

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

-and-

2177427 ONTARIO LIMITED

Respondent

**MOTION RECORD
(Returnable July 21, 2017)**

July 14, 2017

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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BETWEEN:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

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

BETWEEN:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

2177427 ONTARIO LIMITED

Respondent

**NOTICE OF MOTION
(Returnable July 21, 2017)**

The Fuller Landau Group Inc., the court-appointed receiver (the "**Receiver**") of the properties, assets and undertakings of 2177427 Ontario Limited ("**217**"), will make a motion to the Court on Friday, July 21, 2017 at 10:00 a.m., or as soon after that time as the motion can be heard at 330 University Avenue, 8th Floor, Toronto, Ontario.

THE PROPOSED METHOD OF HEARING:

The motion is to be heard orally.

THE MOTION IS FOR an order:

1. if necessary, validating the service of this Notice of Motion, the Motion Record and the Fourth Report of the Receiver dated July 14, 2017 (the "**Fourth Report**") so that this Motion is properly returnable July 21, 2017 and dispensing with further service thereof;
2. approving the Fourth Report and the activities of the Receiver as described therein;

3. approving the Receiver's Interim Statement of Receipts and Disbursements included in the Fourth Report;
4. approving the interim fees and disbursements of the Receiver and its counsel as set out in the Fourth Report;
5. subject to the payment of certain remaining items and potential priority claims, and appropriate reserves being maintained by the Receiver, authorizing and directing the Receiver to make an interim distribution to the third mortgagee, Elie Khouri; and
6. such further relief as is just.

THE GROUNDS FOR THE MOTION ARE:

1. On April 7, 2017, the Receiver was appointed as court-appointed Receiver over the assets, property and undertaking of 217, including the property municipally known or commonly known as 500 Brisebois Crescent, Ottawa, Ontario K1E OA6, which is used in connection with the business operating the hotel known as Holiday Inn Express & Suites-Orleans (the "**Hotel**") (collectively, the "**Property**") pursuant to the Order of Mr. Justice Myers of the Ontario Superior Court of Justice (the "**Appointment Order**");

Sale of the Hotel

2. The Appointment Order authorizes the Receiver to, *inter alia*, market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate (s. 3(k));
3. The Receiver was approached by interested parties who wished to purchase the Hotel. As a result, the Receiver entered into a sale agreement with the Stalking Horse Bidder. In light of the interest in the Hotel, the sale agreement was in the form of the Stalking Horse APS. The offer or Stalking Horse APS was conditional upon court approval and a stalking horse sale process being conducted by the Receiver;
4. Pursuant to the Order of Justice Cavanagh dated May 17, 2017 (the "**Sale Process Order**"), the Court approved the Stalking Horse APS and approved the Receiver's proposed stalking horse sale process (the "**Sale Process**");

5. Pursuant to the Sale Process Order, the Receiver or Receiver's broker or agent (together, the "**Receiver**") commenced the Sale Process, including notifying potential buyers, distributing a confidential information memorandum and establishing an electronic data room;
6. The deadline for the submission of bids under the Sale Process was June 7, 2017;
7. On or before the Bid Deadline under the Sale Process, no Qualified Bid (other than the Stalking Horse APS) was received by the Receiver;
8. The Sale Process provides that if the Receiver does not receive any Qualified Bids other than the Stalking Horse APS, it will not hold an Auction, in which case the Stalking Horse APS will be deemed the Successful Bid and the Stalking Horse Bidder will be named the Successful Bidder and the Receiver will proceed towards completion of the Stalking Horse Transaction;
9. The sale of the Purchased Assets under the Stalking Horse APS was subject to an approval and vesting order being issued by the Court. Pursuant to the Sale Process, the Receiver shall report to the Court and provide its recommendations to the Court regarding the sale of the Purchased Assets by June 23, 2017 or as soon thereafter as the Court may permit;
10. On June 23, 2017, pursuant to the Order of Justice Hainey, the Court granted an approval and vesting order (the "**Approval and Vesting Order**") in favour of the purchaser, 2583831 Ontario Inc., with respect to the Hotel. The sale transaction closed on June 30, 2017 and on that date, the Receiver filed its Certificate of completion with the Court;

Interim Distributions

11. Under the Approval and Vesting Order, the Receiver was also authorized to pay off the first and second mortgages on the Hotel, namely Romspen Investment Corporation ("**Romspen**") and HarbourEdge Mortgage Investment Corporation ("**HarbourEdge**"), from the net sale proceeds arising from the Stalking Horse Transaction up to the amount of the indebtedness owing to Romspen (the "**Romspen Debt**") and the amount of the indebtedness owing to HarbourEdge (the "**HarbourEdge Debt**"). The Receiver has

paid the Romspen Debt and HarbourEdge Debt from the net sale proceeds from the sale of the Purchased Assets or Hotel, extinguishing the first and second mortgages or the Romspen Debt and the HarbourEdge Debt;

12. Subject to the payment of certain remaining items and potential priority claims by the Receiver as set out in the Fourth Report and a reserve proposed by the Receiver for the completion of the administration of the receivership, there will be estimated net funds available for further distribution;
13. In addition to the proposed interim distribution to the third mortgagee, Elie Khouri, the Receiver seeks court approval of the Fourth Report including approval of its interim statement of receipts and disbursements and its interim fees and disbursements including those of its counsel; and
14. Such further grounds as are just.

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

1. the Fourth Report of the Receiver; and
2. such further and other materials as counsel may advise and this Honourable Court may permit.

Date: July 14, 2017

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TO: **Service List**

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION
Applicant

- and - 2177427 ONTARIO LIMITED
Respondent

Court File No. CV-17-11726-00CL

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

Proceedings commenced at Toronto

NOTICE OF MOTION

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Respondent

tab 2

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

BETWEEN:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

-and-

2177427 ONTARIO LIMITED

Respondent

**FOURTH REPORT OF THE FULLER LANDAU GROUP INC. IN ITS
CAPACITY AS COURT APPOINTED RECEIVER
JULY 14, 2017**

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I. INTRODUCTION AND BACKGROUND

1. 2177427 Ontario Limited (“**217**” or the “**Debtor**”) is an Ontario company incorporated on June 25, 2008. 217 owned and operated a 5 storey Holiday Inn Express hotel located on approximately 1 acre of land at 500 Brisebois Crescent, Ottawa, Ontario (the “**Hotel Property**”). The Hotel Property has approximately 100 rooms, including 51 suites, an indoor pool, fitness centre, meeting rooms, and a parking lot with approximately 100 spaces.
2. By an order of the Ontario Superior Court of Justice (the “**Court**”) dated April 7, 2017 (the “**Receivership Date**”), The Fuller Landau Group Inc. was appointed receiver (the “**Receiver**”) of the assets, undertaking and property of 217.
3. The First Report of the Receiver dated May 10, 2017 (the “**First Report**”) provided the Court with information on the:
 - (a) activities of the Receiver since the Receivership Date;
 - (b) details of the Hotel Property;
 - (c) the Receiver’s plans to offer the Hotel Property for sale, including:
 - (i) the terms of the stalking horse asset purchase agreement (the “**Stalking Horse APA**”) entered into by the Receiver with the Purchaser (as defined in the Stalking Horse APA) for the sale of the Hotel Property including the Break Fee (as defined in the Stalking Horse APA); and
 - (ii) the details of the proposed marketing process and proposed bidding procedures;
 - (d) the funds paid to Canada Revenue Agency (“**CRA**”) from 217’s bank account prior to CRA cancelling the Requirement to Pay notice sent by CRA to the Toronto Dominion Bank (217’s operating bank) on April 10, 2017 (the “**Requirement to Pay**”) related to HST arrears of 217 (the “**HST Arrears**”);
 - (e) the issues regarding priority to the Security Funds (as defined in the First Report) paid into Court by 217, as part of the Wildwood Litigation (as defined in the First Report);
 - (f) the Receiver’s statement of receipts and disbursements to May 9, 2017; and

- (g) the fees and disbursements of the Receiver and its independent legal counsel, Fogler Rubinoff LLP (“**Fogler**”), billed to date.
4. On May 17, 2017, the Court issued an order (the “**May 17th Order**”):
- (a) approving the First Report and the conduct and activities of the Receiver described therein;
 - (b) approving the Stalking Horse APA, and the Break Fee;
 - (c) approving the Sale Process and the Bidding Procedures;
 - (d) setting a return date of July 7, 2017 regarding the determination of priority to the Security Funds paid into Court by 217 as part of the Wildwood Litigation;
 - (e) sealing the Confidential Appendices to the First Report until the completion of a sale of the Hotel Property, or until further Order of this Court;
 - (f) approving the Receiver’s statement of receipts and disbursements to May 9, 2017; and
 - (g) approving the fees and disbursements of both the Receiver and Fogler as set out therein.
5. The Second Report of the Receiver dated June 15, 2017 (the “**Second Report**”), provided the Court with information on:
- (a) the Receiver’s activities since the First Report;
 - (b) the results of the Sale Process;
 - (c) the terms and conditions of the Accepted APA (as defined in the Second Report), which had been accepted by the Receiver for the sale of the Hotel Property (the “**Sale Transaction**”), subject to approval by the Court;
 - (d) estimated potential priority claims against 217;
 - (e) the review completed by Fogler regarding the validity and priority of the First Mortgage and the Second Mortgage;
 - (f) the Receiver’s statement of receipts and disbursements to June 13, 2017; and
 - (g) the fees and disbursements of the Receiver and Fogler.
6. On June 23, 2017, the Court issued an order (the “**June 23rd Order**”):

- (a) approving the Second Report and the conduct and activities of the Receiver described therein;
 - (b) approving the Sale Transaction in accordance with the terms and conditions set out in the Accepted APA;
 - (c) on a successful closing of the Sale Transaction, vesting in the Purchaser (as defined in the Accepted APA) all of the Debtor's right, title and interest in the Purchased Assets (as defined in the Accepted APA), free and clear of all liens, claims and encumbrances except as provided for in the Accepted APA or the said court order;
 - (d) sealing the Confidential Appendices to the Second Report, in order to preserve the integrity of the Sale Process, until the completion of the Sale Transaction, or until further Order of the Court;
 - (e) authorizing the payout of the First Mortgage and Second Mortgage indebtedness following completion of the Sale Transaction; and
 - (f) approving the fees and disbursements of the Receiver and Fogler as set out therein.
7. The Third Report of the Receiver dated June 27, 2017 (the "**Third Report**"), provided the Court with information on the results of the Receiver's efforts to settle the priority issues regarding the Security Funds paid into Court by 217, as part of the Wildwood Litigation.
8. On July 7, 2017, the Court issued an order:
- (a) approving the Third Report and the conduct and activities of the Receiver described therein; and
 - (b) approving the minutes of settlement (the "**Settlement**") entered into by the Receiver, Wildwood, Bhupinder Sandhu, and the Debtor to settle the priority issues and allowing for a motion to be filed directing the Court or Accountant of the Superior Court of Justice in the Wildwood Action (as defined in the Third Report) to release the Security Funds to the Receiver to be paid pursuant to the Settlement, and dismissing the Wildwood Action without costs.

II. PURPOSE OF THIS REPORT

9. The purpose of this fourth report of the Receiver (the "**Fourth Report**") is to:
- (a) provide the Court with information on the:
 - (i) Receiver's activities since the Second Report;

- (ii) the closing of the Sale Transaction;
 - (iii) status of potential priority claims against 217;
 - (iv) the validity of the third mortgage held by Elie Khouri (the “**Khour**i Mortgage”) and the priority between the Khouri Mortgage and the deemed trust claim of the Canada Revenue Agency for the HST Arrears;
 - (v) Receiver’s statement of receipts and disbursements to July 10, 2017 and the Receiver’s estimate of funds available for distribution at completion of the receivership administration;
 - (vi) remaining issues in the receivership administration; and
 - (vii) fees and disbursements of the Receiver and Fogler.
- (b) recommend to the Court that it issue an order:
- (i) approving the Fourth Report and the conduct and activities of the Receiver described herein;
 - (ii) approving the statement of receipts and disbursements to July 10, 2017;
 - (iii) authorizing paying remaining receivership funds, net of and subject to a reserve or holdback for final receivership costs, priority claims, and approved professional fees and disbursements towards the Khouri Mortgage Indebtedness (as defined below); and
 - (iv) approving the fees and disbursements of the Receiver and Fogler as set out herein.

10. For reference purposes, any capitalized terms not otherwise defined in the Fourth Report shall have the meanings ascribed to them in the First Report, the Second Report and/or the Third Report.

11. All amounts referred to in the Report are in Canadian dollars unless otherwise noted.

III. NOTICE TO READER

12. This report is prepared solely for the use of the Court, for the purpose of assisting the Court in making a determination whether to approve the relief being sought. It is based on the Receiver’s analysis of information provided to it by the management and the officers and director of the Debtor, which includes unaudited financial statements and internal financial

reporting. The Receiver's procedures did not constitute an audit or review engagement of the Debtor's financial reporting. The Receiver has relied upon the financial statements and financial and other records of the Debtor in reaching the conclusions set out in this report.

IV. ACTIVITIES OF THE RECEIVER SINCE THE SECOND REPORT

13. The activities of the Receiver since the Second Report include:

- (a) dealing with the Purchaser and its legal counsel and the Receiver's legal counsel regarding closing deliveries and signing of the closing documents to complete the Sale Transaction;
- (b) reconciling and receiving the closing proceeds on June 30, 2017;
- (c) authorizing the payout of the First Mortgage and Second Mortgage indebtedness following completion of the Sale Transaction;
- (d) processing of the final payroll and termination letters, and arranging for records of employment to be issued to all employees effective on closing of the Sale Transaction;
- (e) requesting and reviewing final operating invoices for payment and cancelling and/or transferring certain of the Debtor's supply, utility and telecommunications accounts, and lease contracts to the Purchaser;
- (f) receiving the balance of the Security Funds in the Wildwood Action in the amount of \$239,598.37 on July 13, 2017 from the Ministry of the Attorney General Office of the Public Guardian and Trustee Accountant of the Superior Court of Justice;
- (g) arranging for updating of accounting records of 217 to the Receivership Date;
- (h) responding to inquiries from creditors of 217; and
- (i) updating and maintaining of accounting records and all other administrative duties related to the receivership administration.

V. COMPLETION OF THE SALES TRANSACTION

14. On June 30, 2017, the Receiver and the Purchaser executed all of the closing documents related to the Sale Transaction, the closing payment was received by the Receiver and the Sale

Transaction was completed. The Receiver's Certificate was filed with the Court on June 30, 2017.

15. Pursuant to the terms of the Accepted APA, the Purchaser is entitled to the net operating profits of the Debtor's hotel business for the month of June 2017 (the "**June 2017 Operating Profit**") as an adjustment to the Purchase Price to be paid within sixty days of the Closing Date, unless a further extension is required (the "**Adjustment**"). The Receiver has been requesting, reviewing, and paying the final operating invoices for June 2017 so that the Receiver can determine the amount of the Adjustment.
16. Pursuant to the June 23rd Order, the First Mortgage and the Second Mortgage balances totaling \$15,245,227 were paid out following the closing of the Sale Transaction.

VI. HST DEEMED TRUST AND PRESCRIBED SECURITY INTERESTS

17. As reported above, CRA issued the Requirement to Pay to the Toronto Dominion Bank due to the HST Arrears. Following the issuing of the Receivership Order, the Receiver contacted the Toronto Dominion Bank and CRA to inform them of the Receivership Order, and as a result, CRA cancelled the Requirement to Pay.
18. CRA sent a letter to the Receiver dated June 16, 2017 (the "**June 16th CRA Letter**") advising that the outstanding HST Arrears, which had arisen since February 1, 2016 (the "**Deemed Trust Commencement Date**"), totaled approximately \$281,000 including penalties and interest by the Receivership Date, and that \$272,455 of that total were deemed to be held in trust (the "**Deemed Trust**") pursuant to subsection 222(3) of the *Excise Tax Act* (Canada). A copy of the June 16th CRA Letter is attached hereto as Appendix "A".
19. A search of the land titles registry shows, among other things, that the First Mortgage, the Second Mortgage and the Khouri Mortgage were registered against title to the Hotel Property prior to the dates when the HST Arrears arose. The Receiver's initial view is that each of the First Mortgage, the Second Mortgage and the Khouri Mortgage appear to be "Prescribed Security Interests", which pursuant to the regulations of the *Excise Tax Act* (Canada) (the "**ETA**") may have priority over the Deemed Trust.
20. The Receiver contacted the CRA representative who signed the June 16th CRA Letter regarding the Receiver's position. The CRA representative requested copies of the search of the Land Title Registry as well as a summary of the mortgages registered. On June 27, 2016, the Receiver sent the requested information to the CRA representative. A copy of the information sent to CRA is attached hereto as Appendix "B".

21. During the afternoon of July 13, 2017, the CRA representative contacted the Receiver regarding the status of the Deemed Trust and the calculation to determine the potential deduction for Prescribed Security Interests. Following the discussion, CRA sent a letter (the “**July 13th CRA Letter**”) to the Receiver requesting information to assist CRA with the determination of the amount of the Prescribed Security Interests. A copy of the July 13th CRA Letter is attached hereto as Appendix “**C**”.
22. The Receiver reviewed the relevant regulations of the ETA regarding the calculation of Prescribed Security Interests. A copy of the Security Interest (GST/HST) Regulations - Interpretation SOR/2011-55 dated March 3, 2011, which discusses the calculation of Prescribed Security Interests is attached hereto as Appendix “**D**” and is summarized as follows:
 - (a) the amount of the mortgage obligation outstanding at the time the Deemed Trust arose;
less:
 - (b) the total of:
 - i. the value of all other security interests held by the mortgagee (including guarantees) calculated at the time the Deemed Trust arose; and
 - ii. all payments received by the mortgagee on the obligation after the time the Deemed Trust arose.
23. HarbourEdge held unlimited guarantees from Bhupinder Sandhu, Jasmeet Sandhu and 2171052 Ontario Limited (collectively the “**First and Second Mortgage Guarantees**”) against the mortgage amounts owing by 217 at the Deemed Trust Commencement Date. Copies of the First and Second Mortgage Guarantees are attached hereto as Appendix “**E**”.
24. The Receiver understands that Elie Khouri also holds unlimited guarantees against the Khouri Mortgage Indebtedness owing by 217.
25. The mortgage balances of the First Mortgage, the Second Mortgage and the Khouri Mortgages at the Deemed Trust Commencement date totaled approximately \$15,770,000 consisting of:
 - (a) First Mortgage - \$10,848,000
 - (b) Second Mortgage – 3,249,000
 - (c) Khouri Mortgage - \$1,673,000
26. The Receiver has been advised by HarbourEdge that the payments made on the First Mortgage and the Second Mortgage since the Deemed Trust Commencement Date total approximately \$1,391,000. The Receiver understands that no payments were made on the Khouri Mortgage since the Deemed Trust Commencement Date.

27. Fogler advised the Receiver that it has completed an independent review of the Khouri Mortgage security, and that subject to certain standard assumptions and qualifications, Fogler's independent review concluded that the Khouri Mortgage is valid and enforceable priority security over the Hotel Property.

28. The Receiver requested and received a payout statement for the Khouri Mortgage. The Receiver reviewed the amounts and supporting documents and is satisfied that the amounts are properly supported. The total indebtedness is approximately \$2.2 million (the "**Khouri Mortgage Indebtedness**"), which exceeds the Receiver's estimated funds available for distribution (as discussed below) and leaves nothing or no funds in the estate for the alleged fourth mortgage on title of the Hotel Property in favour of Giuseppe Mozzone.

Based on the formula discussed above, the amount of the Prescribed Security Interests would be \$14,379,000 (the amount of the mortgages at the Deemed Trust Commencement Date of \$15,770,000 less payments received of \$1,391,000) less the value of the unlimited guarantees. The Receiver is unable to determine the value of the unlimited guarantees at the Deemed Trust Commencement Date and the priority between the Deemed Trust and the Prescribed Security Interests will need to be determined between Mr. Khouri and CRA.

VII. FUNDS ON HAND AND ESTIMATED FUNDS AVAILABLE FOR DISTRIBUTION

29. The Receiver has prepared a Statement of Receipts and Disbursements for 217 to July 10, 2017 (the "**Statement of Receipts and Disbursements to July 10, 2017**") which shows net funds on hand of \$2,532,264, and is summarized as follows:

	<u>\$</u>
<u>Receipts</u>	
Sale proceeds	18,000,000
Hotel revenues, net of credit card commissions	1,140,913
Miscellaneous refunds	667
	<u>19,141,579</u>
<u>Disbursements</u>	
Property taxes	619,049
Hotel operating costs	307,860
June Operating Profits advanced to Purchaser	100,000
HST	99,627
Holiday Inn royalties	82,066
Real estate commission	15,000
Accounting services	12,000
Professional Fees	128,485
	<u>1,364,088</u>
	17,777,492
Less: Distributions to First and Second Mortgagees	<u>15,245,227</u>
Cash on Hand	<u>2,532,264</u>

30. A copy of the Statement of Receipts and Disbursements to July 10, 2017 is attached hereto as Exhibit “F”.

31. As reported in the Second Report, the Receiver identified potential priority claims. The current status of the potential priority claims is summarized as follows:

- (a) property tax arrears since 2014 totaling approximately \$619,000 to June 30, 2017 were paid on closing of the Sale Transaction;
- (b) HST arrears of approximately \$272,500 (as discussed above);
- (c) water arrears owing to the City of Ottawa to the Receivership Date totaling approximately \$50,000; the Receiver contacted the City of Ottawa and requested statutory support for the priority of the arrears; and
- (d) eligible amounts owing for vacation pay arrears, pursuant to section 81.4 of the BIA and the *Employment Standards Act* (Ontario) (the “ESA”) totaling approximately \$15,000.

32. The Receiver has also prepared a statement of estimated funds available for distribution, net of estimated final costs and potential priority claims, which show funds available for distribution of approximately \$1.8 million (the “**Estimated Funds Available for Distribution**”), which is summarized as follows:

<u>Estimated Funds Available for Distribution</u>	<u>\$</u>
Cash on Hand - July 10, 2017	2,532,264
Estimated recovery - Wildwood Settlement	<u>100,000</u> 2,632,264
Less:	
Balance of June operating profits payable to the Purchaser	175,000
Final estimated operating and receivership costs	300,000
Potential Priority claims	<u>337,500</u> 812,500
Estimated Funds Available for Distribution	<u><u>1,819,764</u></u>

VIII. PROFESSIONAL FEES

33. The Receivership Order directs and empowers the Receiver to pass its accounts from time to time, and to include any necessary fees and disbursements of its legal counsel in the passing of its accounts.
34. Pursuant to paragraph 18 of the Receivership Order, the fees and disbursements of the Receiver and its legal counsel form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
35. The fees and disbursements of the Receiver invoiced for the period ending May 31, 2017 were approved by the June 23rd Order. The fees and disbursement of the Receiver for the period ending June 30, 2017 total \$41,806.13 (excluding HST). Full particulars of the fees and disbursements of the Receiver are set out in the Affidavit of Ken Pearl sworn on July 13, 2017, which is attached hereto as Appendix “G”.
36. The fees and disbursements incurred for services provided by Fogler invoiced for the period ending May 17, 2017 were approved by the June 23rd Order. The fees and disbursements of Fogler for the period ending June 25, 2017 total \$ 38,656.51 (excluding HST). Full particulars of the fees and disbursements of Fogler are set out in the Affidavit of Jared Schwartz sworn on July 11, 2017, which is attached hereto as Appendix “H”.

IX. COMPLETION OF THE RECEIVERSHIP ADMINISTRATION

37. The remaining administrative duties of the Receiver include:
- (a) requesting, reviewing, and paying final operating invoices to June 30, 2017;
 - (b) distributing the Security Funds received pursuant to the terms of the Settlement;

- (c) reviewing the potential priority claim of the City of Ottawa for water arrears;
- (d) completing and filing of final HST, income tax, and payroll tax returns for 217;
- (e) determining the Adjustment and paying any amounts owing to the Purchaser;
- (f) processing WEPPA claims;
- (g) payment of remaining:
 - (i) costs of the receivership administration
 - (ii) priority claims
 - (iii) approved professional fees and disbursements
- (h) paying the net funds available for distribution towards the Khouri Mortgage Indebtedness; and
- (i) filing the Receiver's final reports pursuant to section 246 of the BIA.

X. SUMMARY AND RECOMMENDATIONS

38. The realization of the assets of the Debtor is essentially complete.

39. The First Mortgage, the Second Mortgage and the Khouri Mortgage are Prescribed Security Interests, however the Receiver is unable to determine the value of the Prescribed Security Interests and therefore the priority between the Deemed Trust and the Prescribed Security Interests will need to be determined between Mr. Khouri and CRA. The Receiver estimates that the Estimated Funds Available for Distribution will be approximately \$1.8 million, which is less than the Khouri Mortgage Indebtedness and leaves no funds in the estate for other creditors.

40. The Receiver concludes that subject to appropriate holdbacks for costs, potential priority claims and approved professional fees, the Estimated Funds Available for Distribution should be paid towards the Khouri Mortgage Indebtedness.

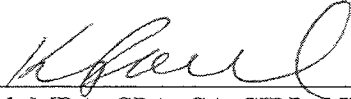
41. The Receiver respectfully requests that this Honourable Court grant an Order:

- (a) approving the Fourth Report and the conduct and activities of the Receiver described herein;
- (b) approving the statement of receipts and disbursements to July 10, 2017;
- (c) authorizing the payment of remaining funds, net of and subject to a reserve or holdback for final receivership costs, potential priority claims, and approved professional fees and disbursements towards the Khouri Mortgage Indebtedness; and

(d) approving the fees and disbursements of the Receiver and Fogler as set out herein.

This Report is respectfully submitted to this Court as of this 14th day of July 2017.

THE FULLER LANDAU GROUP INC.,
solely in its capacity as Court-appointed Receiver of
2177427 Ontario Limited
and not in its personal or corporate capacity
Per:



Ken Pearl, MBA, CPA, CA•CIRP, LIT
Senior Vice President

tab A



Canada Revenue Agency / Agence du revenu du Canada

Tax Centre
Toronto ON M5J 2X6

June 16, 2017

THE FULLER LANDAU GROUP INC.
C/O KEN LAWRENCE PEARL
151 BLOOR ST. WEST, 12TH FLOOR
TORONTO ON M5S 1S4

Dear Sir:

Re: 2177427 ONTARIO LIMITED

We understand that you have been appointed (Receiver or Receiver and Manager) for the above GST/HST registrant. Currently, the registrant owes us goods and services tax / harmonized sales tax (GST/HST) of \$281,027.07.

Period outstanding	GST/HST payable	Penalty & Interest	Total payable
2017-03-31	\$34,951.03	\$ 9.58	\$34,960.61
2017-02-28	\$22,592.65	\$ 65.08	\$22,657.73
2017-01-31	\$18,806.21	\$ 98.15	\$18,904.36
2016-12-31	\$26,394.61	\$ 506.03	\$26,900.64
2016-11-30	\$32,193.52	\$ 430.60	\$32,624.12
2016-10-31	\$ 0.00	\$ 72.45	\$ 72.45
2016-07-31	\$ 0.00	\$ 47.46	\$ 47.46
2016-06-30	\$36,398.37	\$1,265.84	\$37,664.21
2016-05-31	\$39,549.58	\$1,960.11	\$41,509.69
2016-04-30	\$26,514.11	\$1,497.49	\$28,011.60
2016-03-31	\$26,869.45	\$ 713.91	\$27,583.36
2016-02-29	\$ 8,186.32	\$1,904.52	\$10,090.84

Under subsection 222(3) of the "Excise Tax Act," \$272,455.85 which is included in the above totals, is held in trust and forms no part of the property, business, or estate of 2177427 ONTARIO LIMITED in receivership. This is the case whether or not those funds have in fact, been kept separate and apart from the person's own money or from the assets of the estate.

The Receiver General should be paid the total amount of this trust, namely \$272,455.85, out of the realization of any property

.../2



National Insolvency Office
1 Front Street West
2nd Floor Suite 100
Toronto ON M5J 2X6

Local: 416-973-9439
Fax: 416-354-6411
Web site: www.cra.gc.ca

subject to these statutory trusts. This should take priority over all other creditors. Please forward your payment by return mail as soon as possible. If this is not possible, please indicate when payment will be forthcoming.

Please indicate when you can pay the remaining balance of \$8,571.22, plus penalty and interest accrued to the date of payment. We draw your attention to sections 266 and 270 of the "Excise Tax Act."

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

If you have any questions, please contact Pat Confalone (1213) of the Revenue Collection Division at one of the telephone numbers provided in this letter.

Yours truly,



Pat Confalone (1213)
Insolvency Officer

tab B

2177427 Ontario Limited
 Summary of Land Titles Registrations
 As at March 2, 2017

Date of Registration	Registered Party	Parcels	Amount	Comments
Feb 19/14	HarbourEdge Mortgage Investment Corporation/Romspen Investment Corporation	14508-0261 14508-0273	9,520,000	partial assignment of mortgage to Romspen - Dec 23/16
June 3/14	Elie Khouri	14508-0261 14508-0273	478,791	mortgage
Aug 22/14	Elie Khouri	14508-0261 14508-0273	693,791	increase of mortgage amount
Sept 18/14	Elie Khouri	14508-0261 14508-0273	1,126,489	increase of mortgage amount
Dec 17/14	HarbourEdge Mortgage Investment Corporation	14508-0261 14508-0273	3,240,000	new mortgage
Feb 22/16	Canada Revenue Agency	14508-0261 14508-0273	267,242	lien discharged on April 13, 2017
Nov 23/16	Guisepe Mozzone	14508-0261 14508-0273	844,000	mortgage



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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

14508-0261 (LT)

PAGE 1 OF 8
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ON 2017/03/02 AT 08:49:38

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

PROPERTY DESCRIPTION: PART OF BLOCK 6 , ALL OF BLOCKS 8 AND 9 AND PART OF COMMERCIAL DRIVE (AS CLOSED BY BY-LAW NO. 90-92, INSTRUMENT NO. LT789196) PLAN 50M-165, BEING PART 4 ON PLAN 4R-21938, OTTAWA.; SUBJECT TO AN EASEMENT IN GROSS OVER PART 3 ON PLAN 4R28297 AS IN OC1643778; TOGETHER WITH AN EASEMENT OVER PT BLKS 2 AND 7 AND PT OF COMMERCIAL DRIVE (CLOSED BY BY-LAW 90-92 INST. NO. LT789196) PL 50M165 PTS 3 AND 7 PL 4R27826 AS IN OC1692028; TOGETHER WITH AN EASEMENT OVER PT LT 36 COM 1 OS CUM PT 4 PL 4R27826 AS IN OC1692028; SUBJECT TO AN EASEMENT OVER PT 2 PL 4R27826 IN FAVOUR OF PT BLKS 2, 6 AND 7 AND PT OF COMMERCIAL DRIVE (AS CLOSED BY BY-LAW 90-92 INST. NO. LT789196) PL 50M-165 PTS 5, 12, 13, 15, 20, 21 AND 36 PL 4R21938 AND PT LT 36 COM 1 (OS) CUM PT 8 PL 4R21938 AS IN OC1692034

PROPERTY REMARKS: SUBJECT TO EXECUTION NUMBER 15-0000370 - 2177427 ONTARIO LIMITED , IF APPLICABLE, AS IN OC1692034. PLANNING ACT CONSENT IN DOCUMENT OC1692034.

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
DIVISION FROM 14508-0258

FIN CREATION DATE:
2007/05/10

OWNERS' NAMES
2177427 ONTARIO LIMITED

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES AND	DELETED INSTRUMENTS	SINCE 2007/05/09 **		
50M165	1988/04/07	PLAN SUBDIVISION				C
RLT43518	1988/06/22	BYLAW				C
RLT65591	1990/08/20	BYLAW				C
LT789196	1992/08/28	BYLAW				C
4R21938	2007/04/23	PLAN REFERENCE				C
OC713705	2007/05/01	BYLAW		CITY OF OTTAWA		C
	REMARKS: BY-LAW	NO. 2007-199				
OC713781	2007/05/01	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** CITY OF OTTAWA	OTCP HOTEL INC.	
OC713796	2007/05/01	NOTICE		OTCP ARTS CENTRE G.P. INC. OTCP CLIENT SERVICE CENTRE G. P. INC. OTCP HOTEL INC. OTTAWA YOUNG MEN'S AND YOUNG WOMEN'S CHRISTIAN ASSOCIATION OTCP SENIORS' HOUSING G.P. INC. OTCP RETIREMENT RESIDENCE G.P. INC. OTCP OFFICE INC. CITY OF OTTAWA		C
OC713797	2007/05/01	NOTICE		OTCP HOTEL INC. OTCP RETIREMENT RESIDENCE G.P. INC. OTCP SENIORS' HOUSING G.P. INC.		C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

14508-0261 (LT)

PAGE 2 OF 8
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ON 2017/03/02 AT 06:49:33

* 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
OC713809	2007/05/01	NO OPTION PURCHASE		OTCP ARTS CENTRE G.P. INC. OTCP OFFICE INC. CITY OF OTTAWA		
				*** DELETED AGAINST THIS PROPERTY *** OTCP HOTEL INC.	CITY OF OTTAWA	
OC1049704	2009/11/12	CHARGE		*** COMPLETELY DELETED *** OTCP HOTEL INC.	FORUM EQUITY PARTNERS HOLDINGS INC.	
OC1051288	2009/11/16	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CHAMBERLAIN ARCHITECT SERVICES LIMITED		
OC1065841	2009/12/30	CERTIFICATE		*** COMPLETELY DELETED *** CHAMBERLAIN ARCHITECT SERVICES LIMITED		
		REMARKS: OC1051288 DELETED BY OC1249304 JAN 14/12 JM				
4R24336	2010/03/01	PLAN REFERENCE				C
OC1249304	2011/06/24	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CHAMBERLAIN ARCHITECT SERVICES LIMITED		
		REMARKS: OC1051288.				
OC1249431	2011/06/24	TRANSFER	\$900,000	OTCP HOTEL INC.	2177427 ONTARIO LIMITED	C
		REMARKS: PLANNING ACT STATEMENTS				
OC1249451	2011/06/24	NO OPTION PURCHASE		*** COMPLETELY DELETED *** 2177427 ONTARIO LIMITED	OTCP HOTEL INC.	
OC1249453	2011/06/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** FORUM EQUITY PARTNERS HOLDINGS INC.		
		REMARKS: OC1049704.				
OC1419025	2012/10/12	NOTICE	\$1	CITY OF OTTAWA	2177427 ONTARIO LIMITED	C
OC1441262	2012/12/21	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** ARKAN CONSTRUCTION INC.		
CC1457274	2013/03/01	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** COLACEN CANADA INC.		
OC1457952	2013/03/06	CERTIFICATE		*** COMPLETELY DELETED *** ARKAN CONSTRUCTION INC.	2177427 ONTARIO LIMITED	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: OC144262.						
OC1461455	2013/03/21	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CORESLAB STRUCTURES (ONT) INC.		
OC1463647	2013/03/28	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CHAMBERLAIN CONSTRUCTION SERVICES LIMITED		
OC1465717	2013/04/05	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** MCGONIGAL CONSTRUCTION LTD.		
OC1466005	2013/04/08	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** FORTRAN STEEL CONTRACTING LTD.		
OC1468231	2013/04/16	CERTIFICATE		*** COMPLETELY DELETED *** COLACEM CANADA INC.		
REMARKS: DELETED BY OC1527545, 8 NOV 13. MH						
OC1473435	2013/05/02	CERTIFICATE		*** COMPLETELY DELETED *** CORESLAB STRUCTURES (ONT) INC.		
REMARKS: OC1461455 DELETED BY OC1527129, 8 NOV 13. MH						
OC1473612	2013/05/02	CERTIFICATE		*** COMPLETELY DELETED *** FORTRAN STEEL CONTRACTING LTD.		
REMARKS: DELETED BY OC1527809 NOV 6, 2013 GB						
OC1477205	2013/05/15	CERTIFICATE		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	MCGONIGAL CONSTRUCTION LTD.	
REMARKS: RE: OC1465717						
OC1477693	2013/05/16	CERTIFICATE		*** COMPLETELY DELETED *** CHAMBERLAIN CONSTRUCTION SERVICES LIMITED		
REMARKS: OC1463647						
OC1485636	2013/06/12	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** ABF REINFORCING STEEL INC.		
OC1491207	2013/06/27	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CRS CONTRACTORS RENTAL SUPPLY LIMITED PARTNERSHIP		
OC1498758	2013/07/11	CERTIFICATE		*** COMPLETELY DELETED *** ABF REINFORCING STEEL INC.		
REMARKS: OC1485636						

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OC1505017	2013/08/06	CERTIFICATE		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	CRS CONTRACTORS RENTAL SUPPLY LIMITED PARTNERSHIP	
		REMARKS: OC1491207				
OC1527129	2013/10/10	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CORESLAB STRUCTURES (ONT) INC.		
		REMARKS: OC1461455.				
OC1527435	2013/10/10	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CHAMBERLAIN CONSTRUCTION SERVICES LIMITED		
		REMARKS: OC1463647.				
OC1527456	2013/10/10	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** ARKMAN CONSTRUCTION INC.		
		REMARKS: OC1441262.				
OC1527545	2013/10/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** COLACEM CANADA INC.		
		REMARKS: OC1457274.				
OC1527659	2013/10/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** ABF REINFORCING STEEL INC.		
		REMARKS: OC1485636.				
OC1527802	2013/10/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** MCGONIGAL CONSTRUCTION LTD.		
		REMARKS: OC1465717.				
OC1527808	2013/10/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** FORTRAM STEEL CONTRACTING LTD.		
		REMARKS: OC1468005.				
OC1528394	2013/10/15	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CRS CONTRACTORS RENTAL SUPPLY LIMITED PARTNERSHIP		
		REMARKS: OC1491207.				
OC1536062	2013/11/12	NOTICE	\$1	CITY OF OTTAWA	FORUM INVESTMENT AND DEVELOPMENT CORPORATION 2177427 ONTARIO LIMITED OTTAWA YOUNG MEN'S AND YOUNG WOMEN'S CHRISTIAN ASSOCIATION OTCP ARTS CENTRE G.P. INC.	C
OC1536063	2013/11/12	NOTICE	\$1	CITY OF OTTAWA	FORUM INVESTMENT AND DEVELOPMENT CORPORATION	C

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OC1539937	2013/11/22	CHARGE		*** COMPLETELY DELETED *** 2177427 ONTARIO LIMITED	2177427 ONTARIO LIMITED	
OC1544693	2013/12/06	CHARGE		*** COMPLETELY DELETED *** 2177427 ONTARIO LIMITED	VINCENT, JEAN-MARC	
OC1545749	2013/12/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** VINCENT, JEAN-MARC	2323918 ONTARIO LTD.	
		REMARKS: OC1539937.				
OC1556719	2014/01/31	CHARGE		*** COMPLETELY DELETED *** 2177427 ONTARIO LIMITED	NEILSON, THOMAS	
OC1558641	2014/02/11	APL (GENERAL)		*** COMPLETELY DELETED *** OTCP HOTEL INC.	2177427 ONTARIO LIMITED	
		REMARKS: DELETE OC1249451				
OC1560074	2014/02/19	CHARGE	\$9,520,000	2177427 ONTARIO LIMITED	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
OC1560075	2014/02/19	NO ASSGN RENT GEN		2177427 ONTARIO LIMITED	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
		REMARKS: OC1560074				
OC1560426	2014/02/21	POSTPONEMENT		*** COMPLETELY DELETED *** NEILSON, THOMAS	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	
		REMARKS: OC1556719 TO OC1560074				
OC1560428	2014/02/21	POSTPONEMENT		*** COMPLETELY DELETED *** 2323918 ONTARIO LTD.	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	
		REMARKS: OC1544693 TO OC1560074				
OC1567011	2014/03/21	NOTICE		*** COMPLETELY DELETED *** KHOURI, ELIE		
OC1567854	2014/03/26	NOTICE		*** COMPLETELY DELETED *** 2177427 ONTARIO LIMITED	NEILSON, THOMAS	
		REMARKS: OC1556719				
4R27826	2014/04/02	PLAN REFERENCE				C
OC1580566	2014/05/16	DISCHARGE INTEREST		*** COMPLETELY DELETED *** KHOURI, ELIE		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: OC1567011.				
OC1580567	2014/05/16	POSTPONEMENT		*** COMPLETELY DELETED *** 2323918 ONTARIO LTD.	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	
		REMARKS: OC1544693 TO OC1560074				
OC1580568	2014/05/16	POSTPONEMENT		*** COMPLETELY DELETED *** NEILSON, THOMAS	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	
		REMARKS: OC1550719 TO OC1560074				
OC1581193	2014/05/21	CERTIFICATE		*** COMPLETELY DELETED *** WILDWOOD CAPITAL INC.		
		REMARKS: CERTIFICATE OF PENDING LITIGATION				
OC1581433	2014/05/22	APL (GENERAL)		*** COMPLETELY DELETED *** CITY OF OTTAWA		
		REMARKS: DELETE OC713809				
OC1585652	2014/06/03	CHARGE	\$478,791	2177427 ONTARIO LIMITED	KHOURI, ELIE	C
OC1587777	2014/06/11	NOTICE		2177427 ONTARIO LIMITED	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
		REMARKS: OC1560074				
OC1587778	2014/06/11	POSTPONEMENT		*** COMPLETELY DELETED *** NEILSON, THOMAS	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	
		REMARKS: OC1550719 TO OC158777				
OC1587779	2014/06/11	POSTPONEMENT		*** COMPLETELY DELETED *** 2323918 ONTARIO LTD.	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	
		REMARKS: OC1544693 TO OC1587777				
OC1587918	2014/06/12	POSTPONEMENT		KHOURI, ELIE	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
		REMARKS: OC1585652 TO OC1587777				
OC1612692	2014/08/22	NOTICE	\$693,791	2177427 ONTARIO LIMITED	KHOURI, ELIE	C
		REMARKS: OC1585652				
OC1620555	2014/09/18	NOTICE	\$1,126,489	2177427 ONTARIO LIMITED	KHOURI, ELIE	C
4R28297	2014/10/15	PLAN REFERENCE				C
OC1643778	2014/12/08	TRANSFER EASEMENT	\$5	2177427 ONTARIO LIMITED	HYDRO ONE NETWORKS INC.	C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

14508-0261 (LT)

PAGE 7 OF 8
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ON 2017/03/02 AT 08:49:38

* 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
OC1646871	2014/12/17	CHARGE	\$3,240,000	2177427 ONTARIO LIMITED	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
OC1646935	2014/12/17	POSTPONEMENT		KHOURI, ELIE	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
		REMARKS: OC1585652, OC1612692, OC1620555 TO OC1646871				
OC1647138	2014/12/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2323918 ONTARIO LTD.		
		REMARKS: OC1546693.				
OC1647282	2014/12/18	DISCH OF CHARGE		*** COMPLETELY DELETED *** NEILSON, THOMAS		
		REMARKS: OC1550719.				
OC1650929	2015/01/08	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** BASIC DRYWALL INC.		
OC1650965	2015/01/08	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CHAMBERLAIN CONSTRUCTION SERVICES LIMITED		
OC1650972	2015/01/08	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SKYGUARD HIGH RISE WINDOWS & DOORS INC.		
OC1658930	2015/02/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CHAMBERLAIN CONSTRUCTION SERVICES LIMITED		
		REMARKS: OC1650963.				
OC1658931	2015/02/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** SKYGUARD HIGH RISE WINDOWS & DOORS INC.		
		REMARKS: OC1650972.				
OC1658932	2015/02/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** BASIC DRYWALL INC.		
		REMARKS: OC1650929.				
OC1692034	2015/06/18	TRANSFER EASEMENT	\$2	2177427 ONTARIO LIMITED	FORUM INVESTMENT AND DEVELOPMENT CORPORATION	C
OC1778515	2016/04/12	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	2177427 ONTARIO LIMITED	
OC1848284	2016/11/23	CHARGE	\$844,000	2177427 ONTARIO LIMITED	MOZZONE, GIUSEPPE	C
OC1857047	2016/12/23	TRANSFER OF CHARGE		HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	ROMSEEN INVESTMENT CORPORATION	C
		REMARKS: OC1560074.				

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #4

14508-0261 (LF)

PAGE 8 OF 8
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ON 2017/03/02 AT 08:49:38

* 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
OC1857050	2016/12/23	NO ASSGN RENT GEN REMARKS: OC1560074.		HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	ROMSPEN INVESTMENT CORPORATION	C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

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14508-0273 (L/T)

PAGE 1 OF 7
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ON 2017/03/02 AT 08:50:46

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

PROPERTY DESCRIPTION: PART OF LOT 37 CONCESSION 1 (OLD SURVEY) CUMBERLAND, BEING PART 3 ON PLAN 4R-21938, OTTAWA, S/T AN EASEMENT IN GROSS OVER PART 1 PLAN 4R23198 AS IN OC915909.; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 1 AND 2 ON PLAN 4R28297 AS IN OC1643778; TOGETHER WITH AN EASEMENT OVER PT LT 36 CON 1 OS CUM PT 4 PL 4R27826 AS IN OC1692028; TOGETHER WITH AN EASEMENT OVER PT BLK 2 AND 7 AND PT OF COMMERCIAL DRIVE (CLOSED BY BY-LAW 90-92 INST. NO. LT789196 PL 50M-165 PTS 3 AND 7 PL 4R27826 AS IN OC1692028; SUBJECT TO AN EASEMENT OVER PT 1 PL 4R27826 IN FAVOUR OF PT BLKS 2, 6 AND 7 AND PT OF COMMERCIAL DRIVE (AS CLOSED BY BY-LAW 90-92 INST. NO. LT789196) PL 50M-165 PTS 5, 12, 13, 15, 20, 21 AND 36 PL 4R21938 AND PT LT 36 CON 1 (OS) CUM PT 8 PL 4R21938 AS IN OC1692034

PROPERTY REMARKS: SUBJECT TO EXECUTION NUMBER 15-0000370 - 2177427 ONTARIO LIMITED, IF APPLICABLE, AS IN OC1692034. PLANNING ACT CONSENT IN DOCUMENT OC1692034.

ESTATE/QUALIFIER:
FREE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 14508-0195

FIN CREATION DATE:
2007/05/09

OWNERS' NAMES:
2177427 ONTARIO LIMITED

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES AND	DELETED INSTRUMENTS	SINCE 2007/05/09 **		
** SUBJECT,	ON FIRST REGISTRATION UNDER THE	LAND TITLES ACT, TO				
**	SUBSECTION 4 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES					
**	AND ESCHERTS OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF CONVERSION TO LAND TITLES:	1995/01/24 **					
RR130453	1990/08/20	BYLAW				C
4R21938	2007/04/23	PLAN REFERENCE				C
OC713705	2007/05/01	BYLAW		CITY OF OTTAWA		C
	REMARKS: BY-LAW NO. 2007-199					
OC713761	2007/05/01	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** CITY OF OTTAWA	OTCP HOTEL INC.	
OC713756	2007/05/01	NOTICES		OTCP ARTS CENTRE G.P. INC. OTCP CLIENT SERVICE CENTRE G. P. INC. OTCP HOTEL INC. OTTAWA YOUNG MEN'S AND YOUNG WOMEN'S CHRISTIAN ASSOCIATION OTCP SENIORS' HOUSING G.P. INC.		C

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

14508-0273 (LT)

PAGE 2 OF 7
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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
OC713797	2007/05/01	NOTICE		OTCP RETIREMENT RESIDENCE G.P. INC. OTCP OFFICE INC. CITY OF OTTAWA		C
OC713809	2007/05/01	NO OPTION PURCHASE		OTCP HOTEL INC. OTCP RETIREMENT RESIDENCE G.P. INC. OTCP SENIORS' HOUSING G.P. INC. OTCP ARIS CENTRE G.P. INC. OTCP OFFICE INC. CITY OF OTTAWA		
4R23198	2008/10/07	PLAN REFERENCE		*** DELETED AGAINST THIS PROPERTY *** OTCP HOTEL INC.	CITY OF OTTAWA	
OC915909	2008/10/17	TRANSFER EASEMENT	\$2	OTCP HOTEL INC.	HYDRO ONE NETWORKS INC.	C
OC1049704	2009/11/12	CHARGE		*** COMPLETELY DELETED *** OTCP HOTEL INC.	FORUM EQUITY PARTNERS HOLDINGS INC.	
OC1051288	2009/11/16	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CHAMBERLAIN ARCHITECT SERVICES LIMITED		
OC1065841	2009/12/30	CERTIFICATE		*** COMPLETELY DELETED *** CHAMBERLAIN ARCHITECT SERVICES LIMITED		
		REMARKS: OC1051288 DELETED BY OC1249304 JAN 14/12 JM				
4R24336	2010/03/01	PLAN REFERENCE				C
OC1249304	2011/06/24	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CHAMBERLAIN ARCHITECT SERVICES LIMITED		
		REMARKS: OC1051288.				
OC1249431	2011/06/24	TRANSFER	\$900,000	OTCP HOTEL INC.	2177427 ONTARIO LIMITED	C
		REMARKS: PLANNING ACT STATEMENTS				
OC1249451	2011/06/24	NO OPTION PURCHASE		*** COMPLETELY DELETED *** 2177427 ONTARIO LIMITED	OTCP HOTEL INC.	
OC1249453	2011/06/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** FORUM EQUITY PARTNERS HOLDINGS INC.		
		REMARKS: OC1049704.				

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14508-0273 (LT)

PAGE 3 OF 7
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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
OC1419025	2012/10/12	NOTICE	\$1	CITY OF OTTAWA	2177427 ONTARIO LIMITED	C
OC1457274	2013/03/01	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** COLACEM CANADA INC.		
OC1461455	2013/03/21	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CORESLAB STRUCTURES (ONT) INC.		
OC1463647	2013/03/28	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CHAMBERLAIN CONSTRUCTION SERVICES LIMITED		
OC1465717	2013/04/05	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** MCGONIGAL CONSTRUCTION LTD.		
OC1466005	2013/04/08	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** FORTRAN STEEL CONTRACTING LTD.		
OC1468231	2013/04/16	CERTIFICATE		*** COMPLETELY DELETED *** COLACEM CANADA INC.		
		REMARKS: DELETED BY OC1527545, 8 NOV 13. MW				
OC1473435	2013/05/02	CERTIFICATE		*** COMPLETELY DELETED *** CORESLAB STRUCTURES (ONT) INC.		
		REMARKS: OC1461455 DELETED BY OC1527129, 8 NOV 13. MW				
OC1473612	2013/05/02	CERTIFICATE		*** COMPLETELY DELETED *** FORTRAN STEEL CONTRACTING LTD.		
		REMARKS: DELETED BY OC1527808 NOV 6, 2013 GB				
OC1477205	2013/05/15	CERTIFICATE		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	MCGONIGAL CONSTRUCTION LTD.	
		REMARKS: RE: OC1465717				
OC1477693	2013/05/16	CERTIFICATE		*** COMPLETELY DELETED *** CHAMBERLAIN CONSTRUCTION SERVICES LIMITED		
		REMARKS: OC1463647				
OC1491207	2013/06/27	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CRS CONTRACTORS RENTAL SUPPLY LIMITED PARTNERSHIP		
OC1505017	2013/08/06	CERTIFICATE		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	CRS CONTRACTORS RENTAL SUPPLY LIMITED PARTNERSHIP	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: OC1492207				
OC1527129	2013/10/10	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CORESLAB STRUCTURES (ONT) INC.		
		REMARKS: OC1461455.				
OC1527435	2013/10/10	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CHAMBERLAIN CONSTRUCTION SERVICES LIMITED		
		REMARKS: OC1463647.				
OC1527545	2013/10/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** COLACEM CANADA INC.		
		REMARKS: OC1457274.				
OC1527802	2013/10/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** MCGONIGAL CONSTRUCTION LTD.		
		REMARKS: OC1465717.				
OC1527808	2013/10/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** FORTRAN STEEL CONTRACTING LTD.		
		REMARKS: OC1466005.				
OC1528394	2013/10/15	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CRS CONTRACTORS RENTAL SUPPLY LIMITED PARTNERSHIP		
		REMARKS: OC1492207.				
OC1535062	2013/11/12	NOTICE	\$1	CITY OF OTTAWA	FORUM INVESTMENT AND DEVELOPMENT CORPORATION 2177427 ONTARIO LIMITED OTTAWA YOUNG MEN'S AND YOUNG WOMEN'S CHRISTIAN ASSOCIATION OTCP ARTS CENTRE G.P. INC.	C
OC1535063	2013/11/12	NOTICE	\$1	CITY OF OTTAWA	FORUM INVESTMENT AND DEVELOPMENT CORPORATION 2177427 ONTARIO LIMITED	C
OC1539937	2013/11/22	CHARGE		*** COMPLETELY DELETED *** 2377427 ONTARIO LIMITED	VINCENT, JEAN-MARC	
OC1544693	2013/12/06	CHARGE		*** COMPLETELY DELETED *** 2177427 ONTARIO LIMITED	2323918 ONTARIO LTD.	
OC1549749	2013/12/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** VINCENT, JEAN-MARC		
		REMARKS: OC1539937.				

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

14508-0273 (LT)

PAGE 5 OF 7
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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
OC1556719	2014/01/31	CHARGE		*** COMPLETELY DELETED *** 2177427 ONTARIO LIMITED	NEILSON, THOMAS	
OC1558641	2014/02/11	APL (GENERAL) REMARKS: DELETE OC1249451		*** COMPLETELY DELETED *** OTCP HOTEL INC.	2177427 ONTARIO LIMITED	
OC1560074	2014/02/19	CHARGE	\$9,520,000	2177427 ONTARIO LIMITED	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
OC1560075	2014/02/19	NO ASSGN RENT GEN REMARKS: OC1560074		2177427 ONTARIO LIMITED	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
OC1560426	2014/02/21	POSTPONEMENT REMARKS: OC1560719 TO OC1560074		*** COMPLETELY DELETED *** NEILSON, THOMAS	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	
OC1560428	2014/02/21	POSTPONEMENT REMARKS: OC1544693 TO OC1560074		*** COMPLETELY DELETED *** 2323918 ONTARIO LTD.	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	
OC1567854	2014/03/26	NOTICE REMARKS: OC1560719		*** COMPLETELY DELETED *** 2177427 ONTARIO LIMITED	NEILSON, THOMAS	
4R27826	2014/04/02	PLAN REFERENCE				C
OC1580567	2014/05/16	POSTPONEMENT REMARKS: OC1544693 TO OC1560074		*** COMPLETELY DELETED *** 2323918 ONTARIO LTD.	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	
OC1580568	2014/05/16	POSTPONEMENT REMARKS: OC1560719 TO OC1560074		*** COMPLETELY DELETED *** NEILSON, THOMAS	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	
OC1581193	2014/05/21	CERTIFICATE REMARKS: CERTIFICATE OF PENDING LITIGATION		*** COMPLETELY DELETED *** WILDWOOD CAPITAL INC.		
OC1581433	2014/05/22	APL (GENERAL) REMARKS: DELETE OC713809		*** COMPLETELY DELETED *** CITY OF OTTAWA		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
OC1585692	2014/06/03	CHARGE	\$478,791	2177427 ONTARIO LIMITED	KHOURI, ELIE	C
OC1587777	2014/06/11	NOTICE REMARKS: OC1560074		2177427 ONTARIO LIMITED	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
OC1587778	2014/06/11	POSTPONEMENT REMARKS: OC1556719 TO OC1587777		*** COMPLETELY DELETED *** NEILSON, THOMAS	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	
OC1587779	2014/06/11	POSTPONEMENT REMARKS: OC1544693 TO OC1587777		*** COMPLETELY DELETED *** 2323918 ONTARIO LTD.	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	
OC1587918	2014/06/12	POSTPONEMENT REMARKS: OC1585692 TO OC1587777		KHOURI, ELIE	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
OC1612692	2014/08/22	NOTICE REMARKS: OC1585692	\$693,791	2177427 ONTARIO LIMITED	KHOURI, ELIE	C
OC1620555	2014/09/18	NOTICE	\$1,126,489	2177427 ONTARIO LIMITED	KHOURI, ELIE	C
4R20297	2014/10/15	PLAN REFERENCE				C
OC1643778	2014/12/08	TRANSFER EASEMENT	\$5	2177427 ONTARIO LIMITED	HYDRO ONE NETWORKS INC.	C
OC1646871	2014/12/17	CHARGE	\$3,240,000	2177427 ONTARIO LIMITED	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
OC1646935	2014/12/17	POSTPONEMENT REMARKS: OC1585692, OC1612692, OC1620555 TO OC1646871		KHOURI, ELIE	HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	C
OC1647130	2014/12/17	DISCH OF CHARGE REMARKS: OC1544693.		*** COMPLETELY DELETED *** 2323918 ONTARIO LTD.		
OC1647202	2014/12/18	DISCH OF CHARGE REMARKS: OC1556719.		*** COMPLETELY DELETED *** NEILSON, THOMAS		
OC1650929	2015/01/08	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** BASIC DRYWALL INC.		
OC1650963	2015/01/08	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CHAMBERLAIN CONSTRUCTION SERVICES LIMITED		

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14508-0273 (LT)

PAGE 7 OF 7
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ON 2017/03/02 AT 08:50:46

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
OC1650972	2015/01/08	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** SKYGUARD HIGH RISE WINDOWS & DOORS INC.		
OC1658930	2015/02/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** CHAMBERLAIN CONSTRUCTION SERVICES LIMITED		
		REMARKS: OC1650963.				
OC1658931	2015/02/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** SKYGUARD HIGH RISE WINDOWS & DOORS INC.		
		REMARKS: OC1650972.				
OC1658932	2015/02/11	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** BASIC DRYWALL INC.		
		REMARKS: OC1650929.				
OC1692034	2015/06/18	TRANSFER EASEMENT	\$2	2177427 ONTARIO LIMITED	FORUM INVESTMENT AND DEVELOPEMENT CORPORATION	C
OC1765956	2016/02/22	LIEN	\$267,242	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C
		REMARKS: TAX LIEN				
OC1778515	2016/04/12	REL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	2177427 ONTARIO LIMITED	
OC1846284	2016/11/23	CHARGE	\$844,000	2177427 ONTARIO LIMITED	MOZZONE, GIUSEPPE	C
OC1857047	2016/12/23	TRANSFER OF CHARGE		HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	ROMSPEN INVESTMENT CORPORATION	C
		REMARKS: OC1560074.				
OC1857050	2016/12/23	NO ASSGN RENT GEN		HARBOUREDGE MORTGAGE INVESTMENT CORPORATION	ROMSPEN INVESTMENT CORPORATION	C
		REMARKS: OC1560074.				

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tab C

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73

PAGES
3

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JUL 13 2017 4:07PM

NO. 8011 P. 1



Canada Revenue Agency
Agence du Revenu du Canada

Fax Cover Sheet/Feuille de transmission per fax
URGENT

Date: **July 13, 2017**

To/À: Fuller Landau
Attention: Ken Pearl

Phone Number/No de téléphone:

Fax Number/No de fax: (416)645-6501

Pat Confalone
Resource Officer
Toronto Centre Tax Services Office

Phone Number/No de telephone: **(416) 973-9439**

Fax Number/No de fax: **(416)-954-6411**

Number of pages transmitted including cover sheet/
Nombre de pages transmises y compris la page couverture (3)

Remarks/Remarques:

Hi Ken,

I will be away from the office until Tuesday. The extensive list in the attached letter is not required at this time only if necessary later. At this time only the mortgage balance and subsequent payments are to be reviewed. Please discuss with me further on Tuesday. Have a good weekend.



Canada Revenue Agency
Agence du revenu
du Canada

Tax Centre
Toronto ON M5J 2X6

July 13, 2017

FULLER LANDAU
C/O KEN PEARL
151 BLOOR STREET WEST
12TH FLOOR
TORONTO ON M5S 1S4

Dear Sir:

Re: 2177427 Ontario Limited
Account number: 85795 1891 RT0001

As discussed, please provide the information listed below as it pertains to HarbourEdge Investment Corporation/Rompsen Investment Corporation.

2177427 Ontario Limited owes GST/HST amounts that were collected but not paid to the Canada Revenue Agency (CRA).

As stated in subsections 222(1) and (3) of the "Excise Tax Act," the following amounts are deemed to be held in trust until they are paid to the CRA.

Total deemed trust claim: \$272,455.85

When an amount that is deemed to be held in trust is not paid, the CRA becomes the beneficial owner of, and has a priority interest over, all of the property of the business. This is the case regardless of the interests of any other creditors, whether registered or not. There is no legal requirement for the CRA to register a deemed trust debt against the property of the business.

The CRA also has a priority claim over the proceeds that result from the sale, liquidation, disposal, or distribution of any of the property of the business. This is the case even if you received proceeds as a result of a voluntary sale of the property by the business, or if your interests in the property of the business occurred before the deemed trust date.

A voluntary mortgage that is registered on land or on a building

.../2

Canada

National Insolvency Office
1 Front Street West
2nd Floor Suite 100
Toronto ON M5J 2X6

Local: 416-973-9439
Fax: 416-954-6411
Web site: www.cra.gc.ca

owned by the business before a deemed trust debt arose may have priority over the deemed trust debt. The amount of the mortgage that has priority over a deemed trust debt is called a prescribed security interest and is defined in the "Security Interest (GST/HST) Regulations" of the "Excise Tax Act."

To help the CRA determine the amount of the mortgages that may have priority over the deemed trust debt; please provide me with the following information and documentation:

- The amount of the mortgage as of February 1, 2016.
- The transaction history of the mortgage. Include information about all payments received and any additional advances made (refinancing).
- Copy of the registered mortgage document(s).
- Copy of any guarantees that were signed.
- Information and transaction details regarding any collateral or additional security that was pledged to the mortgage.
- Copy of any collateral or additional security documentation.
- The net realizable value of all security held as of February 1, 2016.
- Estimated or actual dollar amount and detailed description of closing costs if you intend, or have acted, to enforce recovery.

For more information on deemed trust and prescribed security interest, go to cra-arc.gc.ca/gncy/collectns/dmdtrst-eng.html.

If you want more information or clarification about the CRA's deemed trust claim, please call me at 416-973-9439.

Yours truly,



Pat Confalone (1213)
Insolvency Officer

tab D



CANADA

CONSOLIDATION

CODIFICATION

Security Interest (GST/HST) Regulations

Règlement sur les droits en garantie (TPS/TVH)

SOR/2011-55

DORS/2011-55

Current to June 19, 2017

À jour au 19 juin 2017

Published by the Minister of Justice at the following address:
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OFFICIAL STATUS OF CONSOLIDATIONS

Subsections 31(1) and (3) of the *Legislation Revision and Consolidation Act*, in force on June 1, 2009, provide as follows:

Published consolidation is evidence

31 (1) Every copy of a consolidated statute or consolidated regulation published by the Minister under this Act in either print or electronic form is evidence of that statute or regulation and of its contents and every copy purporting to be published by the Minister is deemed to be so published, unless the contrary is shown.

...

Inconsistencies in regulations

(3) In the event of an inconsistency between a consolidated regulation published by the Minister under this Act and the original regulation or a subsequent amendment as registered by the Clerk of the Privy Council under the *Statutory Instruments Act*, the original regulation or amendment prevails to the extent of the inconsistency.

NOTE

This consolidation is current to June 19, 2017. Any amendments that were not in force as of June 19, 2017 are set out at the end of this document under the heading "Amendments Not in Force".

CARACTÈRE OFFICIEL DES CODIFICATIONS

Les paragraphes 31(1) et (3) de la *Loi sur la révision et la codification des textes législatifs*, en vigueur le 1^{er} juin 2009, prévoient ce qui suit :

Codifications comme élément de preuve

31 (1) Tout exemplaire d'une loi codifiée ou d'un règlement codifié, publié par le ministre en vertu de la présente loi sur support papier ou sur support électronique, fait foi de cette loi ou de ce règlement et de son contenu. Tout exemplaire donné comme publié par le ministre est réputé avoir été ainsi publié, sauf preuve contraire.

[...]

Incompatibilité — règlements

(3) Les dispositions du règlement d'origine avec ses modifications subséquentes enregistrées par le greffier du Conseil privé en vertu de la *Loi sur les textes réglementaires* l'emportent sur les dispositions incompatibles du règlement codifié publié par le ministre en vertu de la présente loi.

NOTE

Cette codification est à jour au 19 juin 2017. Toutes modifications qui n'étaient pas en vigueur au 19 juin 2017 sont énoncées à la fin de ce document sous le titre « Modifications non en vigueur ».

TABLE OF PROVISIONS

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TABLE ANALYTIQUE

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Registration
SOR/2011-55 March 3, 2011

EXCISE TAX ACT

Security Interest (GST/HST) Regulations

P.C. 2011-262 March 3, 2011

His Excellency the Governor General in Council, on the recommendation of the Minister of Finance, pursuant to section 277^a of the *Excise Tax Act*^b, hereby makes the annexed *Security Interest (GST/HST) Regulations*.

Enregistrement
DORS/2011-55 Le 3 mars 2011

LOI SUR LA TAXE D'ACCISE

Règlement sur les droits en garantie (TPS/TVH)

C.P. 2011-262 Le 3 mars 2011

Sur recommandation du ministre des Finances et en vertu de l'article 277^a de la *Loi sur la taxe d'accise*^b, Son Excellence le Gouverneur général en conseil prend le *Règlement sur les droits en garantie (TPS/TVH)*, ci-après.

^a S.C. 1993, c. 27, s. 125(1)

^b R.S., c. E-15

^a L.C. 1993, ch. 27, par. 125(1)

^b L.R., ch. E-15

Security Interest (GST/HST) Regulations

Interpretation

1 In these Regulations, **Act** means the *Excise Tax Act*.

Prescribed Security Interest

2 (1) For the purpose of subsection 222(4) of the Act, a prescribed security interest, in relation to an amount deemed under subsection 222(1) of the Act to be held in trust by a person, is that part of a mortgage or hypothec securing the performance of an obligation of the person that encumbers land or a building, but only if the mortgage or hypothec is registered pursuant to the appropriate land registration system before the time the amount is deemed under subsection 222(1) of the Act to be held in trust by the person.

(2) For the purpose of subsection (1), if, at a particular time, an amount deemed to be held in trust by the person referred to in that subsection is not remitted to the Receiver General or withdrawn in the manner and at the time provided under Part IX of the Act, the amount of the prescribed security interest referred to in that subsection may not exceed the amount determined by the following formula until such time as all amounts deemed under subsection 222(1) of the Act to be held in trust by the person are withdrawn in accordance with subsection 222(2) of the Act or are remitted to the Receiver General:

A – B

where

A is the amount of the obligation secured by the mortgage or hypothec that is outstanding at the particular time; and

B is the total of

(a) all amounts, each of which is the value determined at the particular time, having regard to all the circumstances including the existence of any deemed trust for the benefit of Her Majesty pursuant to subsection 222(1) of the Act, of all the rights of the secured creditor securing the obligation, whether granted by the person or not, including guarantees or rights of set-off or of compensation but not including the mortgage or hypothec referred to in subsection (1), and

Règlement sur les droits en garantie (TPS/TVH)

Définition

1 Dans le présent règlement, **Loi** s'entend de la *Loi sur la taxe d'accise*.

Droits en garantie visés

2 (1) Pour l'application du paragraphe 222(4) de la Loi, est un droit en garantie visé, quant à un montant qui est réputé en vertu du paragraphe 222(1) de la Loi être détenu en fiducie par une personne, la partie d'une hypothèque garantissant l'exécution d'une obligation de la personne qui grève un fonds ou un bâtiment, mais seulement si l'hypothèque est enregistrée conformément au régime d'enregistrement foncier applicable avant le moment où le montant est ainsi réputé être détenu en fiducie.

(2) Pour l'application du paragraphe (1), si, à un moment donné, un montant réputé être détenu en fiducie par la personne mentionnée à ce paragraphe n'est pas versé au receveur général ou retiré selon les modalités et dans le délai prévus par la partie IX de la Loi, le montant du droit en garantie mentionné à ce paragraphe ne peut excéder la somme obtenue par la formule ci-après tant que tous les montants réputés en vertu du paragraphe 222(1) de la Loi être détenus en fiducie par la personne ne sont pas retirés conformément au paragraphe 222(2) de la Loi ou versés au receveur général :

A – B

où :

A représente le montant de l'obligation garantie par l'hypothèque qui est impayé au moment donné;

B la somme des montants suivants :

a) le total des montants dont chacun représente la valeur déterminée au moment donné, compte tenu des circonstances, y compris l'existence d'une fiducie réputée établie au profit de Sa Majesté conformément au paragraphe 222(1) de la Loi, des droits du créancier garanti garantissant l'obligation, consentis par la personne ou non, y compris les garanties et droits de compensation mais non l'hypothèque visée au paragraphe (1),

b) les montants appliqués en réduction de l'obligation après le moment donné.

(b) all amounts applied after the particular time on account of the obligation.

(3) A prescribed security interest under subsection (1) includes the amount of any insurance or expropriation proceeds relating to land or a building that is the subject of a registered mortgage interest or registered hypothecary right, adjusted in accordance with subsection (2), but does not include a lien, a priority or any other security interest created by statute, an assignment or hypothec of rents or leases, or a mortgage interest or hypothecary right in any equipment or fixtures that a mortgagee, hypothecary creditor or any other person has the right absolutely or conditionally to remove or dispose of separately from the land or building.

Coming into Force

3 These Regulations are deemed to have come into force on October 20, 2000.

(3) Le droit en garantie visé au paragraphe (1) comprend le produit de l'assurance ou de l'expropriation lié à un fonds ou à un bâtiment qui fait l'objet d'un droit hypothécaire enregistré, rajusté conformément au paragraphe (2), mais non les privilèges, priorités ou autres garanties créés par une loi, les cessions ou hypothèques de loyers ou de baux ou les droits hypothécaires sur les biens d'équipement ou les accessoires fixes que le créancier hypothécaire ou une autre personne a le droit absolu ou conditionnel d'enlever du fonds ou du bâtiment ou dont il a le droit absolu ou conditionnel de disposer séparément.

Entrée en vigueur

3 Le présent règlement est réputé être entré en vigueur le 20 octobre 2000.

tab E

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GUARANTEE

THIS GUARANTEE dated as of the 21st day of May, 2014

WHEREAS:

A. BHUPINDER SINGH SANDHU (hereinafter referred to as the "Guarantor" has agreed to provide HARBOUREDGE MORTGAGE INVESTMENT CORPORATION (hereinafter referred to as the "Lender") with a guarantee of the Obligations (as hereinafter defined) of 2177427 ONTARIO LIMITED (hereinafter referred to as the "Borrower");

B. The Guarantor has agreed that if this guarantee is not enforceable, the Guarantor will indemnify the Lender or be liable as primary borrower;

NOW THEREFORE in consideration of the premises and the covenants and agreements herein contained, and the payment of the sum of TEN DOLLARS (\$10.00) by the Lender to the Guarantor (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants with the Lender as follows:


1. Interpretation.

The recitals contained herein are true and the terms defined therein are hereby adopted.

2. Guarantee.

(a) The Guarantor hereby unconditionally and irrevocably guarantees, as a continuing obligation, due and punctual payment to the Lender forthwith after demand therefore of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender or remaining unpaid by the Borrower to the Lender in relation to loan facilities between the Borrower and the Lender (hereinafter collectively referred to as the "Obligations"), with interest at the rate herein expressed. All amounts payable by the Guarantor hereunder shall be paid to the Lender at its address as aforesaid or as otherwise directed by the Lender. For greater certainty, this shall be a continuing guarantee and shall cover all of the obligations now or hereafter existing and shall apply to and secure any ultimate balance due or remaining due to the Lender.

(b) If any or all of the Obligations are not duly paid or performed by the Borrower and are not recoverable under section 2(a) hereof for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the



Lender from and against all losses resulting from the failure of the Borrower to pay or perform such Obligations.

3. Dealings With Borrower.

The Lender may make advances, grant accommodations, make payments, grant extensions of time, renewals or indulgences, take and give up securities including other guarantees, abstain from taking securities or from perfecting securities, cease or refrain from giving credit or making loans or advances, accept compositions, grant releases and discharges and otherwise deal with the Borrower and with other parties and securities as the Lender sees fit, and apply all monies received from the Borrower or others or from security upon such part of the obligations as it, in its absolute discretion, may think best, without the consent of, or notice to, the Guarantor and without prejudice to, or in any way limiting or lessening, the liability of the Guarantor hereunder. Without limiting the generality of the foregoing, the Guarantor hereby authorizes and empowers the Lender, in its sole and unfettered discretion, without any notice to the Guarantor or any other person, to exercise any right or remedy which the Lender may have against the Borrower or with respect to any security, whether real, personal or intangible, for the obligations, including judicial and non-judicial foreclosure, without affecting in any way the liability of the Guarantor hereunder and the Guarantor shall be liable to the Lender for any deficiency resulting from the exercise by the Lender of any such right or remedy, even though any rights or remedies which the Guarantor may have against the Borrower or any other person may have been altered or diminished by the exercise of any such right or remedy.

4. Recourse Against Borrower.

The Lender shall not be bound to exercise all or any of its rights and remedies or to exhaust its recourse against the Borrower or others or any security before being entitled to payment from the Guarantor under this Guarantee.

5. Loss of Securities.

Any loss of, or neglect or omission with respect to any security held by the Lender, whether occasioned through the fault of the Lender or otherwise, shall not discharge in whole or in part, or limit or lessen the liability of the Guarantor hereunder.

6. Settlement of Accounts.

Any account settled or stated between the Lender and the Borrower or admitted by or on behalf of the Borrower shall be accepted by the Guarantor as conclusive evidence that the amount thereby appearing due by the Borrower to the Lender is so due.

7. Change in Composition of Borrower.



Neither a change in the name, objects, capital structure or constitution, membership, ownership or control of the Borrower nor any other circumstance including, without limitation, the amalgamation of the Borrower with another corporation, any defect in, omission from, failure to file or register or defective filings or registrations of any instrument under which the Lender has taken any security or collateral for payment of any of the obligations or the performance or observance of any obligation of the Guarantor to the Lender or any circumstance affecting the Borrower or the Guarantor, which might otherwise afford a legal or equitable defence to the Guarantor or a discharge of the Guarantee shall affect or in any way limit or lessen the liability of the Guarantor hereunder.

8. Waiver.

No delay on the part of the Lender in exercising any of its options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by the Lender unless the same shall be in writing, duly signed on behalf of the Lender, and each such waiver, if any, shall apply with respect to the specific instance involved, and shall in no way impair the rights of the Lender or the obligations of the Guarantor to the Lender in any other respect at any other time.

9. Guarantee of All Monies Borrowed.

All monies, advances, renewals and credits in fact borrowed or obtained by the Borrower from the Lender under or in connection with the Loan shall be deemed to form part of the obligations notwithstanding any incapacity, disability or lack of limitation of status or power of the Borrower or of the directors, officers, employees, partners or agents thereof, or that the Borrower may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals or credits, whether known to the Lender or not. The Lender shall not be obliged to enquire into the powers of the Borrower or its directors, partners, or agents acting or purporting to act on its behalf, and monies, advances, renewals or credits in fact borrowed or obtained from the Lender in the professed exercise of any power of the Borrower or its directors, partners, or agents shall be deemed to form part of the obligations hereby guaranteed even though the incurring of such monies, advances, renewals or credits was irregular, fraudulent, defective or informally effected or exceeded the powers of the Borrower or its directors, partners, or agents. Any part of the obligations which may not be recoverable from the Guarantor by the Lender on the basis of a guarantee shall be recoverable by the Lender from the Guarantor as principal debtor in respect thereof and shall be paid to the Lender forthwith after demand therefore as herein provided.

10. Assignment by Lender.



The Lender may from time to time and without notice to, or the consent of the Guarantor assign or transfer all or any of the obligations or any interest therein to any person and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, any such obligation or part thereof so transferred or assigned shall be and shall remain an "obligation" for the purpose of this Guarantee and any immediate and successive assignee or transferee of any obligation or any interest therein shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce this Guarantee to the same extent as if such person were the Lender. In the event of any such assignment or transfer, the Lender shall retain the right to enforce this Guarantee for its own benefit as to any obligation which has not been so assigned or transferred.

11. Revival of indebtedness.

The Guarantor agrees that, if at any time all or any part of any payment previously applied by the Lender to any obligation is or must be rescinded or returned by the Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower), such obligation shall, for the purpose of this Guarantee, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation, all as though such application by the Lender has not been made.

12. Postponement.

If the Lender receives from the Guarantor a payment or payments in full or on account of the liability of the Guarantor hereunder, then the Guarantor shall not be entitled to claim repayment against the Borrower or the Borrower's estate until the Lender's claims against the Borrower have been paid in full. In case of liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or involuntary) or if the Borrower shall make a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof in priority to the Guarantor until the Lender's claim has been paid in full, and the Guarantor shall continue to be liable hereunder up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing the Lender by the Borrower. In the event of the valuation by the Lender of any of its security and/or the retention thereof by the Lender, such valuation and/or retention shall not as between the Lender and the Guarantor, be considered as a purchase of such security or as payment or satisfaction or reduction of the obligations or any part thereof. Any and all rights the Guarantor may have as surety, whether at law, in equity or otherwise, that are inconsistent with any of the provisions contained in this Guarantee are hereby waived. The foregoing provisions of this paragraph shall not in

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any way limit or lessen the liability of the Guarantor under any other paragraph of this Guarantee.

13. Legal Expenses.

The Guarantor shall from time to time upon demand by the Lender forthwith pay to the Lender all expenses (including legal fees) incurred by the Lender in the preparation of this Guarantee and the preservation or enforcement of any of its rights hereunder.

14. Additional Security.

This Guarantee is in addition to, and not in substitution for, and without prejudice to, any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Lender and any other rights or remedies that the Lender might have.

15. Taxes and Set-Off.

All payments to be made by the Guarantor hereunder shall be made without set-off or counterclaim and without deduction for any taxes, levies, duties, fees, deductions, withholdings, restrictions or conditions of any nature whatsoever. If, at any time, any applicable law, regulation or international agreement requires the Guarantor to make any such deduction or withholding from any such payment, the sum due from the Guarantor in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender received a net sum equal to the sum which it would have received had no deduction or withholding been required.

16. Interest.

The Guarantor shall pay to the Lender in respect to any amount payable hereunder (including interest) that is not paid when due, interest from the due date thereof, until paid and after demand, default and judgment at the rate of interest set out in the Mortgage such interest to be calculated and paid monthly on the last day of each calendar month, not in advance.

17. Demand for Payment.

A demand for payment shall be deemed to have been given where a notice in writing containing such a demand is delivered personally or is sent by mail or prepaid courier to the Guarantor at the address of the Guarantor as aforesaid or at such other address as the Guarantor may subsequently specify by written notice received by the Lender. Any such notice shall be deemed to have been received on the date of delivery, if delivered

personally, one day after the deposit with a courier if delivered by courier and three (3) days after mailing if delivered by registered mail.

18. Responsibility to Keep Informed.

So long as any of the obligations remain unpaid or outstanding, the Guarantor assumes all responsibility for being and keeping HARBOUREDGE MORTGAGE INVESTMENT CORPORATION informed of the financial condition of the Borrower and of all circumstances bearing upon the nature, scope and extent of the risk which the Guarantor assumes and incurs under this Guarantee.

19. No Escrow.

Possession of this Guarantee by the Lender shall be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent have been complied with unless, at the time or receipt of this Guarantee by the Lender, the Guarantor obtains from the Lender a letter setting out the terms and conditions under which this Guarantee was delivered and the conditions, if any, to be observed before it becomes effective.

20. Governing Law and Submission to Jurisdiction.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the courts of the Province of Ontario and acknowledges their competence and agrees to be bound by any judgment thereof except that nothing herein shall limit the Lender's right to bring proceedings against the Guarantor elsewhere.

21. Successors and Assigns.

This Guarantee shall extend and enure to the benefit of the Lender and its heirs, executors, administrators, successors and assigns and shall be binding upon the Guarantor and the heirs, executors, administrators, successors and permitted assigns of the Guarantor. If there is more than one Guarantor referred to herein, then their obligations shall be joint and several.

22. Time.

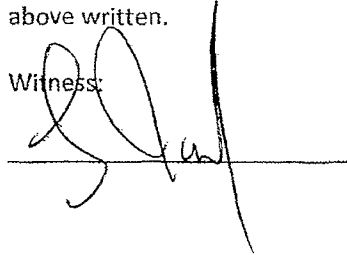
Time is of the essence with respect to the terms and provisions of this Guarantee

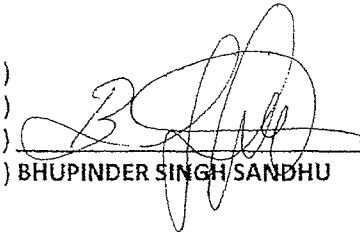
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and the time for performance of the obligations of the Guarantor under this Guarantee are to be strictly construed.

IN WITNESS WHEREOF this Guarantee has been made and delivered as of the date first above written.

Witness:



)  (Seal)
) BHUPINDER SINGH SANDHU

Greg Farnand, B. Admin., LL.B.
Barrister, Solicitor, Notary Public
#204-110 Bearbrook Road, Ottawa, K1B 5R2



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GUARANTEE

THIS GUARANTEE dated as of the 21st day of May, 2014

WHEREAS:

A. JASMEET KAUR SANDHU, (hereinafter referred to as the "Guarantor" has agreed to provide HARBOUREDGE MORTGAGE INVESTMENT CORPORATION (hereinafter referred to as the "Lender") with a guarantee of the Obligations (as hereinafter defined) of 2177427 ONTARIO LIMITED (hereinafter referred to as the "Borrower");

B. The Guarantor has agreed that if this guarantee is not enforceable, the Guarantor will indemnify the Lender or be liable as primary borrower;

NOW THEREFORE in consideration of the premises and the covenants and agreements herein contained, and the payment of the sum of TEN DOLLARS (\$10.00) by the Lender to the Guarantor (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants with the Lender as follows:

1. Interpretation.

The recitals contained herein are true and the terms defined therein are hereby adopted.

2. Guarantee.

(a) The Guarantor hereby unconditionally and irrevocably guarantees, as a continuing obligation, due and punctual payment to the Lender forthwith after demand therefore of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender or remaining unpaid by the Borrower to the Lender in relation to loan facilities between the Borrower and the Lender (hereinafter collectively referred to as the "Obligations"). with interest at the rate herein expressed. All amounts payable by the Guarantor hereunder shall be paid to the Lender at its address as aforesaid or as otherwise directed by the Lender. For greater certainty, this shall be a continuing guarantee and shall cover all of the obligations now or hereafter existing and shall apply to and secure any ultimate balance due or remaining due to the Lender.

(b) If any or all of the Obligations are not duly paid or performed by the Borrower and are not recoverable under section 2(a) hereof for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the

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Lender from and against all losses resulting from the failure of the Borrower to pay or perform such Obligations.

3. Dealings With Borrower.

The Lender may make advances, grant accommodations, make payments, grant extensions of time, renewals or indulgences, take and give up securities including other guarantees, abstain from taking securities or from perfecting securities, cease or refrain from giving credit or making loans or advances, accept compositions, grant releases and discharges and otherwise deal with the Borrower and with other parties and securities as the Lender sees fit, and apply all monies received from the Borrower or others or from security upon such part of the obligations as it, in its absolute discretion, may think best, without the consent of, or notice to, the Guarantor and without prejudice to, or in any way limiting or lessening, the liability of the Guarantor hereunder. Without limiting the generality of the foregoing, the Guarantor hereby authorizes and empowers the Lender, in its sole and unfettered discretion, without any notice to the Guarantor or any other person, to exercise any right or remedy which the Lender may have against the Borrower or with respect to any security, whether real, personal or intangible, for the obligations, including judicial and non-judicial foreclosure, without affecting in any way the liability of the Guarantor hereunder and the Guarantor shall be liable to the Lender for any deficiency resulting from the exercise by the Lender of any such right or remedy, even though any rights or remedies which the Guarantor may have against the Borrower or any other person may have been altered or diminished by the exercise of any such right or remedy.

4. Recourse Against Borrower.

The Lender shall not be bound to exercise all or any of its rights and remedies or to exhaust its recourse against the Borrower or others or any security before being entitled to payment from the Guarantor under this Guarantee.

5. Loss of Securities.

Any loss of, or neglect or omission with respect to any security held by the Lender, whether occasioned through the fault of the Lender or otherwise, shall not discharge in whole or in part, or limit or lessen the liability of the Guarantor hereunder.

6. Settlement of Accounts.

Any account settled or stated between the Lender and the Borrower or admitted by or on behalf of the Borrower shall be accepted by the Guarantor as conclusive evidence that the amount thereby appearing due by the Borrower to the Lender is so due.

7. Change in Composition of Borrower.



Neither a change in the name, objects, capital structure or constitution, membership, ownership or control of the Borrower nor any other circumstance including, without limitation, the amalgamation of the Borrower with another corporation, any defect in, omission from, failure to file or register or defective filings or registrations of any instrument under which the Lender has taken any security or collateral for payment of any of the obligations or the performance or observance of any obligation of the Guarantor to the Lender or any circumstance affecting the Borrower or the Guarantor, which might otherwise afford a legal or equitable defence to the Guarantor or a discharge of the Guarantee shall affect or in any way limit or lessen the liability of the Guarantor hereunder.

8. Waiver.

No delay on the part of the Lender in exercising any of its options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by the Lender unless the same shall be in writing, duly signed on behalf of the Lender, and each such waiver, if any, shall apply with respect to the specific instance involved, and shall in no way impair the rights of the Lender or the obligations of the Guarantor to the Lender in any other respect at any other time.

9. Guarantee of All Monies Borrowed.

All monies, advances, renewals and credits in fact borrowed or obtained by the Borrower from the Lender under or in connection with the Loan shall be deemed to form part of the obligations notwithstanding any incapacity, disability or lack of limitation of status or power of the Borrower or of the directors, officers, employees, partners or agents thereof, or that the Borrower may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals or credits, whether known to the Lender or not. The Lender shall not be obliged to enquire into the powers of the Borrower or its directors, partners, or agents acting or purporting to act on its behalf, and monies, advances, renewals or credits in fact borrowed or obtained from the Lender in the professed exercise of any power of the Borrower or its directors, partners, or agents shall be deemed to form part of the obligations hereby guaranteed even though the incurring of such monies, advances, renewals or credits was irregular, fraudulent, defective or informally effected or exceeded the powers of the Borrower or its directors, partners, or agents. Any part of the obligations which may not be recoverable from the Guarantor by the Lender on the basis of a guarantee shall be recoverable by the Lender from the Guarantor as principal debtor in respect thereof and shall be paid to the Lender forthwith after demand therefore as herein provided.

10. Assignment by Lender.



The Lender may from time to time and without notice to, or the consent of the Guarantor assign or transfer all or any of the obligations or any interest therein to any person and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, any such obligation or part thereof so transferred or assigned shall be and shall remain an "obligation" for the purpose of this Guarantee and any immediate and successive assignee or transferee of any obligation or any interest therein shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce this Guarantee to the same extent as if such person were the Lender. In the event of any such assignment or transfer, the Lender shall retain the right to enforce this Guarantee for its own benefit as to any obligation which has not been so assigned or transferred.

11. Revival of Indebtedness.

The Guarantor agrees that, if at any time all or any part of any payment previously applied by the Lender to any obligation is or must be rescinded or returned by the Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower), such obligation shall, for the purpose of this Guarantee, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation, all as though such application by the Lender has not been made.

12. Postponement.

If the Lender receives from the Guarantor a payment or payments in full or on account of the liability of the Guarantor hereunder, then the Guarantor shall not be entitled to claim repayment against the Borrower or the Borrower's estate until the Lender's claims against the Borrower have been paid in full. In case of liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or involuntary) or if the Borrower shall make a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof in priority to the Guarantor until the Lender's claim has been paid in full, and the Guarantor shall continue to be liable hereunder up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing the Lender by the Borrower. In the event of the valuation by the Lender of any of its security and/or the retention thereof by the Lender, such valuation and/or retention shall not as between the Lender and the Guarantor, be considered as a purchase of such security or as payment or satisfaction or reduction of the obligations or any part thereof. Any and all rights the Guarantor may have as surety, whether at law, in equity or otherwise, that are inconsistent with any of the provisions contained in this Guarantee are hereby waived. The foregoing provisions of this paragraph shall not in

any way limit or lessen the liability of the Guarantor under any other paragraph of this Guarantee.

13. Legal Expenses.

The Guarantor shall from time to time upon demand by the Lender forthwith pay to the Lender all expenses (including legal fees) incurred by the Lender in the preparation of this Guarantee and the preservation or enforcement of any of its rights hereunder.

14. Additional Security.

This Guarantee is in addition to, and not in substitution for, and without prejudice to, any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Lender and any other rights or remedies that the Lender might have.

15. Taxes and Set-Off.

All payments to be made by the Guarantor hereunder shall be made without set-off or counterclaim and without deduction for any taxes, levies, duties, fees, deductions, withholdings, restrictions or conditions or any nature whatsoever. If, at any time, any applicable law, regulation or international agreement requires the Guarantor to make any such deduction or withholding from any such payment, the sum due from the Guarantor in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender received a net sum equal to the sum which it would have received had no deduction or withholding been required.

16. Interest.

The Guarantor shall pay to the Lender in respect to any amount payable hereunder (including interest) that is not paid when due, interest from the due date thereof, until paid and after demand, default and judgment at the rate of interest set out in the Mortgage such interest to be calculated and paid monthly on the last day of each calendar month, not in advance.

17. Demand for Payment.

A demand for payment shall be deemed to have been given where a notice in writing containing such a demand is delivered personally or is sent by mail or prepaid courier to the Guarantor at the address of the Guarantor as aforesaid or at such other address as the Guarantor may subsequently specify by written notice received by the Lender. Any such notice shall be deemed to have been received on the date of delivery, if delivered



personally, one day after the deposit with a courier if delivered by courier and three (3) days after mailing if delivered by registered mail.

18. Responsibility to Keep Informed.

So long as any of the obligations remain unpaid or outstanding, the Guarantor assumes all responsibility for being and keeping HARBOUREDGE MORTGAGE INVESTMENT CORPORATION informed of the financial condition of the Borrower and of all circumstances bearing upon the nature, scope and extent of the risk which the Guarantor assumes and incurs under this Guarantee.

19. No Escrow.

Possession of this Guarantee by the Lender shall be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent have been complied with unless, at the time or receipt of this Guarantee by the Lender, the Guarantor obtains from the Lender a letter setting out the terms and conditions under which this Guarantee was delivered and the conditions, if any, to be observed before it becomes effective.

20. Governing Law and Submission to Jurisdiction.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the courts of the Province of Ontario and acknowledges their competence and agrees to be bound by any judgment thereof except that nothing herein shall limit the Lender's right to bring proceedings against the Guarantor elsewhere.

21. Successors and Assigns.

This Guarantee shall extend and enure to the benefit of the Lender and its heirs, executors, administrators, successors and assigns and shall be binding upon the Guarantor and the heirs, executors, administrators, successors and permitted assigns of the Guarantor. If there is more than one Guarantor referred to herein, then their obligations shall be joint and several.

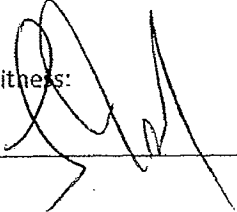
22. Time.


Time is of the essence with respect to the terms and provisions of this Guarantee



and the time for performance of the obligations of the Guarantor under this Guarantee are to be strictly construed.

IN WITNESS WHEREOF this Guarantee has been made and delivered as of the date first above written.

Witness:


)
)  _____ (Seal)
) JASMEET KAUR SANDHU

Greg Farnand, B. Admin., LL.B.
Barrister, Solicitor, Notary Public
#204-110 Bearbrook Road, Ottawa, K1B 5R2



GUARANTEE

THIS GUARANTEE dated as of the 21st day of May, 2014

WHEREAS:

A. 2171052 ONTARIO LIMITED (hereinafter referred to as the "Guarantor" has agreed to provide HARBOUREDGE MORTGAGE INVESTMENT CORPORATION (hereinafter referred to as the "Lender") with a guarantee of the Obligations (as hereinafter defined) of 2177427 Ontario Limited (hereinafter referred to as the "Borrower");

B. The Guarantor has agreed that if this guarantee is not enforceable, the Guarantor will indemnify the Lender or be liable as primary borrower;

NOW THEREFORE in consideration of the premises and the covenants and agreements herein contained, and the payment of the sum of TEN DOLLARS (\$10.00) by the Lender to the Guarantor (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants with the Lender as follows:

1. Interpretation.

The recitals contained herein are true and the terms defined therein are hereby adopted.

2. Guarantee.

(a) The Guarantor hereby unconditionally and irrevocably guarantees, as a continuing obligation, due and punctual payment to the Lender forthwith after demand thereof of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender or remaining unpaid by the Borrower to the Lender in relation to loan facilities between the Borrower and the Lender (hereinafter collectively referred to as the "Obligations") with interest at the rate herein expressed. All amounts payable by the Guarantor hereunder shall be paid to the Lender at its address as aforesaid or as otherwise directed by the Lender. For greater certainty, this shall be a continuing guarantee and shall cover all of the obligations now or hereafter existing and shall apply to and secure any ultimate balance due or remaining due to the Lender.

(b) If any or all of the Obligations are not duly paid or performed by the Borrower and are not recoverable under section 2(a) hereof for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Lender from and against all losses resulting from the failure of the Borrower to pay or perform such Obligations.

3. Dealings With Borrower.

The Lender may make advances, grant accommodations, make payments, grant extensions of time, renewals or indulgences, take and give up securities including other guarantees, abstain from taking securities or from perfecting securities, cease or refrain from giving credit or making loans or advances, accept compositions, grant releases and discharges and otherwise deal with the Borrower and with other parties and securities as the Lender sees fit, and apply all monies received from the Borrower or others or from security upon such part of the obligations as it, in its absolute discretion, may think best, without the consent of, or notice to, the Guarantor and without prejudice to, or in any way limiting or lessening, the liability of the Guarantor hereunder. Without limiting the generality of the foregoing, the Guarantor hereby authorizes and empowers the Lender, in its sole and unfettered discretion, without any notice to the Guarantor or any other person, to exercise any right or remedy which the Lender may have against the Borrower or with respect to any security, whether real, personal or intangible, for the obligations, including judicial and non-judicial foreclosure, without affecting in any way the liability of the Guarantor hereunder and the Guarantor shall be liable to the Lender for any deficiency resulting from the exercise by the Lender of any such right or remedy, even though any rights or remedies which the Guarantor may have against the Borrower or any other person may have been altered or diminished by the exercise of any such right or remedy.

4. Recourse Against Borrower.

The Lender shall not be bound to exercise all or any of its rights and remedies or to exhaust its recourse against the Borrower or others or any security before being entitled to payment from the Guarantor under this Guarantee.

5. Loss of Securities.

Any loss of, or neglect or omission with respect to any security held by the Lender, whether occasioned through the fault of the Lender or otherwise, shall not discharge in whole or in part, or limit or lessen the liability of the Guarantor hereunder.

6. Settlement of Accounts.

Any account settled or stated between the Lender and the Borrower or admitted by or on behalf of the Borrower shall be accepted by the Guarantor as conclusive evidence that the amount thereby appearing due by the Borrower to the Lender is so due.

7. Change in Composition of Borrower.

Neither a change in the name, objects, capital structure or constitution, membership, ownership or control of the Borrower nor any other circumstance including, without limitation, the amalgamation of the Borrower with another corporation, any defect in, omission from, failure to file or register or defective filings or registrations of any instrument under which the Lender has taken any security or collateral for payment of any of the obligations or the performance or observance of any obligation of the Guarantor to the Lender or any

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circumstance affecting the Borrower or the Guarantor, which might otherwise afford a legal or equitable defence to the Guarantor or a discharge of the Guarantee shall affect or in any way limit or lessen the liability of the Guarantor hereunder.

8. Waiver.

No delay on the part of the Lender in exercising any of its options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by the Lender unless the same shall be in writing, duly signed on behalf of the Lender, and each such waiver, if any, shall apply with respect to the specific instance involved, and shall in no way impair the rights of the Lender or the obligations of the Guarantor to the Lender in any other respect at any other time.

9. Guarantee of All Monies Borrowed.

All monies, advances, renewals and credits in fact borrowed or obtained by the Borrower from the Lender under or in connection with the Loan shall be deemed to form part of the obligations notwithstanding any incapacity, disability or lack of limitation of status or power of the Borrower or of the directors, officers, employees, partners or agents thereof, or that the Borrower may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals or credits, whether known to the Lender or not. The Lender shall not be obliged to enquire into the powers of the Borrower or its directors, partners, or agents acting or purporting to act on its behalf, and monies, advances, renewals or credits in fact borrowed or obtained from the Lender in the professed exercise of any power of the Borrower or its directors, partners, or agents shall be deemed to form part of the obligations hereby guaranteed even though the incurring of such monies, advances, renewals or credits was irregular, fraudulent, defective or informally effected or exceeded the powers of the Borrower or its directors, partners, or agents. Any part of the obligations which may not be recoverable from the Guarantor by the Lender on the basis of a guarantee shall be recoverable by the Lender from the Guarantor as principal debtor in respect thereof and shall be paid to the Lender forthwith after demand therefore as herein provided.

10. Assignment by Lender.

The Lender may from time to time and without notice to, or the consent of the Guarantor assign or transfer all or any of the obligations or any interest therein to any person and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, any such obligation or part thereof so transferred or assigned shall be and shall remain an "obligation" for the purpose of this Guarantee and any immediate and successive assignee or transferee of any obligation or any interest therein shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce this Guarantee to the same extent as if such person were the Lender. In the event of any such assignment or

transfer, the Lender shall retain the right to enforce this Guarantee for its own benefit as to any obligation which has not been so assigned or transferred.

11. Revival of Indebtedness.

The Guarantor agrees that, if at any time all or any part of any payment previously applied by the Lender to any obligation is or must be rescinded or returned by the Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower), such obligation shall, for the purpose of this Guarantee, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation, all as though such application by the Lender has not been made.

12. Postponement.

If the Lender receives from the Guarantor a payment or payments in full or on account of the liability of the Guarantor hereunder, then the Guarantor shall not be entitled to claim repayment against the Borrower or the Borrower's estate until the Lender's claims against the Borrower have been paid in full. In case of liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or involuntary) or if the Borrower shall make a bulk sale of any of its assets within the bulk transfer provisions of any applicable legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof in priority to the Guarantor until the Lender's claim has been paid in full, and the Guarantor shall continue to be liable hereunder up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing the Lender by the Borrower. In the event of the valuation by the Lender of any of its security and/or the retention thereof by the Lender, such valuation and/or retention shall not as between the Lender and the Guarantor, be considered as a purchase of such security or as payment or satisfaction or reduction of the obligations or any part thereof. Any and all rights the Guarantor may have as surety, whether at law, in equity or otherwise, that are inconsistent with any of the provisions contained in this Guarantee are hereby waived. The foregoing provisions of this paragraph shall not in any way limit or lessen the liability of the Guarantor under any other paragraph of this Guarantee.

13. Legal Expenses.

The Guarantor shall from time to time upon demand by the Lender forthwith pay to the Lender all expenses (including legal fees) incurred by the Lender in the preparation of this Guarantee and the preservation or enforcement of any of its rights hereunder.

14. Additional Security.

Handwritten signature or initials in the bottom right corner of the page.

This Guarantee is in addition to, and not in substitution for, and without prejudice to, any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Lender and any other rights or remedies that the Lender might have.

15. Taxes and Set-Off.

All payments to be made by the Guarantor hereunder shall be made without set-off or counterclaim and without deduction for any taxes, levies, duties, fees, deductions, withholdings, restrictions or conditions or any nature whatsoever. If, at any time, any applicable law, regulation or international agreement requires the Guarantor to make any such deduction or withholding from any such payment, the sum due from the Guarantor in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender received a net sum equal to the sum which it would have received had no deduction or withholding been required.

16. Interest.

The Guarantor shall pay to the Lender in respect to any amount payable hereunder (including interest) that is not paid when due, interest from the due date thereof, until paid and after demand, default and judgment at the rate of interest set out in the Mortgage such interest to be calculated and paid monthly on the last day of each calendar month, not in advance.

17. Demand for Payment.

A demand for payment shall be deemed to have been given where a notice in writing containing such a demand is delivered personally or is sent by mail or prepaid courier to the Guarantor at the address of the Guarantor as aforesaid or at such other address as the Guarantor may subsequently specify by written notice received by the Lender. Any such notice shall be deemed to have been received on the date of delivery, if delivered personally, one day after the deposit with a courier if delivered by courier and three (3) days after mailing if delivered by registered mail.

18. Responsibility to Keep Informed.

So long as any of the obligations remain unpaid or outstanding, the Guarantor assumes all responsibility for being and keeping HARBOUREDGE MORTGAGE INVESTMENT CORPORATION informed of the financial condition of the Borrower and of all circumstances bearing upon the nature, scope and extent of the risk which the Guarantor assumes and incurs under this Guarantee.

19. No Escrow.

Possession of this Guarantee by the Lender shall be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should

A handwritten signature in black ink, appearing to be the initials 'BF' or similar, located in the bottom right corner of the page.

not be effective until any conditions precedent or subsequent have been complied with unless, at the time or receipt of this Guarantee by the Lender, the Guarantor obtains from the Lender a letter setting out the terms and conditions under which this Guarantee was delivered and the conditions, if any, to be observed before it becomes effective.

20. Governing Law and Submission to Jurisdiction.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the courts of the Province of Ontario and acknowledges their competence and agrees to be bound by any judgment thereof except that nothing herein shall limit the Lender's right to bring proceedings against the Guarantor elsewhere.

21. Successors and Assigns.

This Guarantee shall extend and enure to the benefit of the Lender and its heirs, executors, administrators, successors and assigns and shall be binding upon the Guarantor and the heirs, executors, administrators, successors and permitted assigns of the Guarantor. If there is more than one Guarantor referred to herein, then their obligations shall be joint and several.

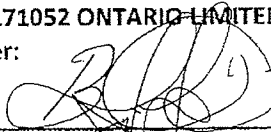
22. Time.

Time is of the essence with respect to the terms and provisions of this Guarantee and the time for performance of the obligations of the Guarantor under this Guarantee are to be strictly construed.

IN WITNESS WHEREOF this Guarantee has been made and delivered as of the date first above written.

2171052 ONTARIO LIMITED

Per:



Bhupinder Singh Sandhu, President

I have authority to bind the corporation



tab F

2177427 Ontario Limited
Statement of Receipts and Disbursements to July 10, 2017

	Total \$
<u>Receipts</u>	
Sales Proceeds	18,000,000.00
Hotel revenues	1,176,597.26
Transfer of funds	697,000.00
Miscellaneous refunds	666.70
Total Receipts	19,874,263.96
<u>Disbursements</u>	
Transfer of funds	797,000.00
Property taxes	619,048.82
Payroll costs	149,221.17
Royalties	82,066.33
Purchase expenses	71,484.62
HST remitted	65,164.50
Credit card commissions	35,684.73
HST paid	29,394.03
Repairs, maintenance and miscellaneous	17,450.17
Utilities	16,595.83
Lease costs - appliances/printer	15,280.74
Real Estate Commission	15,000.00
Accounting services	12,000.00
Cleaning services	13,936.20
Insurance	7,408.71
Sales Commissions	5,699.11
CRA garnishment - HST	5,068.39
Cable TV/Internet services	4,860.01
Lease costs - other	3,397.40
Telephone	2,526.22
	1,968,286.98
Subtotal	17,905,976.98
Less: Professional fees	128,485.48
Balance available	17,777,491.50
Distributions to Mortgagees	15,245,227.36
Cash on Hand	2,532,264.14

tab G

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

BETWEEN:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

-and-

2177427 ONTARIO LIMITED

Respondents

AFFIDAVIT OF KEN PEARL

I, **KEN PEARL**, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY**, as follows:

1. I am a Senior Vice President of The Fuller Landau Group Inc. ("**Fuller**"), which was appointed as the receiver (the "**Receiver**") of 2177427 Ontario Limited (the "**Company**") pursuant to an Order of Mister Justice Myers dated April 7, 2017. As such, I have knowledge of the matters to which I hereinafter deposed to, except where stated to be on information and belief and whereas stated I verily believe such to be true.

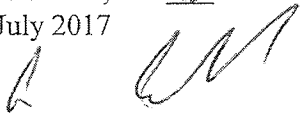
2. Attached and marked **Exhibit "A"** to this my affidavit is a true copy of the detailed billing setting out the fees and disbursements of Fuller incurred in its role as Receiver of the Company for the period from June 1 to June 30, 2017 (the "**Account**"), in the amount of \$41,806.13 (comprising fees of \$41,740.00 and disbursements of \$66.13) together with HST in the amount of \$5,434.80, totaling \$47,240.93.

3. The Account includes a summary providing the names of the personnel providing the services reflected in the Accounts, the number of hours spent by such personnel and their hourly rate. Total fees are \$41,740 and total hours are 112.68, resulting in an average hourly rate of \$370.43.

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

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

SWORN BEFORE ME at the
 City of Toronto, this 13th
 day of July 2017



 A Commissioner for Taking Affidavits, etc.

)
)
)
)
)



KEN PEARL

*Adam Mark Erlich, a Commissioner, etc.,
 Province of Ontario, for The Fuller Landau
 Group Inc. and its associates and affiliates.
 Expires August 20, 2018.*

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF KEN PEARL

Sworn before me

This 13th day of July 2017



Commissioner for taking Affidavits, etc.

Adam Mark Erlich, a Commissioner, etc.,
Province of Ontario, for The Fuller Landau
Group Inc. and its associates and affiliates.
Expires August 20, 2018.



Invoice No. 121470

June 30, 2017

Client No. 1307379:01 KLP

2177427 Ontario Limited
 c/o The Fuller Landau Group Inc.
 151 Bloor St. W. 12th Floor
 Toronto, ON M5S 1S4

Attention: Mr. Ken Pearl

INVOICE

TO PROFESSIONAL SERVICES RENDERED:

With respect to our appointment as Court Receiver of 2177427 Ontario Ltd. for the period ending June 30, 2017 as set out in the attached detailed time dockets.

Our fee	\$ 41,740.00
Disbursements.....	66.13
Subtotal	41,806.13
HST	5,434.80
BALANCE DUE	\$ 47,240.93

OUR STANDARD FEE

K. Pearl - 66.90 hrs. @ \$475/hr.
 M. Niva - 32.80 hrs. @ \$225/hr.
 M. Baxter - 0.18 hrs. @ \$125/hr.
 M. Glowinsky - 12.80 hrs. @ \$160/hr.

Disbursements = Couriers

HST Registration No. R130795669

*Payment is due on receipt of account.
 Amount outstanding in excess of thirty days will be charged interest at 12% per annum until paid in full.*

Client No. 1307379:01 KLP	Invoice No. 121470	Invoice Amt. \$47,240.93
Please complete and return or visit the Client Resources section on our website at www.fullerllp.com if you wish to pay your account by Visa or MasterCard		
Cardholders Name:		
Credit Card Type:	<input type="checkbox"/> Visa <input type="checkbox"/> MasterCard	CVD:
Credit Card Number:	Expiration Date:	
Signature:	Date:	

Please remit to:
 THE FULLER LANDAU GROUP INC.
 Accts Receivable
 151 Bloor Street West, 12th Floor
 Toronto, Ontario
 Canada M5S 1S4

Toronto, Hamilton

Tel.: (416) 645-6500
 Fax: (416) 645-6501

www.fullerllp.com

Billing Worksheet

Primary Partner - Client Code

Filters Used:

- Time Expense Date: 01/06/2017 to 30/06/2017
- Engagement ID: 1307379:01 to 1307379:01

Primary Partner: Pearl, Ken (KLP)

Master Client: 1307379 - 2177427 Ontario Limited
 1307379:01 - 2177427 Ontario Limited - KLP

				Retainer Balance	WIP	Progress	Net WIP	AR Balance	
				0.00	41,806.13	0.00	41,806.13	0.00	
WIP				Memo	Rate	Hours	Amount		
---	Client	---	Couriers	BLIZZARD COURIER 09/06/2017	Ship Date: May 25	\$0.00	9.07		
---	Client	---	Couriers	FEDEX COURIER 14/06/2017	Ship Date: May 26	\$0.00	28.13		
---	Client	---	Couriers	FEDEX COURIER 14/06/2017	Ship Date: June 1	\$0.00	27.28		
---	Client	---	All Other Recoverable E KLP	30/06/2017	31 May Long distance call - Safety Access Network	\$0.00	1.65		
				Client Totals:			66.13		
CRI	AGT	AGT80	General	KLP	01/06/2017	d/w Vic Vandergust re: status of sales process and HarbourEdge payout statement needed for closing;review and d/w Colliers of their marketing report and approve notice to be sent to Qualified Parties; review invoices of and respond to inquiry from Hotel Planner; d/w Greg Parker re: status of discussions with Wildwood; review payout statement of HarbourEdge and d/w Rompsen re: payout;	\$475.00	3.40	1,615.00
CRI	AGT	AGT80	General	KLP	02/06/2017	review draft Notice of Motion for June 23rd court date and provide comments and d/w Vern DaRe; review supporting documents received from Elie Khouri regarding mortgage advances; d/w counsel to potential bidder;	\$475.00	2.60	1,235.00
CRI	AGT	AGT80	General	KLP	05/06/2017	d/w Jasmeet Sandhu and d/w RFID Hotels to arrange for purchase order; d/w National Leasing re: sales process; review of weekly invoices; prepare updated estimate of funds available for distribution based on assumption of sale to Stalking Horse Bidder and d/w Vern DaRe;	\$475.00	1.90	902.50

Billing Worksheet

Primary Partner - Client Code

Filters Used:

- Time Expense Date: 01/06/2017 to 30/06/2017
- Engagement ID: 1307379:01 to 1307379:01

Primary Partner: Pearl, Ken (KLP)

CRI	AGT	AGT80	General	KLP	Date	Description	Rate	Hours	Amount
CRI	AGT	AGT80	General	KLP	06/06/2017	d/w Vern DaRe re: terms of proposed settlement with Wildwood; d/w City of Ottawa re: disconnect notice on water supply; d/w Stalking Horse Bidder re: status of sale process; d/w insurance broker re: status of policy and payment of premiums; d/w realtor re: his client's interest in the hotel property and bid deadline and send sales teaser and NDA; d/w HarbourEdge re: supporting details to payout statement;	\$475.00	2.70	1,282.50
CRI	AGT	AGT80	General	KLP	07/06/2017	d/w Colliers re: terms of conditional bid rec'd; review and approve payroll for this week; review bid rec'd and setup call to discuss with bidder and Colliers;	\$475.00	1.40	665.00
CRI	AGT	AGT80	General	KLP	08/06/2017	d/w HarbourEdge re: supporting detail to costs on payout statements for first and second mortgages; review May IHG royalty statement; d/w Colliers and bidder re: conditional bid and request for time to waive conditions; d/w stalking horse bidder re: extending the deadline; review draft settlement agreement with Wildwood;	\$475.00	3.70	1,757.50
CRI	AGT	AGT80	General	KLP	09/06/2017	call with bidder and Colliers to request waiver of conditions; call with Stalking Horse Bidder to confirm acceptance of offer; d/w Vern DaRe re: June 23 motion to request approval and vesting order, and provide comments re: draft settlement documents with Wildwood; review draft notice of motion and factum for June 23 hearing; d/w IHG re: confirmation of details re: May royalties; d/w Tomlinson re: refusal to p/u garbage;	\$475.00	2.80	1,330.00

Fuller Landau LLP

Billing Worksheet

Primary Partner - Client Code

Filters Used:

- Time Expense Date: 01/06/2017 to 30/06/2017
- Engagement ID: 1307379:01 to 1307379:01

Primary Partner: Pearl, Ken (KLP)

Client Code	Partner Code	Date	Description	Rate	Hours	Amount
CRI AGT AGT80 General	KLP	12/06/2017	d/w Colliers re: final marketing report; draft Second Court Report to request approval and vesting order; review draft settlement documents re: Wildwood and provide comments to legal counsel; d/w Jasmeet Sandhu re: approval of purchase invoices and transfer of funds to Receiver's trust account; d/w Elie Khouri re: details of court hearing scheduled for June 23;	\$475.00	4.90	2,327.50
CRI AGT AGT80 General	KLP	13/06/2017	prepare list of operational transition issues including supplier contacts and send to purchaser; review royalty statement from IHG for May; sign purchaser's consents to request information on hotel property; review updated R&D; review property tax bill and d/w property tax consultant re: amounts billed;	\$475.00	2.60	1,235.00
CRI AGT AGT80 General	KLP	14/06/2017	complete draft of Second Report of the Receiver and send to Vern DaRe for review; assemble appendices; d/w Van Houtte coffee re: invoices for payment;	\$475.00	5.20	2,470.00
CRI AGT AGT80 General	KLP	15/06/2017	d/w Vern DaRe re: draft Second Report, make revisions and sign off final version; request and review revised payout statements from HarbourEdge;	\$475.00	3.30	1,567.50
CRI AGT AGT80 General	KLP	16/06/2017	review fax from CRA re: deemed trust claim for HST and d/w Vern DaRe re: prescribed security interest exemptions for mortgagees;	\$475.00	0.30	142.50
CRI AGT AGT80 General	KLP	19/06/2017	review commission invoices from HTG and d/w Veronique; review and approve Bell Canada invoice; d/w Jasmeet re: invoices to approve for payment and request accrued vacation pay owing to employees since receivership date; d/w purchaser re: transition issues;	\$475.00	1.70	807.50

CRI AGT AGT80 General	KLP	20/06/2017	d/w Vern DaRe re: plans to bring motion on July 7th re: Wildwood settlement; review and approve payroll; Fuller Landau LLP	\$475.00	0.90	427.50
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04 Jul, 2017

Billing Worksheet

Primary Partner - Client Code

Filters Used:

- Time Expense Date: 01/06/2017 to 30/06/2017
- Engagement ID: 1307379:01 to 1307379:01

Primary Partner: Pearl, Ken (KLP)

CRI AGT AGT80 General	KLP	21/06/2017	review mortgage payout statement from Romspen and d/w HarbourEdge; d/w real estate counsel at Foglers re: closing arrangements; d/w Veronique re: Hotel Planner commission invoices for pre-filing services; review email from counsel to purchaser re: closing issues; review email from CRA re: HST deemed trust; d/w Collins Barrow re: status of completion of updating bookkeeping to April 7/17;	\$475.00	2.30	1,092.50
CRI AGT AGT80 General	KLP	22/06/2017	review of draft approval and vesting order; d/w Vern DaRe re: motion to approve Wildwood settlement and details to include in report of the Receiver; prepare first draft of Third Report; d/w Michael Glowinsky re: review of significant pre-receivership bank debits to sent to management to provide supporting details;	\$475.00	1.90	902.50
CRI AGT AGT80 General	KLP	23/06/2017	attend in Court for hearing of motion to request approval and vesting order for sale of hotel property; review and sign settlement documents re: Wildwood; d/w purchaser re: transition issues including arrangements with suppliers and employees and plans for closing on June 30; d/w Romspen re: status of closing and request and review final payout statement; d/w National Leasing and Hewlett Packard to request documents to assign leases to purchaser, and send received documents to purchaser; request wiring instructions from HarbourEdge; call to Hotel Planner re: deactivated account;	\$475.00	4.90	2,327.50

review closing agenda drafted by
 Purchaser's counsel and provide comments
 to Vern DaRe;
 Fuller Landau LLP

04 Jul, 2017

Billing Worksheet

Primary Partner - Client Code

Filters Used:

- Time Expense Date: 01/06/2017 to 30/06/2017
- Engagement ID: 1307379:01 to 1307379:01

Primary Partner: Pearl, Ken (KLP)

CRI	AGT	AGT80	General	KLP	Date	Description	Rate	Hours	Amount
					26/06/2017	d/w CRA rep re: deemed trust claim for HST and potential prescribed security interests of mortgages; prepare mortgage summary and send with copy of land title search by fax to CRA; d/w Elie Khouri and review of mortgage payout statement with Michael Glowinsky; d/w HarbourEdge and Romspen re: status of closing and payout of mortgages; review invoices from travel group and d/w Veronique, sales manager for the hotel; d/w Vern DaRe re: mortgage payouts and statement of adjustments; review and revise property tax adjustment to June 1/17; d/w Jasmeet re: current employees and revenues for May; d/w Michael re: drafting employee termination letters; d/w Collins Barrow re: status of completion of bookkeeping to April 7/17;	\$475.00	3.60	1,710.00
					27/06/2017	sign draft Receiver Certificates and send to Foglers; draft Third Report of the Receiver re: Wildwood settlement and send to Vern DaRe for review, d/w Verne, make revisions and finalize and sign; d/w Michael Glowinsky to arrange for final utility readings on June 30; d/w purchaser re: arrangements for utilities and send account info including insurance certificate; send notices to suppliers of closing of sale on June 30th; send invoices and d/w Jasmeet re: approval; review updates to closing agenda rec'd from purchaser's counsel and d/w Vern DaRe re: items completed or dates to complete; d/w	\$475.00	6.30	2,992.50

TD Bank re: freezing of operations account until closing of sale and send confirmation letter; review trial balance and internal f/s prepared by Collins Barrow to April 7/17; d/w AT&T re: court order to prevent disconnection;

Fuller Landau LLP

04 Jul, 2017

Page 6 of 9

Billing Worksheet

Primary Partner - Client Code

Filters Used:

- Time Expense Date: 01/06/2017 to 30/06/2017
- Engagement ID: 1307379:01 to 1307379:01

Primary Partner: Pearl, Ken (KLP)

CRI	AGT	AGT80	General	KLP	Date	Description	Rate	Hours	Amount
CRI	AGT	AGT80	General	KLP	28/06/2017	research and d/w Vern DaRe re: priority of water arrears; d/w Tim Dwyer of HarbourEdge re: revisions to payout statements of Romspen and HarbourEdge; review revised payout statement from Romspen; d/w internal legal counsel to Hotel Planner re: stay on pre-receivership debts; review motion record returnable on July 7/17; d/w Jasmeet re: outstanding items to complete and continuing to assist Receiver post closing of sale; review motion record to be filed by counsel to Wildwood; d/w Minna to review and account for all items on operating bank statement to closing; d/w Collins Barrow re: water arrears in Ottawa and receivable balances shown in April 7/17 trial balance;	\$475.00	3.70	1,757.50
CRI	AGT	AGT80	General	KLP	29/06/2017	calculate revised payouts to Romspen and HarbourEdge and d/w Vern DaRe; attend at Foglers to review closing agenda items and sign closing docs; review employee termination letters and send to Jasmeet to hold until closing is complete; d/w purchaser re: status and transition of supplier accounts; send reminders to Bell Canada re: purchaser's intention to takeover tel number;	\$475.00	2.70	1,282.50

CRI AGT AGT80 General	KLP	30/06/2017	review correspondence from counsel to creditor and d/w Vern DaRe; review closing docs and d/w purchaser re: status of finalizing closing including HST indemnity; sign HST election form and undertaking to adjust; review and approve Purchaser's allocation of sales proceeds; d/w HarbourEdge and Romspen re: to confirm closing and approve issuing funds to payout mortgages; d/w Jasmeet and Bobby Sandhu re: status of closing and release of employee termination letters; d/w purchaser re: o/s payments on leases; Fuller Landau LLP	\$475.00	4.10	1,947.50
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04 Jul, 2017

Billing Worksheet

Primary Partner - Client Code

Filters Used:

- Time Expense Date: 01/06/2017 to 30/06/2017
- Engagement ID: 1307379:01 to 1307379:01

Primary Partner: Pearl, Ken (KLP)

			AGT Totals:		66.90	31,777.50
CRI CBA CBA53 Banking	MNB	21/06/2017	May bank recs	\$125.00	0.18	22.50
			CBA Totals:		0.18	22.50
CRI REC REC07 Correspondence/E-mail MGG		05/06/2017	prepared email for Bobby and Jasmeet re: unidentified debit transfers in bank statements totalling \$247K	\$200.00	0.40	80.00
CRI REC REC07 Correspondence/E-mail MGG		23/06/2017	emailed Ken updating on shareholder account activity and how we need to request GL breakdown to understand in/out transactions	\$200.00	0.20	40.00
CRI REC REC07 Correspondence/E-mail MGG		26/06/2017	prepared email to Jasmeet asking about what dates advances were made from Elie Kouri to the company	\$200.00	0.10	20.00
CRI REC REC13 Meetings	MGG	26/06/2017	meeting with KP to discuss preparing notices of termination for employees	\$200.00	0.20	40.00
CRI REC REC53 Banking	MGG	05/06/2017	preference review to see if there unusual debits/withdrawals, made list of unidentified amounts to ask Bobby	\$200.00	4.10	820.00
CRI REC REC53 Banking	MGG	30/06/2017	received signed cheques from KP, scanned and gave to Thomas to bring to the bank, mailed cheques out to vendors for services rendered, cut a cheque for Bobby landscaping services (June), scanned copies of Colliers commissions and Bobby Sandhu cheques for our records	\$200.00	1.60	320.00

CRI REC REC80 General	MLN	01/06/2017	payment outstanding disbursements; confirm activity and balance at May 31st; request \$100,000 to be wired to trust account; update banking activity spreadsheet to May 31st	\$225.00	2.40	540.00
CRI REC REC80 General	MLN	02/06/2017	finalize banking activity spreadsheet to May 31st; confirm wire with HSBC	\$225.00	1.35	303.75
CRI REC REC80 General	MLN	05/06/2017	email Jasmeet re: sales and HST reporting; call to CRA PConfalone re: status of RT0002; email Sysco	\$225.00	1.45	326.25
CRI REC REC80 General	MLN	06/06/2017	discussion with and fax to CRA-PConfalone re: RT0002 account; review April sales and HST reporting received from Jasmeet; various banking	\$225.00	2.75	618.75
CRI REC REC80 General	MLN	08/06/2017	issue payment of various disbursements; review payroll to period ending June 4th ; follow up call to P. Confalone re: RT0002 Fuller Landau LLP	\$225.00	2.90	652.50

04 Jul, 2017

Billing Worksheet

Primary Partner - Client Code

Filters Used:

- Time Expense Date: 01/06/2017 to 30/06/2017
- Engagement ID: 1307379:01 to 1307379:01

Primary Partner: Pearl, Ken (KLP)

CRI REC REC80 General	MLN	12/06/2017	follow up with CRA re: RT0002; update banking activity to June 12th; email to JS re: additional detail for certain banking transactions and sales activity	\$225.00	2.40	540.00
CRI REC REC80 General	MLN	13/06/2017	request US bank draft for RFID hotel payment; confirm RT0002 open with CRA (PConfalone); update R&D for 2nd court report to June 13th; confirm wire; payment May royalties; calculate and pay April HST owing; JS emails	\$225.00	2.90	652.50
CRI REC REC80 General	MLN	14/06/2017	various banking; JS emails	\$225.00	0.90	202.50
CRI REC REC80 General	MLN	15/06/2017	call to HTG Sports re: outstanding invoices; pay Best Linen, Sysco, repair invoice, utility invoices; RFID Hotel re: key cards	\$225.00	1.75	393.75
CRI REC REC80 General	MLN	19/06/2017	payment various disbursements; emails	\$225.00	1.55	348.75
CRI REC REC80 General	MLN	21/06/2017	review June 20 payroll; update banking activity spreadsheet to June20; track purchaser June revenue and expenses; confirm wire; f/up RT0002 remittance, review May sales reporting from JS	\$225.00	3.90	877.50
CRI REC REC80 General	MGG	23/06/2017	reviewed Jasmeet's descriptions of unknown transfers/payments and ensured shareholder advances matched to bank statements, reviewed FS for shareholder account decrease	\$200.00	0.70	140.00

CRI REC REC80 General	MLN	23/06/2017	payment various outstanding invoices; review TD account	\$225.00	1.25	281.25
CRI REC REC80 General	MGG	26/06/2017	preparing notices of termination for employees, reviewing mortgage discharge statement from Elie K @ capital rentals	\$200.00	1.80	360.00
CRI REC REC80 General	MLN	26/06/2017	pay various outstanding disbursements; emails; review payroll, May sales	\$225.00	1.40	315.00
CRI REC REC80 General	MGG	27/06/2017	spoke with Enbridge and Hydro One about meter reading on Friday, sent email to Enbridge to request meter reading on June 30, 2017, sent fax to CRA regarding summary of land registrations, scanned copies of old invoices for Ryan Williams	\$200.00	2.10	420.00
CRI REC REC80 General	MLN	27/06/2017	pay Best Linen; RT0002; TD account activity; emails	\$225.00	0.75	168.75
CRI REC REC80 General	MLN	28/06/2017	review TD banking activity to June 28; payment of various disbursements; emails JS; review May HST and June revenue/expense breakdown	\$225.00	2.25	506.25

Fuller Landau LLP

04 Jul, 2017

Billing Worksheet

Primary Partner - Client Code

Filters Used:

- Time Expense Date: 01/06/2017 to 30/06/2017
- Engagement ID: 1307379:01 to 1307379:01

Primary Partner: Pearl, Ken (KLP)

CRI REC REC80 General	MLN	29/06/2017	payment Colliers commission invoice; confirmation with Pat Confalone @ CRA that April payment applied against RT0002; calculate HST remittance for May 1-31, 2017 and issue payment; update activity to June 29th and update purchaser revenue/expense spreadsheet	\$225.00	2.90	652.50
CRI REC REC80 General	MGG	30/06/2017	reconciled which invoices from GL relate tp services rendered from May vs. June to assess if receiver or purchaser is repsonible	\$200.00	1.60	320.00
REC Totals:					45.60	9,940.00
2177427 Ontario Limited					112.68	41,806.13

Employee Summary

Baxter, Monique (MNB)	0.18	22.50
Glowinsky, Michael (MGG)	12.80	2,560.00
Niva, Minna (MLN)	32.80	7,380.00
Pearl, Ken (KLP)	66.90	31,777.50
Total Net Wip	112.68	41,740.00

Primary Partner Pearl, Ken Totals:	WIP	Progress	Net WIP
	\$41,806.13	\$0.00	\$41,806.13
Grand Totals:	WIP	Progress	Net WIP
	\$41,806.13	\$0.00	\$41,806.13

tab H

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

B E T W E E N:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

-and-

2177427 ONTARIO LIMITED

Respondent

**AFFIDAVIT OF JARED SCHWARTZ
SWORN JULY 11, 2017**

I, Jared Schwartz, of the City of Toronto, Province of Ontario, Barrister and Solicitor, MAKE OATH AND SAY AS FOLLOWS:

1. I am a lawyer with the law firm of Fogler, Rubinoff LLP ("FR") and have knowledge of the matters hereinafter deposed to.
2. Attached hereto as Exhibit "A" is a true copy of the interim account dated June 26, 2017, rendered from the period of May 8, 2017 to June 25, 2017 by FR to The Fuller Landau Group Inc., in its capacity as Receiver of the Respondent (the "Receiver"), which account sets out the particulars of the work performed by FR with respect to this matter.
3. The total of the interim fees, disbursements and applicable taxes from May 8, 2017 to June 25, 2017 is the sum of \$43,661.06. The said account by FR to the Receiver is summarized as follows:

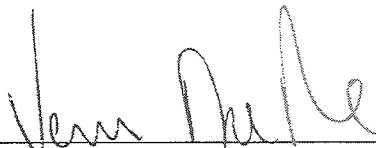
Date	Fees	Disbursements	HST	Total
June 26, 2017	\$ 37,056.00	\$ 1,600.51	\$ 5,004.55	\$ 43,661.06

4. The following are the billing rates of the lawyers who have worked upon the matter together with their year of call.

Timekeeper	Hourly Rate	Year of Call
Vern W. DaRe	530.00	1991

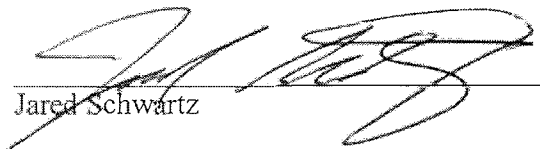
5. The hourly billing rates applied are FR's normal hourly rates for this client.

SWORN before me at the City of)
 Toronto, in the Province of Ontario, this)
 11th day of July, 2017.)
)



 A Commissioner, etc.

Vern DaRe



 Jared Schwartz

This is Exhibit "A" referred to in the Affidavit of Jared Schwartz sworn
before me this 11th day of July, 2017

A handwritten signature in cursive script, appearing to read "Vera DeBe".

A Commissioner for taking affidavits, etc.

June 26, 2017

The Fuller Landau Group Inc.
 151 Bloor Street West
 12th Floor
 Toronto ON
 M5S 1S4
 Attention: Ken Pearl

IN ACCOUNT WITH
 Fogler, Rubinoff LLP
 77 King Street West, Suite 3000
 TD Centre North Tower
 P.O. Box 95
 Toronto, ON
 M5K 1G8
 Telephone: 416-864-9700
 Fax: 416-941-8852
 www.foglers.com

fogler
 rubinoff

Our File: F2057 / 172290
 2177427 Ontario Limited, Receivership of

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>
May-08-17	VSF	Writ searches- 2 jurisdictions.	0.40
May-11-17	VSF	Commercial motion factum etc.	0.60
May-18-17	VWD	Review CRA's discharge of lien on title; email to client regarding same.	0.20
May-28-17	VWD	Review and reply to emails from Ken Pearl regarding sale of Hotel and Wildwood litigation; email to Greg Parker.	0.40
May-29-17	VWD	Review emails from Greg Parker and client regarding status of public road and Wildwood litigation; email to Purchaser's lawyer regarding public road.	0.30
May-29-17	VWD	Review email from client regarding Elie Khouri's mortgage including nine attached documents including promissory notes, deposit receipts and lawyer's letter regarding mortgage documents; email to client regarding same.	1.20
May-30-17	VWD	Review Mortgage Discharge Statements prepared by HarbourEdge; review Mozzone documents forwarded by his lawyer, Mr. Berg; telephone conversation with Ken Pearl; emails to and from Larry Dunn of HarbourEdge.	1.60
May-31-17	VWD	E-mail to client and HarbourEdge's lawyer.	0.20
May-31-17	VWD	Review emails from David Downs and Greg Parker regarding the Wildwood litigation; emails to and from client regarding same.	0.40
May-31-17	VWD	Preparation of first draft of Notice of Motion for motion returnable June 23, 2017; begin drafting Approval and Vesting Order for June 23, 2017 motion.	2.10
Jun-01-17	VWD	Telephone conversations with client and Greg Parker regarding Wildwood litigation; review legal accounts with respect to the Mortgage Discharge Statement of HarbourEdge; review Marketing Update of Colliers regarding interested parties in the Hotel; revise draft notice of motion for June 23 motion.	2.60

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>
Jun-02-17	VWD	Preparation of draft Approval and Vesting Order; email from and to client regarding relief to be sought on June 23 motion; review Land Titles search against Property and instruments registered on title in order to prepare Schedules "C" and "D" of Approval and Vesting Order.	3.20
Jun-05-17	VWD	Research case law in support of relief for June 23 motion; begin drafting factum for said motion; telephone conversation with Ken Pearl.	3.60
Jun-05-17	VWD	Review Estimated Distribution prepared by client.	0.20
Jun-06-17	VWD	Review, revise and complete first draft of factum; telephone calls from Greg Parker, David Downs and client regarding settlement of Wildwood litigation and Security Funds; email to same regarding same; review email from City of Ottawa regarding water arrears claim and case law dealing with same in receivership.	4.10
Jun-06-17	VWD	Preparation of Brief of Authorities by reviewing and highlighting cases included in the Brief.	1.30
Jun-07-17	VWD	Telephone conversation with Greg Parker regarding settlement of Wildwood litigation and terms of Minutes of Settlement; review updated Land Titles searches against the Hotel; revise Schedule C of draft Approval and Vesting Order in light of updated land titles search.	1.30
Jun-07-17	VWD	Review new offer for Hotel received today; emails from and to client regarding same.	0.50
Jun-08-17	VWD	Review emails from client and reply to same regarding competing bid or offer; telephone conversations with client regarding same.	0.60
Jun-09-17	VWD	Review and propose revisions to Minutes of settlement and draft Orders regarding settlement of Wildwood litigation; emails to and from Greg Parker, David Downs and client regarding same; emails to and from client regarding second offer and finalizing draft court materials next week.	4.20
Jun-12-17	VWD	Revise draft Factum and Approval and Vesting Order; telephone conversation with Ken Pearl.	1.20
Jun-12-17	VWD	Review revisions proposed by David Downs to draft Minutes of Settlement, draft Orders and Mutual Release.	0.50
Jun-13-17	DM	review various emails from client.	0.40
Jun-13-17	VWD	Revise draft Minutes of Settlement, draft Orders and Mutual Release regarding Wildwood Action; email to counsel for parties and client regarding same.	1.20
Jun-13-17	VWD	Review Consents prepared by Purchaser's lawyer; email to client regarding same.	0.50
Jun-13-17	VWD	E-mails to and from Doug McMullen regarding June 30th closing; review signed Purchase Agreement; review tax certificates; emails to and from client.	0.60
Jun-15-17	VWD	Review draft Second Report of Receiver, propose revisions and finalize Second Report; revise and finalize Motion Record, Factum and Book of Authorities for June 23 Motion; telephone conversations with client regarding same; emails to and from client regarding same.	7.40

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>
Jun-16-17	VWD	Review email from David Downs regarding Wildwood Litigation and reply to same; review CRA's letter regarding outstanding GST/HST; emails to and from client regarding same.	0.60
Jun-16-17	VWD	Review final versions of Minutes of Settlement, draft Orders and Mutual Release; email to client regarding same.	0.50
Jun-17-17	VWD	E-mail to Purchaser's lawyer, Bill King, listing outstanding matters regarding draft Approval and Vesting Order.	0.50
Jun-19-17	VWD	Preparation of Motion Record including Notice of Motion and draft Order for Motion returnable July 7, 2017; research law and pull relevant cases in support of Receiver's Motion returnable July 7, 2017 for, among other things, approval of settlement of Wildwood Action.	5.30
Jun-20-17	VWD	Preparation of first draft of Factum for the July 7 motion.	3.10
Jun-20-17	VWD	Review, update and highlight case law to be included in the Receiver's Brief of Authorities in support of the July 7 motion.	1.80
Jun-20-17	VWD	E-mail exchanges with Purchaser's lawyer regarding draft Approval and Vesting Order; review draft Order; telephone conversation with client.	0.50
Jun-21-17	DM	review offer, tax certificate, etc. LDD input, draft/print Statement of Adjustments, call tax office to confirm outstanding taxes and penalties, draft application and A&D, direction re funds, review series of emails to from client and to and from purchaser's solicitor.	1.40
Jun-21-17	VWD	Review, revise and finalize Motion Record for July 7 motion including notice of motion, draft order and factum and Brief of Authorities; emails from and to counsel for debtor and Wildwood regarding draft settlement documents; review Romspen discharge statement and direction; emails to client; telephone conversation with Doug McMullen of our office regarding closing.	3.60
Jun-21-17	VWD	Review emails from Bill King, Purchaser's lawyer, including attached copies of 2 executions, certificate of incorporation of purchaser and tax certificate; reply to same.	0.50
Jun-22-17	VWD	Preparation of Bill of Sale; reply to client's questions regarding Post-Closing Adjustments under the Purchase Agreement; review the Purchase Agreement; revise the draft Approval and Vesting Order as per the request of the Purchaser's lawyer; review the Motion Record, Factum and Brief of Authorities for tomorrow's motion; email to Greg Parker requesting signed settlement documents regarding the Wildwood Action; review responding email from Mr. Parker including attached signed settlement documents; email to client regarding same.	5.60
Jun-23-17	VWD	Review Motion Record and Factum in preparation of today's motion; attend before Justice Hainey and make submissions and obtain Approval and Vesting Order; circulate fully signed settlement documents regarding Wildwood Action; voice-mail message from David Downs regarding same; email to David Downs.	3.40
Jun-23-17	VWD	E-mail from and to David Downs, counsel for Wildwood, regarding July 7 motion.	0.20

<u>Date</u>	<u>Lawyer</u>	<u>Description</u>	<u>Hrs</u>
Jun-25-17	VWD	Preparation of Receiver's Certificate; review email from Purchaser's lawyer including attached draft closing agenda and work order; review Purchase Agreement; propose revisions to draft closing agenda; emails to and from client and Purchaser's lawyer regarding same.	3.70

OUR FEE HEREIN **\$37,056.00**

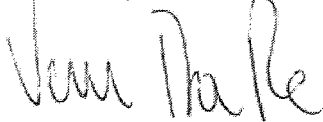
Disbursements

Taxable	Binding Supplies	\$45.60
Taxable	Copies of Instruments	\$6.00
Taxable	Courier & Delivery	\$85.52
Exempt	File Notice of Motion/Application	\$160.00
Taxable	Postage/Registered Mail	\$0.82
Taxable	Prints	\$883.80
Taxable	Scanning	\$168.50
Taxable	Search of Title	\$172.80
Taxable	Tax Certificate	\$69.00
Taxable	Telephone	\$8.47

Total Disbursements	\$1,600.51
Total Fees and Disbursements	\$38,656.51
HST @ 13% on Fees and Taxable Disbursements	\$5,004.55
Total Fees, Disbursements and Taxes this Bill	\$43,661.06

Balance Due: \$43,661.06

**THIS IS OUR ACCOUNT HEREIN
FOGLER, RUBINOFF LLP**



Vern W. DaRe

THIS ACCOUNT BEARS INTEREST, COMMENCING ONE MONTH AFTER DELIVERY, AT THE RATE OF 3.30% PER ANNUM AS AUTHORIZED BY THE SOLICITORS' ACT. ANY DISBURSEMENTS NOT POSTED TO YOUR ACCOUNT ON THE DATE OF THIS STATEMENT WILL BE BILLED LATER.

E. & O.E.

GST/HST No : R119420859

Please return a copy of this account with your payment. Thank you.



For your convenience, we have the following payment options:

- Online banking using the Bill Payment Service at most Canadian chartered banks. Please reference your file or account number in the notes box.
- Direct Deposits at a TD Branch (please provide your Fogler, Rubinoff lawyer with a copy of the cheque and deposit receipt).
- Wire transfer (please reference your file or account number).
- Electronic Funds Transfer (EFT).
- Cheque by mail or courier.

Should you require assistance, please contact our Accounts Receivable Department at 416.864.9700 x152 or by e-mail accountsreceivable@foglerrubinoff.com.

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

-and- 2177427 ONTARIO LIMITED

Applicant

Respondent

Court File No. CV-17-11726-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDINGS COMMENCED AT TORONTO

FEE AFFIDAVIT OF JARED SCHWARTZ

FOGLER, RUBINOFF LLP

Lawyers

77 King Street West, TD Centre

Suite 3000, North Tower

Toronto, ON M5K 1G8

Vern W. DaRe (32591E)

Tel: 416.941-8842

Fax: 416.941-8852

Lawyers for the Receiver

tab 3

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

THE HONOURABLE) FRIDAY, THE 21ST DAY
JUSTICE) OF JULY, 2017

B E T W E E N:

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

2177427 ONTARIO LIMITED

Respondent

ORDER

THIS MOTION, made by The Fuller Landau Group Inc., in its capacity as the court-appointed receiver (the "Receiver") of the undertaking, property and assets of the Respondent (the "Debtor") for an order, among other relief, approving an interim distribution as set out in the Report of the Receiver dated July 14, 2017 (the "Fourth Report"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fourth Report and on hearing the submissions of counsel for the Receiver and any one appearing for any other person on the service list, as properly served as appears from the affidavit of Michelle Pham sworn July 14, 2017, filed:

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

Receiver's Activities

2. THIS COURT ORDERS that the Fourth Report and the actions and activities of the Receiver as described in the Fourth Report are hereby approved.

3. THIS COURT ORDERS that the receipts and disbursements of the Receiver, as set out in the Fourth Report, are hereby approved.

Professional Costs

4. THIS COURT ORDERS that the interim fees and disbursements of the Receiver in the amount of \$47,240.93 including taxes, as disclosed in the Fourth Report, are hereby approved.

5. THIS COURT ORDERS that the interim fees and disbursements of the Receiver's counsel in the amount of \$43,661.06 including taxes, as disclosed in the Fourth Report, are hereby approved.

Interim Distribution to Elie Khouri

6. THIS COURT ORDERS that, after payment of the interim fees and disbursements herein approved and any priority claims, and subject to the Receiver retaining a holdback or reserve in the amount set out in the Fourth Report, the Receiver shall pay to Elie Khouri, the third mortgagee, the partial amount of the indebtedness owing to Elie Khouri pursuant to his respective mortgage as set out in the Fourth Report.

HARBOUREDGE MORTGAGE INVESTMENT CORPORATION

-and- 2177427 ONTARIO LIMITED

Applicant

Respondent

Court File No. CV-17-11726-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDINGS COMMENCED AT TORONTO

MOTION RECORD

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