETED *** 2141992 ONTARIO INC.	CTC BANK OF CANADA	
AT1545637	2007/08/17	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2141992 ONTARIO INC.	CTC BANK OF CANADA	
AT1577570	2007/09/18	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1479474 ONTARIO INC. TETI, VINCE THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY		
AT2437895	2010/07/05	APL CH NAME OWNER		2141992 ONTARIO INC.	1828700 ONTARIO INC.	C
AT2507879	2010/09/20	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** BEL-CO EXPRESS INC.		
AT2510447	2010/09/23	NOTICE		*** COMPLETELY DELETED *** PRIME INVESTMENT CORPORATION LTD.		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT2535063	2010/10/25	CERTIFICATE		*** COMPLETELY DELETED *** BEL-CO EXPRESS INC.		
	REMARKS: AT2503979					
AT2548709	2010/11/10	CHARGE	\$20,000,000	1828700 ONTARIO INC.	MERIDIAN CREDIT UNION LIMITED	C
AT2548710	2010/11/10	NO ASSGN RENT GEN		1828700 ONTARIO INC.	MERIDIAN CREDIT UNION LIMITED	C
	REMARKS: AT2548709.					
AT2549450	2010/11/10	DISCHARGE INTEREST		*** COMPLETELY DELETED *** PRIME INVESTMENT CORPORATION LTD.		
	REMARKS: AT2510447.					
AT2549705	2010/11/12	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** BEL-CO EXPRESS INC.		
	REMARKS: AT2507879.					
AT2572540	2010/12/08	DISCH OF CHARGE		*** COMPLETELY DELETED *** CTC BANK OF CANADA		
	REMARKS: AT1545636.					
AT2614237	2011/02/03	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** GILBERT STEEL LIMITED		
AT2628425	2011/02/24	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** GILBERT STEEL LIMITED		
	REMARKS: AT2614237.					
AT2650743	2011/03/25	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** HOLCIM (CANADA) INC.		
AT2690009	2011/05/12	CERTIFICATE		*** COMPLETELY DELETED *** HOLCIM (CANADA) INC.	1828700 ONTARIO INC.	
	REMARKS: AT2650743					
AT2718550	2011/06/13	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** HOLCIM (CANADA) INC.		
	REMARKS: AT2650743. & AT2690009					
AT3186171	2012/11/29	APL (GENERAL)		*** COMPLETELY DELETED *** 1828700 ONTARIO INC.		
	REMARKS: DELETE AT61966					

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT3187493	2012/11/30	CHARGE	\$5,000,000	1828700 ONTARIO INC.	MERIDIAN CREDIT UNION LIMITED	C
AT4748694	2017/12/01	CONSTRUCTION LIEN	\$1,671,725	NETWORK MECHANICAL INC.		C
AT4751343	2017/12/04	CERTIFICATE		NETWORK MECHANICAL INC.		C
		REMARKS: AT4748694				
AT4762364	2017/12/15	CONSTRUCTION LIEN	\$899,495	G. & G. GENERAL SUPPLY LTD.		C
AT4762365	2017/12/15	CONSTRUCTION LIEN	\$137,653	1762550 ONTARIO INC.		C
AT4776081	2018/01/09	CONSTRUCTION LIEN	\$85,852	ENERGY CORP.		C
AT4785756	2018/01/22	CONSTRUCTION LIEN	\$841,512	GOLDDOME ELECTRICAL CONTRACTORS INC.		C
AT4811687	2018/02/28	CERTIFICATE		G&G GENERAL SUPPLY LTD.		C
		REMARKS: AT4762364				
AT4811688	2018/02/28	CERTIFICATE		1762550 ONTARIO INC.		C
		REMARKS: AT4762365				
AT4814239	2018/03/02	CERTIFICATE		GOLDDOME ELECTRICAL CONTRACTORS INC.		C
		REMARKS: AT4785756, CERTIFICATE OF ACTION				
AT4825140	2018/03/21	CERTIFICATE		ENERGY CORP.		C
		REMARKS: AT4776081				

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TAB 6

Sterling Bailiffs Inc.

1001 Petrolia Road, Toronto, ON M3J 2X7

Phone: (416) 701-1322 Fax: (416) 701-0005 Toll Free: 1-877-888-7376

WARRANT TO DISTRAIN FOR TAXES

File No.: 10020863
Roll No.: 1901-03-3-490-00201
Address: 520-524 Ellesmere Rd
Name: 1828700 Ontario INC.
Address: 511 Millway Ave
Concord, ON
L4K 3V4

*Ellesmere Medical
Health Care Centre ?
As listed on
Elevator (SSA - inside).*

You are herewith notified that in accordance with the Section 316 of the City of Toronto Act, 2006, a Tax Warrant has been issued to:

1828700 Ontario INC.

by the tax collector for

THE CORPORATION OF THE CITY OF TORONTO

for the recovery of realty taxes and/or water assessed against the above noted address.

Recovery of the unpaid realty taxes, water arrears, penalties and interest and Bailiff Costs has been undertaken by the method listed below.

And in accordance with the Section 316 of the City of Toronto Act, 2006, you are hereby notified that all goods and chattels on the premises are now under distress and you may not remove or dispose of them. Unless you make arrangements to pay the tax arrears, penalties, interest and Bailiff Costs in full within six working days of this date, your goods and chattels may be seized, removed and sold at public auction in accordance with the provisions of Section 316 of the City of Toronto Act, 2006.

2015 Omit Billed 2016 R4 Taxes	\$46,821.08
2015 Omit Billed 2016 R4 Taxes Penalty & Interest:	\$5,560.00
Bailiff Costs (inclusive of H.S.T.):	\$2,374.23
SubTotal:	\$54,755.31

*F:
By to get info regarding hereto
how may she*

2015 Omit Billed 2016 R4 Taxes	\$11,076.88
2015 Omit Billed 2016 R4 Taxes Penalty & Interest:	\$1,315.38
Bailiff Costs (inclusive of H.S.T.):	\$561.69
SubTotal:	\$12,953.95
2015 Omit Billed 2016 R4 Taxes	\$2,725.03
2015 Omit Billed 2016 R4 Taxes Penalty & Interest:	\$383.99
Bailiff Costs (inclusive of H.S.T.):	\$140.91
SubTotal:	\$3,249.93
2015 Omit Billed 2016 R4 Taxes	\$98,937.40
2015 Omit Billed 2016 R4 Taxes Penalty & Interest:	\$11,800.77
Bailiff Costs (inclusive of H.S.T.):	\$5,019.35
SubTotal:	\$115,757.52
2016 Omit Billed 2016 R4 Taxes	\$224,754.98
2016 Omit Billed 2016 R4 Taxes Penalty & Interest:	\$26,689.69
Bailiff Costs (inclusive of H.S.T.):	\$11,397.04
SubTotal:	\$262,841.71
2016 Taxes	\$165,566.27
2016 Taxes Penalty & Interest:	\$31,043.68
Bailiff Costs (inclusive of H.S.T.):	\$8,910.15
SubTotal:	\$205,520.10

Mar 23 2016 Water	\$9,459.90
Mar 23 2016 Water Penalty & Interest:	\$1,867.35
Bailiff Costs (inclusive of H.S.T.):	\$513.33
SubTotal:	\$11,840.58

Total Amount Owing: \$666,919.10

PAYMENTS ARE TO BE MADE PAYABLE TO STERLING BAILIFFS INC. BY CERTIFIED CHEQUE, MONEY ORDER, BANK DRAFTS OR CASH PAYMENTS CAN ALSO BE MADE WITH ONLINE BANKING WITH MOST FINANCIAL INSTITUTIONS.

ADDITIONAL PENALTY OF 1.25 % IS ADDED TO THE UNPAID ARREARS ON THE 1ST DAY OF EACH MONTH

U.S.T.#: 140491549RT

Date: ... October 18/17 ...
 Bailiff: ... Robert Cardozo ...
Reg # 4721597

TAB 7

1828700 Ontario Inc Cash Flow if hire Property Manage Company

1828700 Ontario Inc
Statement of Cash Flow
For the Month of May 2018

	Feb	
Receipts		
Rent		125000
Disbursements		
Property Management		7500
Property Taxes (2)		50420
Professional fees (3)		10000
Utilities		24000
Bookkeeping		2500
Wages		14000
Elevator maintence		1450
Emergency Phone		45
Fire Alarm Monitoring		50
Fire Life Saving Plan		250
Building Generator Maintance		560
Snow Plowing		3350
Insurance		1750
Repairs and maintenance		5350
General and Admin		500
		<u>114225</u>
Net Cash Flow before Mortgage and Loan Payments		10775
Meridian Mortgage Payment (4)	120000	120000
Meridian Loan Payment (5)	42600	<u>0</u>
		120000
Net Cash Flow		-109225

- 1 Property will be managed by Property Management Company hired by SLF Inc
- 2 Property taxes are \$50420 per month but are stayed during Liquidation so no paymwnts will be made
- 3 Professional fees (Legal, Monitor/Liquidator and Accountant)
- 4 Meridian Mortgage Payment is \$120000 per month (principle and Interest)
- 5 Meridian Loan Payment re 1878351 Ont Ltd is \$42600 per month but is being paid by 1878351 Ont Ltd

TAB 8

SALVATOR GALATI
Applicant

and

VINCENZO TETI ET AL
Respondents
Court File No. CV-17-588264-00CL

9:54 a.m.

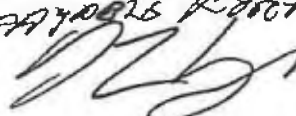
Dec 15/17

I WILL HEAR THIS MATTER THIS
MORNING. THE 1825700 ONTARIO
INC. IS PROHIBITED FROM CONVENING
ITS PLANNED SHAREHOLDERS' MEETING
OR CONDUCTING ANY SHAREHOLDERS'
VOTE UNTIL THE HEARING IS CONCLUDED
AND AN ORDER IS MADE ONE WAY
OR ANOTHER.



11:40 a.m.

For reasons in the attached
substant of Feddy's date, motion
~~dismissed~~ for interim relief
dismissed.
costs re paragraph 1 of the
App to the Respondents
on a partial indemnity basis fixed
at \$3,000. ~~CAUTIONS FORGETAWITHA.~~



ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDINGS COMMENCED AT TORONTO

APPLICATION RECORD

WAGNER SIDLOFSKY LLP
181 University Avenue
Suite 1800
Toronto, ON M5H 3M7

Gregory M. Sidlofsky (LSUC No. 43579C)
Sheila Morris (LSUC #637830)

Phone: 416 366 6743
Fax: 416 364 6579


Lawyers for the Applicant

TAB 9

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made as of the 18th day of May, 2018.

BETWEEN:


(hereinafter referred to as the "Purchaser")

OF THE FIRST PART

- and -

1828700 Ontario Inc.
(hereinafter referred to as the "Vendor")

OF THE SECOND PART

WHEREAS the Purchaser agrees to purchase and the Vendor agrees to sell the Property (as hereinafter defined) and municipally known as 520-524 Ellesmere Road, Toronto, Ontario, on the terms and conditions set forth in this Agreement;

NOW THEREFORE in consideration of the mutual covenants and agreements set forth in this Agreement and the sum of Two Dollars (\$2.00) paid by each of the Vendor and the Purchaser to the other and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each party), the parties hereto covenant and agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions.

In this Agreement, the following terms shall have the meanings set out below unless the context clearly indicates otherwise:

- (a) "Acceptance Date" means the date this Agreement has been executed and accepted by and is binding on, both the Vendor and the Purchaser;
- (b) "Adjustment Date" means 11:59 p.m. on the date immediately preceding the Closing Date;
- (c) "Adjustments" has the meaning ascribed thereto in Section 5.1;
- (d) "Agreement" means this agreement, all schedules and every executed written document which amends, modifies or supplements this Agreement;
- (e) "Buildings" means the buildings, located on the Lands, and any other improvement, erection or structure located on or erected in, under or on the Lands, including without limitation the Medical Building;
- (f) "Business Day" means any day of the week, other than a Saturday, Sunday or any other day which is a statutory or municipal holiday in the City of Toronto or in the Province of Ontario;
- (g) "Chattels" means all goods, fixtures, furniture, equipment, supplies and other tangible personal property owned by the Vendor and used in the operation and maintenance of or otherwise in connection with the Property;
- (h) "Closing" means the transfer of the Property and the completion of all other matters contemplated by this Agreement at the offices of the Purchaser's Solicitor either on the Closing Date or such earlier or later date as Vendor and Purchaser, or their respective solicitors, may in writing agree;

PT

- (i) **“Closing Date”** means 5:00 p.m. (Toronto Time) on the 30th day after the Due Diligence Waiver Date or such earlier or later date and/or time as the parties hereto or their respective solicitors may agree in writing. If the applicable Land Registry Office is closed on the said date, then the Closing Date shall be on the next day that the Land Registry Office is open for business;
- (j) **“Control”** means: (i) the ownership beneficially and legally of all voting interests in an entity carrying more than 50% of the votes attached to all voting interests of such entity; or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting interests, by contract or otherwise, and **“Controlled”** and **“Controlling”** have corresponding meanings;
- (k) **“Commission”** means the amount of \$960,000.00 which is included in the Purchase Price;
- (l) **“Deposit”** means collectively the Initial Deposit and the Second Deposit;
- (m) **“Due Diligence Expiry Date”** means 11:59 p.m. (Toronto Time) on the first Business Day which is the 30th days after the Acceptance Date or such other date as the Vendor and the Purchaser or their solicitors may agree in writing;
- (n) **“Due Diligence Waiver Date”** means the date on which the Purchaser provides the Vendor or Vendor’s Solicitor with written notice that the Purchaser waives the Due Diligence Conditions;
- (o) **“Due Diligence Period”** means the period commencing on the Acceptance Date and terminating on the Due Diligence Expiry Date;
- (p) **“Due Diligence Condition”** means the condition for the benefit of the Purchaser set out in Section 4.1 of this Agreement;
- (q) **“Escrow Agent”** means Friedman Law Professional Corporation;
- (r) **“GEC Lien”** means the construction lien registered by GOLDDOME ELECTRICAL CONTRACTORS INC. as Instrument AT4785756 on the 22nd day of January, 2018 in the registered amount of \$841,512.00;
- (s) **“hereof”, “hereunder”, “hereto”, “herein”** and words in similar import have reference to this Agreement as a whole and not to any particular section, subsection or clause of this Agreement except where the context otherwise requires;
- (t) **“Initial Deposit”** has the meaning ascribed to such term in Section 2.2(a) of this Agreement;
- (u) **“Lands”** means the real property municipally known as 520-524 Ellesmere Road, Toronto, Ontario and legally described in Schedule “A” attached hereto;
- (v) **“Leases”** means all leases, agreements to lease, offers to lease, licenses, concessions and rights to use and occupy, the whole or any part of the Property and all revisions, modifications, amendments, changes thereof or thereto and **“Lease”** means any one of the Leases;
- (w) **“Lender”** means Zoran Holding Corp.;
- (x) **“Liens”** means collectively the construction liens registered against the Property and described in Schedule “D” attached hereto;
- (y) **“Medical Building”** means the building located in the green dotted line circle shown in Schedule “C” attached hereto;
- (z) **“Meridian Mortgages”** collectively means: (i) the first mortgage in favour of Meridian Credit Union Limited in the principal amount of \$20,000,000.00 registered as Instrument No. AT2548709; and (ii) the second mortgage from the Vendor in favour of Meridian Credit Union Limited in the principal amount of \$5,000,000.00 registered as Instrument No. AT3187493 and as at the Acceptance Date \$18,800,000 of principal is outstanding under such mortgages;

- (aa) **"NM Lien"** means the construction lien registered by NETWORK MECHANICAL INC. as Instrument AT4748694 on the 1st day of December, 2017 in the registered amount of \$1,671,725.00;
- (bb) **"Permitted Encumbrances"** means those agreements, covenants, restrictions, easements, rights of way, and other encumbrances affecting the title to the Property expressly set out in Schedule "B" including, without limitation, the Meridian Mortgages and the Third Mortgage; provided in each case the same are in good standing and have been fully complied with in all respects or adequate security has been posted in respect of any outstanding obligations and do not interfere with the present use or any proposed development of the Property;
- (cc) **"Person"** means either a natural person, a partnership of any type, a corporation, a joint venture, a syndicate, a chartered bank, a trust, a trust company, a government or an agency thereof, a trustee or an executor, an administrator or other legal representative;
- (dd) **"Plans and Reports"** means all applications of any kind pertaining to the Property submitted to any Regulatory Authority, all plans, drawings, renderings, reports, investigations, tests, studies, audits, assessments, inspections, and surveys pertaining to the Property including, without limitation, all planning justifications reports in the possession or control of the Vendor, all plans of subdivision, all zoning and/or zoning amendment applications, all official plan amendment applications, all minor variance applications, all consent applications for severance, all draft plan applications or draft plan approvals, soil tests, geo-technical reports, and environmental audits and assessments;
- (ee) **"Property"** means the Lands and all Buildings and Chattels on the Lands;
- (ff) **"Purchase Price"** has the meaning set out in Section 2.1;
- (gg) **"Purchaser's Solicitors"** means Friedman Law Professional Corporation attention: William Friedman, or such other firm of lawyers as the Purchaser may designate by written notice to Vendor;
- (hh) **"Regulatory Authority"** means any government, council, regulatory or administrative authority, approval authority, agency, organization, commission, committee, department, utility or board (federal, provincial, or municipal, domestic or foreign) having jurisdiction and any Person acting under the authority of any of the foregoing and any judicial, administrative or arbitral court, authority, board, tribunal or commission having jurisdiction in the relevant circumstances;
- (ii) **"Second Deposit"** has the meaning ascribed to such term in Section 2.2 of this Agreement;
- (jj) **"Tests"** has the meaning ascribed thereto in Section 3.1 of this Agreement;
- (kk) **"Tenants"** means all the tenants of the Property and **"Tenant"** means each of the Tenants;
- (ll) **"Third Mortgage"** means the third ranking in priority mortgage on the Property given by the Vendor in favour of the Lender to be registered on the date provided for in Section 2.4 in the principal sum of \$7,000,000.00 for a term of 24 months and repayable at any time without notice, bonus or penalty and otherwise on such terms and conditions as required by the Lender; and
- (mm) **"Vendor's Solicitors"** means Joseph Bergman, or such other firm of lawyers as the Vendor may designate by written notice to Purchaser.

1.2 General.

The information contained in the Schedules annexed hereto shall be of the same force and effect as if the same had been contained in the body of this Agreement. The singular includes the plural, the plural the singular, and any gender the other genders. Unless otherwise indicated references to dollars or amounts stated in dollars are to Canadian dollars. Headings are included for convenience or reference only and shall not affect the interpretation hereof.

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1.3 Rights of Parties Independent.

The rights available to the parties under this Agreement and at law shall be deemed to be several and not dependent on each other and each such right shall be accordingly construed as complete in itself and not by reference to any other such right. Any one or more and/or any combination of such rights may be exercised by a party from time to time and, subject to the provisions of this agreement, no such exercise shall exhaust the rights of such party or preclude any other party from exercising any one or more of such rights or combination thereof from time to time thereafter or simultaneously.

ARTICLE 2 - PURCHASE AND SALE

2.1 Purchase Price.

Upon and subject to the terms and conditions contained in this Agreement, the Purchaser shall purchase and Vendor shall sell to the Purchaser the Property, on the Closing Date, for a purchase price of \$ [REDACTED] (the "Purchase Price").

2.2 Satisfaction of Purchase Price.

The Purchase Price subject to the Adjustments provided for herein shall be paid and satisfied as follows:

- (a) the Purchaser shall deliver an initial deposit by bank draft or certified cheque in the amount (the "Initial Deposit") of \$100,000.00 within 24 hours of the Acceptance Date, payable to the Vendor's Solicitor in Trust;
- (b) the Purchaser shall deliver a second deposit by bank draft or certified cheque in the amount (the "Second Deposit") of \$400,000.00 within 48 hours after the Due Diligence Waiver Date, payable to the Vendor' Solicitor in Trust;
- (c) the Purchaser shall assume or discharge the Meridian Mortgages on the Closing Date with a credit to be given against the Purchase Price for the amount of principal then outstanding under the Meridian Mortgages not exceeding \$18,800,000.00;
- (d) no later than 180 days after the Due Diligence Waiver Date, the Purchaser shall be responsible for the payment of the Liens registered against the Property not exceeding \$ 3,636,237.00 plus any applicable interest, accrued thereon (the "Lien Payments"). The Lien Payments shall be deducted from the balance due on Closing; and
- (e) The Purchaser shall make payments in the amount of \$ [REDACTED] to the Escrow Agent, in trust, in monthly installments, commencing 120 days after the Due Diligence Waiver Date and on the first day of each and every month thereafter until the Balance of the Purchase Price (as hereinafter defined) is received by the Escrow Agent, in trust;
 - (i) subject to Section 2.2(e)(iii) of this Agreement, the Escrow Agent shall release \$960,000.00 to the Vendor for the payment of the Commission; and
 - (ii) in the event that the Purchaser fails to make the payments for the Balance of the Purchase Price to the Escrow Agent in accordance to Section 2.2(e)(i) hereof, the Purchaser shall be deemed to be in default of this Agreement and the Escrow Agent shall notify the Vendor and on demand by the Vendor the Escrow Agent is authorized to release all amounts received by the Escrow Agent in trust from the Purchaser to the Vendor.

On Closing the amounts held by the Escrow Agent shall be paid to the Vendor.

The Balance of the Purchase Price means the Purchase Price less any payments made pursuant to Subsections 2.2 (a), (b), (c), and (d).

2.3 Deposits.

If the transaction contemplated by this Agreement is not completed for any reason whatsoever other than by reason of the default of the Purchaser under this Agreement, the Initial Deposit and the Second Deposit, shall be forthwith on demand by the Purchaser or the Purchaser's Solicitor be paid and returned to the Purchaser without any deduction or set off whatsoever and without prejudice to any other rights or remedies that the Purchaser may have pursuant to this Agreement or at law or in equity.

On Closing the Deposits shall be applied on account of and credited against the Purchase Price. The Purchaser shall in its sole discretion be entitled at any time prior to Closing to register a copy of this Agreement against title to the Property.

2.4 Third Mortgage.

The Third Mortgage shall be in the principal sum of \$7,000,000.00 and shall be registered against the Property on the Due Diligence Waiver Date and shall be subordinate to the Meridian Mortgages and the Liens, save and except for the NM Lien and GEC Lien. The Third Mortgage shall bear interest at an interest rate of 20% per annum, calculated monthly and payable in advance. The principal sum of and the interest on the Third Mortgage shall be payable by the Purchaser as and when due. The Third Mortgage shall be subject to the terms and conditions acceptable to the Lender, including but not limited to:

- a) The principal sum secured by the Third Mortgage shall be advanced by the Lender to the Purchaser on the Due Diligence Waiver Date and the Purchaser shall upon the advance of the funds of the Third Mortgage pay (i) the City of Toronto any outstanding realty tax and water arrears and all interest and penalty in connection thereto, with respect to the Property, not exceeding \$2,000,000.00 (the "Outstanding Taxes"); and (ii) the balance of the Third Mortgage shall be advanced to the Purchaser or as the Purchaser may in writing direct;
- b) The NM Lien and the GEC Lien shall be postponed in favour of the Third Mortgage;
- c) Standard Charge Terms filed pursuant to the Land Registration Reform Act (Ontario) as No. 200033 and any additional terms and conditions which may be required by the Lender;
- d) the Third Mortgage shall be for a term of 24 months; and
- e) the Purchaser shall be responsible for the payment of the principal outstanding under the Third Mortgage and for all interest payments as and when due under the terms of the Third Mortgage.

The Vendor hereby authorizes and directs the Lender to make payment of the balance of the advance from the Third Mortgage after paying the Outstanding Taxes to the Purchaser or as the Purchaser may further direct. The Third Mortgage shall be assumed by the Purchaser on the Closing Date without any credit to be given against the Purchase Price for the amount thereof being assumed by the Purchaser save and except the amount of the Outstanding Taxes. If the transaction contemplated by this Agreement is not completed for any reason whatsoever other than by reason of the default of the Purchaser under this Agreement, the Vendor shall be liable for and shall pay the Purchaser forthwith upon demand by the Purchaser the amount of the Outstanding Taxes together with any interest thereon pursuant to the Third Mortgage.

If the transaction contemplated by this Agreement is not completed only by reason of the default by the Purchaser under this Agreement the Purchaser shall be liable for and shall pay to the Lender forthwith upon demand the outstanding amount of principal and interest due under the Third Mortgage, less the amount of the Outstanding Taxes.

2.5 Harmonized Sales Tax ("HST").

With respect to HST the parties hereto agree and covenant as follows:

- (a) the Purchaser shall pay to the Vendor, subject to subparagraph 2.5 (b) hereof, all HST payable as a result of this transaction in accordance with the *Excise Tax Act (Canada)* (the "Act") and the Vendor shall remit such HST to the Receiver General for Canada when and to the extent required by the Act. The Vendor on Closing shall indemnify the Purchaser and hold the Purchaser harmless from any liability under the Act pertaining to HST, in connection with the assessment of HST payable in respect of the transaction contemplated by this Agreement including any penalties, interest and expenses relating to the non-payment or remittance of HST by the Purchaser; and
- (b) notwithstanding subparagraph 2.5 (a) above, the Vendor shall not collect the HST from the Purchaser if the Purchaser is registered under the Act and in such event the Purchaser shall remit such HST when and to the extent required under the Act and the Purchaser on Closing shall indemnify the Vendor and hold the Vendor harmless from any liability under the Act arising out of any breach of the obligations of the Purchaser contained in this clause with respect to HST.

2.6 Assignment of Plans and Reports.

The Purchase Price includes the right of the Purchaser to access and use, in connection with the Property, each of the Plans and Reports.

ARTICLE 3 - INVESTIGATION AND OPERATION OF THE PROPERTY

3.1 Productions by the Vendor.

The Vendor shall within ten (10) days of the Acceptance Date deliver to the Purchaser the following:

- (a) up to date mortgage statements from Meridian with respect to the Meridian Mortgages;
- (b) copies of all Plans and Reports relating to the Property;
- (c) a survey of the Property;
- (d) a tax certificate;
- (e) a water certificate;
- (f) any outstanding realty tax assessment notices, appeals, correspondence and tax bills relating to the Property in the Vendor's possession;
- (g) copies of all reports, orders and notices relating to the Property received from any Governmental Authority;
- (h) copies of any contracts pertaining to the Property to be assumed by the Purchaser on Closing including but not limited to the commitment letters and loan documents in relation to the Meridian Mortgages;
- (i) letters of authorization prepared by the Purchaser to municipal, regional, provincial or federal department, commission, board, bureau, branch, agency, Regulatory Authority, having jurisdiction over or in connection with the Property, authorizing the said authorities to release to the Purchaser or the Purchaser's Solicitors any and all information on file and any work orders or deficiencies respecting the Property;
- (j) written consents and authorizations from the Vendor, in form acceptable to the Purchaser, permitting the Purchaser to meet and discuss matters pertaining to the Property with any and all

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applicable governmental authorities including, federal, provincial and municipal authorities, agencies, committees, and staff, having any jurisdiction with respect to the Property including, applicable planning staff, members of the municipal council, the mayor and other municipal staff employees;

- (k) certified copies of all Leases of the Property or any part thereof; and
- (l) copies of rental arrears statements for the previous twelve (12) months.

3.1 Inspections.

The Vendor will permit the Purchaser, its agents and representatives, access to the Property on 24 hours prior notice at all times and from time to time after execution of this Agreement, subject to the rights of Tenants under their respective Leases, to carry out such investigations, tests, studies, audits, assessments and inspections as Purchaser may deem necessary including, without limitation, engineering tests, environmental audits and assessment and geo-technical tests, (collectively, the "Tests") provided that any damage to the Property caused by such Tests will be repaired by Purchaser.

3.2 Operation of Property.

The Vendor will continue to operate or cause to be operated the Property as would a prudent owner of a similar property in a similar location. Prior to Closing, the Vendor will:

- (a) if it receives a notice (a "Notice") from any Regulatory Authority or body advising of any defects in the state of repair or state of completion of the Property or ordering or directing that any alteration, repair, improvement, or other work be done, or relating to non-compliance with any building permit, building or land use by-law, ordinance or regulation or building code or pertaining to the presence of any contaminant or hazardous substance following the date hereof, deliver to Purchaser a copy of the Notice and comply with same prior to Closing and deliver evidence of such compliance to the Purchaser.

3.3 Risk and Damage.

The Property will remain at the risk of Vendor until Closing. The Vendor will maintain until Closing policies of insurance against fire and other perils and against third party liability in such amounts as a reasonable prudent owner of a similar property in a similar location would carry in and the Vendor shall hold all such policies of insurance in trust for the parties hereto, as their interest may appear. The Vendor shall maintain in addition to property insurance general comprehensive liability insurance in the amount of \$5,000,000 per occurrence with respect the Property until Closing and the Lender shall be named as an additional insured the property insurance policies and a loss payee under comprehensive liability insurance. The policies shall provide that they are not cancellable without giving the Purchaser at least thirty (30) days prior written notice and that no act or default of Vendor shall affect the right of Purchaser to recover under such policy or policies of insurance in case of loss or damage. The Vendor shall provide the Purchaser with a copy of the insurance policy upon request by the Purchaser or the Lender. In the event that the Property shall be damaged after execution of this Agreement and prior to the Closing then the Vendor shall advise the Purchaser within three (3) Business Days of the nature of the damage in reasonable detail and the cost to repair any such damage. In the event of damage to the Property, the Purchaser may either terminate this Agreement and have the Deposits and the Outstanding Taxes returned forthwith after termination and without any deduction or set off, or take the insurance proceeds and complete the purchase.

3.4 Work Orders.

In the event that any work order, deficiency notice or other claim is made by any Regulatory Authority requiring any repair, renovation, or other work to be performed on the Property which is known or received by the Vendor prior to the Closing Date, the Vendor shall, at its own expense, perform the work required pursuant to such work order or notice prior to the Closing Date. The Vendor is not aware of any outstanding

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work orders or deficiency notices or other claims (collectively, "**Work Orders**") threatened, pending or issued against it by any Regulatory Authority, and the Vendor will comply with all Work Orders issued against it or if not complied with by Closing, the Purchaser shall be entitled to holdback a portion of the Purchase Price based on a reasonable estimate of the cost of the work to be done, until such time as the Work Orders have been complied with or at the option of the Purchaser deduct the cost of the work required to be done to comply with the Work Orders from the Purchase Price and the Purchaser shall in such event be responsible to carry out the work needed to comply with such Work Orders..

3.5 **Expropriation.**

In the event that, prior to the Closing Date, any material part of the Property is expropriated or notice of expropriation or intent to expropriate is issued by any governmental authority in respect of any part of the Property, the Vendor shall immediately advise the Purchaser thereof in writing and the Purchaser shall have the following options exercisable by written notice to be given to the Vendor within five (5) Business Days of the receipt of such notice from the Vendor:

- (a) to complete the transaction contemplated herein without reduction of the Purchase Price, in which event all compensation for expropriation shall be payable to the Purchaser and all right and claim of the Vendor to such amount shall be assigned to the Purchaser; or
- (b) to refuse to complete the transaction contemplated herein and, in such event, all parties hereto shall be released from all obligations hereunder and the Deposits shall be returned forthwith to the Purchaser without deduction.

3.6 **Representations and Warranties by Vendor.**

The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on these representations and warranties in entering into this Agreement and completing the transaction herein contemplated:

- (1) The Vendor has all necessary capacity, power and authority to enter into this Agreement and perform the terms hereof and to complete the transactions contemplated by this Agreement in accordance with its terms. This Agreement and the performance of the obligations of the Vendor constitute legal, valid and binding obligations of the Vendor enforceable against the Vendor in accordance with their terms.
- (2) The claims of each of the claimants of the Liens, save and except for the claimants of the NM Lien and the GEC Lien, are frivolous.
- (3) The Vendor is not a non-resident of Canada within the meaning of Section 116 of the Income Tax Act (Canada).
- (4) The Vendor is not a party to nor bound by any agreement, indenture, mortgage, deed of trust, security instrument, document or other agreement that would be breached by, or under which default would occur as a result of, the execution and delivery of this Agreement or the completion of the transaction herein contemplated.
- (5) The Vendor has not received written notice of any pending or threatened change to any zoning by-law affecting all or any portion of the Property, any expropriation proceedings or any local improvements made by any authority and chargeable (and not paid) to all or any portion of the Property.
- (6) There are no litigation proceedings or other proceedings pending or threatened against the Vendor pertaining to the Property or affecting the Property before any court, commission, board, bureau or agency or arbitration panel.
- (7) The Vendor is not aware of any outstanding Work Orders threatened, pending or issued by any Regulatory Authority relating to the property or any part thereof;

- (8) The Vendor has not entered into any service contract, maintenance contract, management contract, or any other contract relating to the operation, maintenance, repair or management of the Property whether written or oral, which the Purchaser would be required to assumed by the Purchaser on the Closing Date.
- (9) The Buildings, structures, erections and improvements located on or under the Property are wholly situate within the boundaries of the Property, comply with all applicable zoning and building by-laws, and there is no outstanding dispute with respect to the boundary of the Property with any abutting owner.
- (10) The Vendor is not aware of any defects in any building, structure or erection existing on the Property, nor is the Vendor aware of any repairs that may be needed to be made to or in connection with any building, structure or facilities on the Property or any systems servicing any building, structure or facility on the Property.
- (11) The Property has full and free access to and from public highways, public streets and roads and the Vendor has no knowledge of any fact or condition which would result in the termination of such access.
- (12) The Property is serviced by all required municipal and public utility services, including, without limiting the generality of the foregoing, storm and sanitary sewers, water, hydro, telephone and gas services. All municipal, private and public utilities required for the operation of the Property connect to the Property through adjoining public streets. All accounts for utility services and municipal taxes have been paid.
- (13) The Vendor has not withheld any document or information concerning the Property or any part thereof which could affect a reasonable Purchaser's willingness to purchase the Property for the purchase price thereof.
- (14) There are no local improvement charges relating to the Property and if there are then same shall be prepaid and commuted by the Vendor at its sole cost on or before Closing.
- (15) The Property complies with all Environmental Laws and regulations relating to the Property and there are no Hazardous Substances on the Property nor has any Hazardous Substance escaped, seeped, leaked, spilled, discharged, emitted, released or been disposed of, onto, or away from the Property. "Environmental Laws" shall mean all applicable federal, provincial and local laws, by-laws, rules, regulations, codes or judgments relating to the protection of the environment and public health and safety, and without restricting the generality of the foregoing, includes without limitation those Environmental Laws relating to the storage, transportation, treatment and disposal of Hazardous Substances, employee and product safety, and the emission, discharge, release or threatened release of Hazardous Substances into the air, surface water, ground water, land surface, subsurface strata or any building or structure and, in each such case, as such Environmental Laws may be amended or supplemented from time to time. "Hazardous Substance" means any pollutant, dangerous substance, liquid waste, industrial waste, hauled liquid waste, toxic substance, hazardous waste, hazardous material, hazardous substance, asbestos or contaminant as such terms are, or may be, described or defined in any Environmental Laws.
- (16) That all services, labour and materials have been supplied or will have been supplied with respect to the Property, more than sixty (60) days prior to the Closing Date and that all accounts for services, labour and materials owing or payable by the Vendor with respect to the Property have been fully paid for and other than the Liens, no one has a right to file a lien under the *Construction Act* R.S.O. 1990, as amended, against the Property.
- (17) The Meridian Mortgages are in good standing and all interest and other payments due thereunder have been paid when due;

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- (18) The conveyance of the Property to the Purchaser by the Vendor complies with the *Planning Act, Ontario*, and in particular, without limiting the generality of the foregoing, complies with Section 50 (3) (f) of the *Planning Act, Ontario*.
- (19) All elevators located on the Property are in working condition, and there are no work orders, deficiency notices, correction orders, or infractions outstanding in connection with any elevators on the Property.
- (20) The Property is not designated property as defined pursuant to the *Ontario Heritage Act* and there are no notices of intention to designate pursuant to the said Act.
- (21) The Property has been leased pursuant to their particular Leases and that:
 - (a) the existing Tenants are in possession and occupation of the premises demised to them and are paying rent in accordance with the provisions of their respective Leases and there are no arrears of rental except as disclosed to the Purchaser in writing as of the date hereof;
 - (b) there is no prepaid rent under the Leases except as disclosed to the Purchaser in writing as of the date hereof and there will not be any additional prepaid rent under the Leases at the Closing Date;
 - (c) the Leases, copies of which have been delivered to the Purchaser hereof are all of the Leases in effect with respect to the Property and such Leases contain the entire agreement between the Vendor as landlord and the respective Tenants relative to the premises demised thereunder and neither the Vendor nor the Tenants are in default of their respective obligations contained in their Leases and same are in full force and effect in accordance with their terms and are in good standing;
 - (d) no written notice has been received by the Vendor from any Tenant alleging default by the landlord under the Leases in the performance of its obligations as landlord or alleging any defect in the condition or state of repair or state of completion of its premises;
 - (e) there have been no claims, set offs or defenses against any of the Tenant's obligations to pay rent or any item of additional rent under a Tenant's Lease and no Tenant has claimed or is entitled to claim any such set offs or defenses; and
- (22) all Tenant inducements and leasehold improvement costs and charges payable or required to be paid by the Vendor, Tenant allowances and incentives, Tenants' leasehold construction required to be performed by the Vendor and all real estate commissions payable in respect of the Leases and options theretofore renewal thereunder, whether payable before or after Closing, have been paid as of Closing, or if not paid will be included as an Adjustment to be paid by the Vendor.

3.7 Representations and Warranties by Purchaser.

The Purchaser represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying on these representations and warranties in entering into this Agreement and completing the transaction herein contemplated:

- (a) The entering into of this Agreement and the performance by Purchaser of the terms hereof will not result in a violation by Purchaser of the provisions contained in its constating documents or any agreement by which it is bound.
- (b) It is a corporation duly incorporated and validly existing under the laws of Ontario and has all necessary corporate power and authority to enter into this Agreement and perform the terms hereof and the completion of the transactions contemplated by this Agreement will have been duly authorized by all necessary corporate action on the part of Purchaser.

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ARTICLE 4 - CONDITIONS

4.1 Due Diligence Conditions

The obligations of the Purchaser to complete the transaction contemplated in this Agreement, including, without limitation, to pay the Purchase Price, shall be conditional until the Due Diligence Expiry Date upon the Purchaser in its sole, arbitrary, absolute and unfettered discretion being fully satisfied with all aspects of and all matters relating to the Property that it deems relevant, including, without limitation:

- (a) the required consent and authorization from Meridian Credit Union Limited with respect to the assumption of the Meridian Mortgages by the Purchaser;
- (b) the viability and suitability of the Property for purchase by the Purchaser;
- (c) the potential for redevelopment of the Property;
- (d) all Plans and Reports;
- (e) the terms and conditions and the status of the Existing Mortgages;
- (f) the Leases;
- (g) the compliance of the proposed conveyance of the Property to the Purchaser with the *Planning Act, Ontario*;
- (h) all tests, searches, inspections, audits, assessments, reports, and inquiries relating to the Property; and
- (i) the marketability, financial and economic viability of the Purchaser's proposed use of the Property, (collectively, the "**Due Diligence Conditions**").

The Vendor and Purchaser hereby acknowledge, confirm and agree that the Due Diligence Conditions contained in this Section 4.1 are included for the sole benefit of the Purchaser and notwithstanding that same may be a true condition precedent (whether deemed to be so by a court of competent jurisdiction or otherwise) the aforesaid Due Diligence Conditions may be unilaterally waived by the Purchaser at any time prior to the Due Diligence Expiry Date, by notice in writing delivered to the Vendor. It is expressly understood and agreed that the Vendor shall be estopped from hereafter claiming or alleging that the Due Diligence Conditions are void for uncertainty, nor shall the ambiguous character, if any, of the said conditions be deemed or construed to void or vitiate the transaction of purchase and sale evidenced hereby.

If on or before the Due Diligence Expiry Date, the Purchaser for any reason whatsoever has not given written notice to the Vendor or the Vendor's Solicitors that Due Diligence Conditions have been satisfied or are waived, then the Due Diligence Conditions shall conclusively be deemed not to have been satisfied or waived and this Agreement shall automatically terminate and be at an end and the Deposits and the Outstanding Taxes together with all interest accrued and accruing thereon shall be returned to the Purchaser forthwith, without any deduction or set off, whereupon neither party shall have any further obligations or rights pursuant to or under this Agreement.

The Vendor hereby agrees that the Purchaser shall not be required to provide any reasons or documentation to the Vendor as to why the Due Diligence Conditions have not been satisfied or waived and that same shall be at the complete sole, absolute and unfettered and arbitrary discretion of the Purchaser.

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4.2 Conditions at Closing.

The Purchaser's obligation to complete the transaction contemplated in this Agreement, including, without limitation, to pay the Purchase Price, shall be conditional upon each of the following having been fully satisfied and/or performed before Closing:

- (a) that the title of Vendor to the Property is good and marketable and free and clear of all mortgages, liens, charges, restrictions, easements, security interests or any adverse interests or other encumbrances of any kind whatsoever other than Permitted Encumbrances;
- (b) that no default of Vendor under this Agreement has occurred which has not been waived by Purchaser;
- (c) the Vendor has delivered a mortgage statement in form and content acceptable to the Purchaser from Meridian with respect to the Meridian Mortgages;
- (d) the Vendor has delivered to the Purchaser a signed acknowledgment by each Tenant of the Property (the "**Estoppel Certificate**") in the form and content attached hereto as Schedule "E";
- (e) The Vendor shall have delivered to the Purchaser an assignment, in form and content acceptable to the Purchaser, of the Leases and a written notice, in form and content acceptable to the Purchaser, advising the Tenants of the assignment and directing all Tenants to pay all rent from and after the Closing Date to the Purchaser;
- (f) The Vendor has delivered and the Purchaser has obtained written confirmation from Meridian that the Meridian Mortgages may be assumed by the Purchaser as at the Closing Date;
- (g) The Vendor has delivered to the Purchaser written confirmation from each Person who has a Lien relating to the Property that upon the payment of the sum specified in such written confirmation the Lien claimant will discharge its Lien from title to the Property as well as any certificate relating to such Lien;
- (h) that each of the representations and warranties made by or agreed to by the Vendor in this Agreement is true and correct in all respects as at the Closing on the Closing Date; the warranties and representations shall not merge on the Closing, and shall survive for a period of twelve (12) months following the Closing Date;
- (i) that the conveyance of the Property to the Purchaser by the Vendor complies with Section 50 (3) (f) of the *Planning Act, Ontario* and in connection therewith all necessary consents for the conveyance of the Property have been obtained and are in full force and effect and no appeals relating to any such consent has been made or filed and all applicable appeal periods have expired;
- (j) that the Planning Act, Ontario including, without limitation, the provisions of Section 50 of the *Planning Act (Ontario)*, have been complied with by the Vendor at its own expense and any necessary consents under the *Planning Act, Ontario* of the applicable Committee of Adjustment, Land Division Committee or any other body or Regulatory Authority having jurisdiction, have been obtained by the Vendor at its own expense, are final and binding, no appeals relating thereto have been made or filed and all appeal periods have expired prior to the Closing Date, including, without limiting the generality of the foregoing, any consents for the conveyance of the Property to the Vendor; and
- (k) that each of the agreements and covenants to be satisfied or performed by the Vendor pursuant to this Agreement has been performed and satisfied at the time and in the manner provided.

If any one or more of the aforesaid conditions contained in this Section 4.2 have not been fully satisfied and/or performed on or before the Closing Date the Purchaser or the Purchaser's Solicitors may at its sole, unfettered and arbitrary discretion either: (i) cancel and terminate this Agreement, in which case the

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Deposits shall forthwith be returned to the Purchaser without any deduction or set-off, whatsoever; or (ii) by notice in writing to the Vendor or its solicitor extend the Closing Date for such period of time as the Purchaser deems appropriate for the Vendor to fully satisfy and/or perform the conditions set out in Section 4.2 hereof.

The Vendor and Purchaser hereby acknowledge, confirm and agree that the conditions contained in Section 4.2 are included for the sole benefit of the Purchaser, and notwithstanding that same may be a true condition precedent (whether deemed to be so by a court of competent jurisdiction or otherwise) the aforesaid conditions may be unilaterally waived by the Purchaser at any time, by notice in writing delivered to the Vendor. It is expressly understood and agreed that the Vendor shall be estopped from claiming or alleging that the foregoing condition is void for uncertainty, nor shall the ambiguous character, if any, of the said conditions be deemed or construed to void or vitiate the transaction of purchase and sale evidenced hereby.

The Purchaser may, by written notice, to the Vendor advise the Vendor that one or more of the foregoing conditions has not been satisfied. If such notice is given to the Vendor or the Vendor's solicitor on or before the Closing Date, this Agreement will be null and void and the Deposits shall be returned to the Purchaser forthwith, with interest earned thereon and without deduction or set off, whereupon neither party shall have any further obligations or rights pursuant to or under this Agreement.

ARTICLE 5 - ADJUSTMENTS

5.1 Items of Adjustment.

The Purchaser and Vendor will adjust on the Adjustment Date for:

- (a) realty taxes and local improvement rates and charges;
 - (b) utilities, and fuel accounts;
 - (c) all current rents (basic and additional) and other recoveries actually paid under the Leases and any goods and services tax collectable thereon by the landlord (which the Purchaser undertakes to remit); for greater certainty, arrears of rent will not be adjusted but will remain the property of the Vendor subject to the limitations set out in Section 5.2;
 - (d) security deposits and prepaid rent (and interest thereon, if any) paid under the Leases;
 - (e) tenant inducements as set out in Section 5.3; and
 - (f) all other items reasonably capable and subject to the provisions of this Agreement, properly the subject of adjustment in connection with the ownership of the Property,
- (collectively, the "Adjustments").

The Vendor will prepare a statement of the Adjustments and a copy thereof (to which there will be annexed complete details of the calculations made therein) will be delivered to Purchaser at least four (4) Business Days prior to the Closing Date. Those items of Adjustments that cannot be either ascertained or finally made on Closing will be made on the basis of estimates by Vendor, acting reasonably, and will be finally adjusted pursuant to the undertaking to readjust of the Vendor's lawyer. If the Purchaser disputes any such estimates, the Closing will nevertheless proceed on the basis thereof and the matter will subsequently be determined by either negotiation or arbitration. In the absence of notice by the Purchaser prior to Closing, the Purchaser will be deemed for the purpose of Closing to have accepted such estimates.

5.2 Rental Arrears

Rental arrears which have accrued prior to the Closing Date shall remain the property of the Vendor. The Purchaser shall use all reasonable efforts for a period of three (3) months after Closing, to collect on behalf

of the Vendor any arrears of rent existing as of the Closing Date, but this covenant shall not require the Purchaser to initiate or take any action or exercise any rights or remedies under a Lease including, without limitation, initiate or take any legal action either on its part or on the Vendor's behalf. The Vendor shall not contact any tenant of the Purchaser in the Property after Closing for the purpose of collecting rent arrears. Any amounts received by the Purchaser from or with respect to any Tenant who is in arrears in the payment of rent as of the Closing date shall be applied as follows:

- (1) first, against the arrears arising after the Closing Date; and
- (2) thereafter, the excess, if any, against the arrears accrued on or prior to the Closing Date less any costs and expenses (including legal fees and disbursements) incurred by the Purchaser to obtain or collect such arrears.

5.3 Tenant Inducement

The Vendor shall be responsible for all real estate and leasing commissions, tenant allowances and tenant inducements payable with respect to the Leases entered into prior to the Closing Date and shall be adjusted for on Closing.

ARTICLE 6 - CLOSING

6.1 Vendor Deliveries.

On Closing, Vendor will deliver the following, all duly executed and:

- (a) if requested by the Purchaser a bill of sale for the chattels forming part of the Property;
- (b) a certificate dated the Closing Date signed by the Vendor certifying that each of the representations, warranties and covenants of the Vendor contained in this Agreement are true and correct in all material respects as at the Closing Date;
- (c) the Statement of Adjustments provided for in Article 5 hereof together with copies of all realty tax bills, utility bills and assessment notices pertaining to the Property, along with proof of payment thereof, if proof of payment is reasonably requested by virtue of not being available to the Purchaser through its own enquiries and due diligence investigations;
- (d) a good and valid deed/transfer of title to the Property, in registrable form, which deed/transfer shall contain the statements contemplated by Section 50 of the *Planning Act*, R.S.O. 1990, as amended, together with such statements and/or consents as are required to comply with the *Family Law Act*, R.S.O. 1990, as amended;
- (e) a good and marketable title to the Property, in fee simple, free and clear of all restrictions, liens, charges, easements, rights of way, clouds on title, encroachments, adverse interests or any other encumbrances of any nature or kind, save and except the Permitted Encumbrances;
- (f) all consents or approvals from or notification to any third party, if required under the terms of any of the Permitted Encumbrances in connection with the completion of this Agreement, and the execution by any such party of such of the Vendor Deliveries as is required to effectively transfer to the Purchaser good and marketable title to the Property;
- (g) valid licenses and certificates issued by Technical Standards & Safety Authority for all elevators located on the Property;
- (h) a statutory declaration, wherein the Vendor confirms, and declares as follows:

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- (i) that the Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act of Canada*, and the amendments thereto;
 - (ii) that all accounts for services, labour and materials owing or payable by the Vendor with respect to the Property have been fully paid for and no one has a right to file a lien under the *Construction Lien Act*, R.S.O., 1990, as amended against the Property;
 - (iii) the Vendor's possession of the Property; and
 - (iv) that no part of the Property is the site of a matrimonial home as defined in the *Family Law Act*, R.S.O. 1990, as amended, and the ownership of shares in the capital stock of the Vendor does not entitle the owner of such shares to possession or occupation of any portion of the Property as contemplated by the *Family Law Act*, R.S.O. 1990, as amended;
- (i) vacant possession of the Property;
 - (j) reliance letters in favour of the Purchaser and in form and content acceptable to the Purchaser, acting reasonably with respect to all Plans and Reports including, without limitation, from all the Persons whose consent in the opinion of the Purchaser, acting reasonably, may be required in order for the Purchaser to be able to fully and legally rely upon the Plans and Reports and for the Purchaser to use such Plans and Reports in connection with the Property or any redevelopment of the Property and that all fees and costs pertaining to such Plans and Reports have been fully paid for by the Vendor;
 - (k) the Plans and Reports and any updates thereof and/or reports, documents, information relevant to or ancillary to such Plans and Reports in Vendor's possession or control that came into the Vendor's possession or control or to the attention of the Vendor, subsequent to the Acceptance Date;
 - (l) an indemnity from the Vendor to the Purchaser saving the Purchaser harmless from and against any and all losses, damages claims or liabilities that may be suffered or incurred by the Purchaser arising from or in respect of any lien under the Construction Act (Ontario) other than the Liens, that is registered after the Closing Date as result of work, labour or services performed or materials supplied, placed on or furnished to the Land prior to the Closing;
 - (m) the undertaking to readjust;
 - (n) all keys and security access cards, including copies of same relating to the Lands in the Vendor's possession;
 - (o) any and all documents, notices, agreements and items required to be delivered to the Purchaser pursuant to Section 4.2 of this Agreement; and
 - (p) all other conveyances, documents, instruments, agreements and items which are required by the Purchaser to give effect to the terms of this Agreement.

6.2 Purchaser Deliveries on Closing.

The Purchaser will deliver the balance of the Purchase Price as provided for in Section 2.2 hereof subject to the adjustments provided for in Sections 2.1 and 5.1 hereof and the following documents duly executed and dated the Closing Date:

- (a) a certificate updating the representations and warranties of the Purchaser; and
- (b) such other documents as are required by the terms of this Agreement.

ARTICLE 7 - GENERAL

PT

7.1 **Costs and Expenses.**

Each of the parties hereto shall be responsible for and shall pay all of its own taxes, costs, expenses and legal or other fees incurred by it in connection with the negotiations, settlement and execution of this Agreement and all matters related thereto and shall indemnify and hold harmless the other parties from and against any and all liabilities or claims in respect of any such expenses, costs or fees. The Vendor shall be responsible for any and all commissions and fees payable to any broker or real estate agent in connection with this transaction and shall indemnify and hold harmless the Purchaser from and against any and all liabilities or claims in respect of any such commissions and fees.

7.2 **Planning Act Compliance.**

The Vendor covenants and agrees that the deed/transfer to be delivered on the closing date shall contain the statements prescribed pursuant to Section 50(22)(a) of the *Planning Act*, R.S.O. 1990, as amended, wherein the Vendor certifies that, the deed/transfer does not contravene the subdivision and part lot control provisions of the *Planning Act*, R.S.O. 1990, as amended, together with the prescribed statement by the Vendor's solicitor wherein its solicitor verifies those matters more particularly set out in Section 50(22)(b) of the *Planning Act*, R.S.O. 1990.

7.3 **Tender.**

Any tender of documents or money hereunder may be made upon the Vendor or the Purchaser, or upon their respective solicitors, on the day fixed for completion of this transaction. If the Purchaser or representatives of the Purchaser's Solicitors fail to appear within four hours after the scheduled time for Closing, the Vendor may assume that the Purchaser is not ready, willing or able to complete the purchase of the Property and accordingly, will not be required to tender on either the Purchaser or the Purchaser's Solicitors. The provisions of the preceding sentence will apply, mutatis mutandis, to the Vendor in favour of the Purchaser. Money may be tendered by a bank draft or certified cheque drawn on a Canadian chartered bank or trust company

7.4 **Time.**

Time shall in all respects be of the essence hereof provided that the time for doing or completing any matter may be extended or abridged by an Agreement in writing between Purchaser and Vendor or their respective Solicitors.

7.5 **Entire Agreement.**

This Agreement constitutes the entire understanding, contract and agreement between the parties hereto and supersedes all prior written understandings, agreements or contracts, formal or informal, between the parties hereto or their representatives with respect to the subject matter of this Agreement. No supplement, modification, waiver or termination (other than termination pursuant to Sections 3.4, 3.5, 4.1 and 4.2 of this Agreement) shall be binding unless executed in writing by the parties hereto.

7.6 **Execution and Counterparts.**

For the convenience of the parties, this Agreement may be executed in several counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument.

7.7 **Notices.**

Every notice, consent, request, instruction, approval and other communication provided for or permitted by this Agreement and all legal process in regard hereto shall be validly given, made or served, if in writing and delivered to, or mailed postage prepaid, or sent by facsimile, to the party to whom it is to be given at:

in the case of a communication to the Vendor at:

1828700 Ontario Inc.

Attention: [•]
Email: [•]

and in the case of communication to the Purchaser at:

[REDACTED]
[REDACTED]
Attention: [REDACTED]
E-mail: [REDACTED]

or to such other addresses as any party hereto may, from time to time, designate in writing delivered in a like manner. Notice given by mail as set out above shall be deemed delivered within five (5) days of the date that it is postmarked and if delivered or sent by facsimile, shall be deemed delivered on the date of such delivery or transmission if such day is a Business Day and if delivered or transmitted and received prior to 5:00 p.m. on such Business Day, failing which such notice shall be deemed to be delivered on the next Business Day following the date of delivery or transmission.

7.8 Reasonable Efforts.

Each party agrees to act reasonably and diligently in the completion of the necessary information, consents, documentation, save and except that Purchaser may, in its sole, arbitrary, absolute and unfettered discretion, determine whether or not the conditions set forth in Section 4.2 are satisfied. Each party will use reasonable efforts (excluding the payment of money or incurring any liability, expense or the commencement of legal proceedings) to satisfy their obligations and agreements set out in this Agreement and will co-operate in support of all things necessary to give effect to this Agreement, including, without limitation, the obtaining of regulatory approvals, dealing with the federal, provincial and local governmental authorities and presenting the transaction to the general public. No waiver of any of the provisions of the Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided. Each of the parties hereto shall from time to time hereafter and upon any reasonable request of the other execute and deliver, make or cause to be made if, all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

7.9 Calculating Time Periods.

When calculating any period of time within which, or following which, any act is to be done, or any steps are to be taken pursuant to the provisions of this agreement, the day which is the reference date in computing any such period of time shall be excluded from the calculation. If no specific reference is made to "business days" when computing a particular time period pursuant to the provisions of this agreement, then whenever the last of such period would accordingly fall on a Saturday, Sunday, or a Statutory or Civic Holiday, the period of time in question shall then be deemed to end on the next succeeding business day.

7.10 Successors and Assigns.

This Agreement may be assigned by the Purchaser in whole or in part to a company or companies, Person or Persons related to the Purchaser and Controlled by the Purchaser or the shareholders of the Purchaser, otherwise the Purchase may not assign its rights under this Agreement without the prior written consent of the Vendor. The Purchaser shall be entitled to direct the Vendor to have title to the Property drawn to and in favour of any third party so directed by the Purchaser provided that such third party is Controlled by the Purchaser or any shareholder of the Purchaser, and the Vendor hereby covenants and agrees to honour and comply with any such written direction of the Purchaser.

Purchaser or any shareholder of the Purchaser, and the Vendor hereby covenants and agrees to honour and comply with any such written direction of the Purchaser.

7.11 Title.

The Purchaser shall be allowed until 6:00 p.m. on the day which is ten (10) days before the Closing Date (the "**Requisition Date**") to examine the title to the Property at its own expense. The Vendor's title to the Property on the Closing shall be fee simple, good and marketable, and free and clear of and from all liens, clouds on title, mortgages, charges, encumbrances, encroachments (by or onto any adjoining properties), restrictions, restrictive covenants, adverse interests, rights of way and easements whatsoever, except for the Permitted Encumbrances. The transfer of the Property to the Purchaser by the Vendor shall be in full compliance with the provisions of the Planning Act, Ontario. If within the time allowed for examining the title to the Property, any valid objection(s) to title or the transfer of title is made in writing to the Vendor, which the Vendor is unable to remove, remedy or satisfy and which the Purchaser will not waive, then notwithstanding any intermediate acts or negotiations in respect of such objections, this Agreement shall be at an end, and the Deposits and the Outstanding Taxes shall be returned to the Purchaser without deduction or set-off. Save as to any valid objections so made by such time, and except for any objections going to the root of title, or pertaining to any instruments registered on title to the Property after the requisition period but prior to closing, the Purchaser shall be conclusively deemed to have accepted the Vendor's title to the Property.

7.12 Governing Law and Jurisdiction.

This agreement shall be construed and enforced in accordance with, and the rights of the parties hereto shall be governed by, the laws of the Province of Ontario. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of Ontario. No remedy conferred upon, or reserved herein in favour of the parties hereto, is intended to be exclusive of any other remedy provided for in this Agreement or at law, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or hereafter existing or applicable, either at law, in equity or by statute.

7.13 Execution by Facsimile.

This Agreement may be executed in any number of counterparts and each such counterpart shall, for all purposes, constitute one agreement binding on all parties hereto, notwithstanding that all parties are no signatories to the same counterpart, provided that each party has signed at least one counterpart and facsimile signatures resulting from facsimile communications shall be accepted as if an originally executed signature and each party shall receive an originally executed copy as soon thereafter as is reasonably practicable.

7.14 Electronic Registration.

The Vendor and the Purchaser acknowledge and agree (a) that this transaction will be completed on the Closing Date by electronic registration pursuant to Part III of the *Land Registration Reform Act*, R.S.O. 1990, Chapter L-4 and the *Electronic Registration Act*, S.O. 1991, Chapter 44, and any amendments thereto; and (b) that the exchange of closing funds, non-registrable documents and other items (the "**Requisite Deliveries**") and the release thereof to the Vendor and Purchaser will (i) 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 (ii) be subject to condition 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 form in which is as recommended by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

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7.15 Irrevocable Date.

This Agreement shall be irrevocable by the Purchaser until 5:00 p.m. on ^{June 1} ~~July~~, 2018, after which time if not accepted and signed by the Vendor, this agreement shall be null and void and any Deposits shall be returned forthwith to the Purchaser without deduction.

IN WITNESS WHEREOF the Purchaser has signed this Agreement on the date first above written:

Per:

[Redacted signature]

Name:

Title: **PRESIDENT**

I have authority to bind the Corporation.

IN WITNESS WHEREOF the Vendor has signed this Agreement by its duly authorized officer on the ___ day of _____, 2018:

1828700 ONTARIO INC.

Per:

Name:

Title:

I have authority to bind the Corporation.

RT

SCHEDULE "A" - LEGAL DESCRIPTION OF THE PROPERTY

Municipal Address of the Property:

520-524 Ellesmere Road, Toronto, Ontario

Legal Description of the Property:

PART LOT 31 CONCESSION 2 SCARBOROUGH; PART LOT 32 CONCESSION 2 SCARBOROUGH
PART 1, 64R15637; TORONTO, CITY OF TORONTO; PIN: 06154-0021

PART LOT 31 CONCESSION 2 SCARBOROUGH PART 1, 64R8153; TORONTO, CITY OF
TORONTO, PIN: 06154-0025

RT

SCHEDULE "B" - PERMITTED ENCUMBRANCES

1. Meridian Mortgages
2. The Mortgage

RT

SCHEDULE "C" – MEDICAL BUILDING

<Image to be Inserted>

RT

SCHEDULE "D" - REGISTERED CONSTRUCTION LIENS

1. Construction Lien registered in favour of NETWORK MECHANICAL INC. as Instrument AT4748694 on the 1st day of December, 2017 in the registered amount of \$1,671,725.00;
2. Construction Lien registered in favour of G. & G. GENERAL SUPPLY LTD. as Instrument AT4762364 on the 15th day of December, 2017 in the registered amount of \$899,495.00;
3. Construction Lien registered in favour of 1762550 ONTARIO INC. as Instrument AT4762365 on the 15th day of December, 2017 in the registered amount of \$ 137,653.00;
4. Construction Lien registered in favour of ENERGY CORP. as Instrument AT4776081 on the 9th day of January, 2018 in the registered amount of \$85,852.00; and
5. Construction Lien registered in favour of GOLDDOME ELECTRICAL CONTRACTORS INC. as Instrument AT4785756 on the 22nd day of January, 2018 in the registered amount of \$841,512.00,

(collectively, the "Liens").

SCHEDULE "E" - ESTOPPEL CERTIFICATE

TO: Tirmazi Express Inc. (the "Purchaser")

FROM: _____ (the "Tenant")

RE: Unit _____ 520- 524 Ellesmere Road, Toronto, Ontario (the "Leased Premises")

1. The undersigned Tenant hereby acknowledges that this estoppel certificate is being made and given by the Tenant to the Purchaser and is being relied upon by the Purchaser.

2. The undersigned Tenant hereby confirms and certifies that the lease dated _____ for the Leased Premises made between itself and 1828700 Ontario Limited (the "Lease") has not been amended, is in full force and effect and constitutes a binding lease and is the entire agreement between the Tenant and the Landlord relating to the premises therein described and the Lease supersedes and replaces any other written or oral understandings, agreements or contracts, formal or informal, between the parties hereto or their representatives;

3. The undersigned Tenant hereby confirms that each of the acknowledgements, representations and statements set out in this Estoppel Certificate are true and correct as of the date hereof as if made on the date hereof and may be relied upon by the Purchaser.

4. The undersigned Tenant hereby confirms that no rent has been prepaid to the Landlord and that the amount of security deposit paid to the Landlord inclusive of the last month's rent is \$ ● .

5. The undersigned Tenant acknowledges that the term of the Lease commenced on ● , and terminates on ● , and the only option for renewal of the Lease is contained in the Lease;

4. The undersigned Tenant acknowledges and confirms that the Lease is in good standing and there is no default under the said lease by the Landlord.

5. The undersigned Tenant confirms that it has no option to purchase or right of first refusal with respect to the sale of the Lease Premises or the lands or building, and the undersigned has no right of expansion or right of first offer in respect of additional premises in the building, except as set out in the Lease.

6. The undersigned Tenant has taken possession of the Leased Premises. All improvements to the Lease Premises which are the Landlord's responsibility pursuant to the Lease have been completed. There are no Tenant inducements, Tenant allowances or other incentives payable or to be performed by the Landlord outstanding in connection with the Lease.

Dated on this ____ day of _____, 2018.

[Insert Tenant's Name]

Per _____

Name:

Title:

I have authority to bind the Corporation

TAB 10

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Financial Statements of

1828700 ONTARIO INC.

For the year ended July 31, 2017

UNAUDITED - see Notice to Reader

DRAFT

**1828700 ONTARIO INC.
FINANCIAL STATEMENT INDEX
YEAR ENDED JULY 31 31, 2017
UNAUDITED - see Notice to Reader**

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Statement of Deficit	5
Balance Sheet	6

DRAFT

Fabio Palmieri, Chartered Professional Accountant

7766 Martingrove Road, Unit 7, Woodbridge, ON, Canada, L4L 2C7
tel/ 416.804.8325

NOTICE TO READER

To the shareholders of 1828700 Ontario Inc.

On the basis of information provided by management, I have compiled the balance sheet of 1828700 Ontario Inc. as July 31, 2017 and the statement of loss and retained earnings for the year then ended. I have not performed an audit or a review engagement in respect of these financial statements and accordingly, I express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

Fabio Palmieri, CPA-CA
Vaughan, Canada
March 27, 2018

DRAFT

1828700 ONTARIO INC.
STATEMENT OF DEFICIT
YEAR ENDED JULY 31 31, 2017
UNAUDITED - see Notice to Reader

	<u>2017</u>	<u>2016</u>
DEFICIT, BEGINNING OF YEAR	\$ (3,849,625)	\$ (2,636,039)
NET LOSS	(1,126,672)	(1,213,586)
DIVIDENDS	-	-
DEFICIT, END OF YEAR	\$ (4,976,297)	\$ (3,849,625)

DRAFT

1828700 ONTARIO INC.
STATEMENT OF LOSS
YEAR ENDED JULY 31 31, 2017
UNAUDITED - see Notice to Reader

	2017	2016
REVENUES		
Rental Income	\$ 2,146,803	\$ 1,518,406
Construction Management	101,363	142,173
Interest Income	802	180
	<u>2,248,968</u>	<u>1,660,759</u>
EXPENSES		
Amortization	838,118	700,098
Loan Interest	755,495	799,947
Property Tax	726,594	162,751
Bad Debts	309,793	553,745
Salaries and Benefits	276,977	251,176
Utilities	244,685	251,909
Professional Fees	126,527	141,974
Repairs and Maintenance	58,520	64,066
General and Administrative	31,091	4,423
Automobile	21,390	21,020
Insurance	19,991	2,160
Rent	10,340	10,340
Advertising and Promotion	7,572	4,067
	<u>3,427,193</u>	<u>2,967,676</u>
NET LOSS BEFORE INCOME TAX	(1,178,225)	(1,306,917)
Recovery of Income Taxes	51,553	93,331
NET LOSS	\$ (1,126,672)	\$ (1,213,586)

DRAFT

1828700 ONTARIO INC.
BALANCE SHEET
AS AT JULY 31, 2017
UNAUDITED - see Notice to Reader

	2017	2016
ASSETS		
Current		
Cash	\$ 17,872	\$ -
Accounts Receivable	756,277	48,363
HST Receivable	780,895	100,682
Deposits	25,000	-
	<u>1,580,044</u>	<u>149,045</u>
Revenue Producing Property	26,101,755	22,089,108
Capital Assets	214,143	1,175
Deferred Tax Asset	523,793	472,240
TOTAL ASSETS	<u>28,419,735</u>	<u>22,711,568</u>
LIABILITIES		
Current		
Bank Indebtedness	-	49,228
Loans Payable	1,118,275	2,543,414
Accounts Payable & Accrued Liabilities	4,320,276	3,519,332
Deferred Revenue	293,172	271,643
Due to Shareholders	12,006,337	3,841,906
Term Loan Payable	15,657,772	16,335,470
	<u>33,395,832</u>	<u>26,560,993</u>
SHAREHOLDERS' EQUITY		
Share Capital		
Common Shares	200	200
DEFICIT	<u>(4,976,297)</u>	<u>(3,849,625)</u>
	<u>(4,976,097)</u>	<u>(3,849,425)</u>
TOTAL LIABILITIES AND SHAREHOLDERS DEFICIT	<u>\$ 28,419,735</u>	<u>\$ 22,711,568</u>

Court File No. CV-17-588264-00CL

SALVATOR GALATI

-and-

VINCENZO TETI, NICOLA MARINO and
1828700 ONTARIO INC.

Respondents

Applicant

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

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West

35th Floor

Toronto, ON M5V 3H1

Tel: 416.646.4300

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lindsay.scott@paliareroland.com

Lawyers for the Liquidator