Court File Number: CV-25-00741044-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

CHIEF EXECUTIVE OFFICER OF THE FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Applicant

-and-

SUSSMAN MORTGAGE FUNDING INC., 2486976 ONTARIO INC., and 1981361 ONTARIO INC.

Respondents

FIRST REPORT OF B. RILEY FARBER INC. IN ITS CAPACITY AS RECEIVER OF SUSSMAN MORTGAGE FUNDING INC., 2486976 ONTARIO INC., and 1981361 ONTARIO INC.

DATED JUNE 2, 2025

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IN ITS CAPACITY AS RECEIVER OF
SUSSMAN MORTGAGE FUNDING INC., 2486976 ONTARIO INC., and
1981361 ONTARIO INC.

DATED JUNE 2, 2025

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IN ITS CAPACITY AS RECEIVER OF
SUSSMAN MORTGAGE FUNDING INC., 2486976 ONTARIO INC., and 1981361 ONTARIO INC.

DATED JUNE 2, 2025

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1981361 ONTARIO INC.

DATED JUNE 2, 2025

INTRODUCTION AND PURPOSE OF THIS REPORT

1. On April 11, 2025, the Financial Services Regulatory Authority of Ontario ("**FSRA**") made an application (the "**Application**") under subsection 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006,* S.O. 2006,c.29 (the "**MBLAA**") and section 101 of the *Courts of Justice Act,* R.S.O. 1990, c.C.43 (the "**CJA**") to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") for an order appointing B. Riley Farber Inc. ("**B. Riley**") as receiver without security, of all of the assets, undertakings and properties of Sussman Mortgage Funding Inc. ("**SMFI**"), 2486976 Ontario Inc. ("**248**") and 1981361 Ontario Inc. ("**198**" and, together with SMFI and 248, the "**Debtors**").

2. Pursuant to an order (the "**Receivership Order**") of the Honourable Justice Dietrich dated May 2, 2025 (the "**Date of Appointment**"), B. Riley was appointed as receiver (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of the Debtors, including any assets held in trust by the Debtors for any third party and all property, rights interests and proceeds arising from all joint venture or co-tenancy agreements entered into by the Debtors (collectively, the "**Property**"). A copy of the Receivership Order is attached hereto as **Appendix "A"**.

3. On April 29, 2025, Aird & Berlis LLP ("**A&B**") brought a motion on behalf of certain investors in syndicated mortgage loans (an "**SML**") brokered by SMFI for an order appointing A&B as representative counsel of all investors who contracted with SMFI for the administration of mortgage investments (the "**Investors**").

4. On May 9, 2025, Gordon Starkman, an Investor, brought a motion for the appointment of Paliare Roland Rosenberg Rothstein LLP as representative counsel to all Investors.

5. Pursuant to an order (the "**Representative Counsel Order**") of the Honourable Justice Dietrich dated May 20, 2025, A&B was appointed as representative counsel (in such capacity, "**Representative Counsel**") of all Investors other than those Investors who notify the Receiver and Representative Counsel by no later than June 6, 2025 that they do not wish to be represented by Representative Counsel (the "**Opt-Out Investors**"). A copy of the Representative Counsel Order is attached hereto as **Appendix "B"**.

6. The purpose of this first report of the Receiver (the "**First Report**") is to provide information to the Court with respect to:

   a. the activities of the Receiver since the Date of Appointment;

   b. the status of the Receiver's investigation into the Debtors' syndicated mortgage lending business and the potential realizable value of the Property; and

   c. the Receiver's views on the appropriate next steps in the administration of these receivership proceedings.

TERMS OF REFERENCE AND DISCLAIMER

7. In preparing this First Report, the Receiver has relied upon certain unaudited, draft, and/or internal financial information of the Debtors, the books and records of the Debtors and discussions with the Debtors' principals, and information from third-party sources (collectively the "**Information**"). Except as otherwise described in this First Report:

   a. the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS"**) pursuant to the Chartered Professional Accountant of Canada Handbook (the "**CPA Handbook**") and, as such, the Receiver expresses no opinion or other form of assurance with respect to the Information presented in this First Report.

b. the Receiver has filed this First Report solely for the purpose of providing information to this Court and in accordance with paragraph 3 of the Receivership Order. Parties using the First Report other than for the purposes outlined herein are cautioned it may not be appropriate for their purposes.
c. As noted in various parts of this Report below, the Receiver has serious concerns as to the accuracy, completeness and reliability of the Debtor's books and records.

8. Unless otherwise noted, all monetary amounts contained in this First Report are expressed in Canadian dollars.

EXECUTIVE SUMMARY

9. Pursuant to the Receivership Order, the Receiver conducted a preliminary investigation into the transactions related to SMFI's syndicated mortgage loan portfolio, the status and realizable value of the underlying mortgages and the status and realizable value of the Respondents' interests in the joint venture agreements included in the Property.a

10. The Receiver's investigation was hampered by significant deficiencies in SMFI's information systems. A combination of system design limitations, poor record-keeping and questionable transactions presents serious challenges to reconciling amounts invested by SMFI's investors and the disposition of the proceeds arising from transactions in the mortgage portfolio.

Transactions Related to the SML Portfolio

11. There are 117 unique Investors and 123 Investor accounts in the SML portfolio. Many of the Investors are part of related groups composed of family members, corporate entities and trusts.

12. Most investments were made in SMLs that entitled the Investors to principal and interest payments arising from the underlying mortgage loan. Investments in certain housing development deals like Ballymore, Alliance and Waterways (collectively, the "**Projects**") also provided Investors with returns arising from equity in the housing developments, which 248 and 198 (collectively, the "**Equity Corps**") held.

13. The principal cause of SMFI's financial difficulties is related to the structure of the Projects, and particularly the interest on the loans. Interest on the mortgage advances to the Projects was capitalized, which meant that very little interest was actually paid by borrowers to SMFI. At the same time, SMFI had to pay monthly interest to Investors, creating a cash-flow deficit.

14. To address the deficit, SMFI solicited new investments from Investors and allocated funds in its records to SMLs that were already fully subscribed and, in many cases, had already been repaid by the mortgage borrower. This aggravated the cash-flow deficit, as interest had to be paid on the new principal investments as well.

15. The table below provides an estimate of SMFI's cash-flows in the period January 1, 2020 to December 31, 2024. Given the challenges with SMFI's books and records, the Receiver has not been able to verify that these figures are accurate, but it is reasonably confident they present a reasonable approximation of SMFI's financial position.

	2020	2021	2022	2023	2024	Total
Cash Inflows						
Principal Investments	24,468,869	24,082,488	19,530,396	13,445,643	9,151,571	**90,678,968**
Interest Payments	389,621	231,023	40,364	111,236	52,229	**824,472**
Mortgage Repayments	4,132,100	14,307,289	6,362,756	3,161,686	1,380,095	**29,343,926**
	28,990,589	**38,620,801**	**25,933,516**	**16,718,565**	**10,583,894**	**120,847,365**
Cash Outflows						
Principal Repayments	(767,000)	(2,983,770)	(6,989,235)	(4,654,171)	(2,544,710)	**(17,938,885)**
Interest Payments	(12,165,676)	(12,946,862)	(13,416,751)	(14,810,334)	(16,334,852)	**(69,674,476)**
Mortgage Advances	(5,768,501)	(8,879,088)	(2,460,554)	(2,323,063)	(85,000)	**(19,516,205)**
Brokerage Fees	(1,510,953)	(1,379,908)	(1,487,347)	(1,263,636)	(868,888)	**(6,510,731)**
Management Salaries	(765,100)	(1,446,500)	(900,000)	(562,200)	(557,800)	**(4,231,600)**
	(20,977,230)	**(27,636,127)**	**(25,253,887)**	**(23,613,403)**	**(20,391,250)**	**(117,871,898)**
Net Cash	**8,013,359**	**10,984,674**	**679,629**	**(6,894,839)**	**(9,807,356)**	**2,975,468**

The Mortgages

16. Of the 38 active SMLs only 11 SMLs have mortgages which have not been discharged. These Active Mortgages relate to both residential homes and housing development projects. The Receiver expects two of these mortgages to be repaid in June, 2025 and another in June, 2026.

17. Realizations on the remaining Active Mortgages will be less straightforward. The Receiver will need to do further work to assess the status of the various development projects and determine the best way to recover proceeds for Investors.

The Joint Venture Agreements

18. Each of the Projects is subject to a joint venture agreement ("**JV**") between, among others, a Builder and an Equity Corp. The JV sets out the rights and obligations of each party and the mechanism for distributing profits between the Members (as defined below).

19. The Projects themselves are in various stages of completion. Waterways is nearly complete, with only a few remaining units left to be sold. Alliance and Ballymore have both completed most of the first phase of development but still have a substantial number of homes to complete. It is not clear at this time whether it will be economically viable to build all the homes and complete the phases.

20. The table below sets out the Receiver's estimate of potential realizations from the Active Mortgages and the Projects. These are preliminary estimates and may not fully reflect the cost of completing the Projects or realizing on the Active Mortgages.

	Low	**High**
Mortgages		
Raseta	Unknown	Unknown
Heritage Village	Unknown	Unknown
Bidmead	640,000	750,000
Subramaniam	510,000	600,000
	1,150,000	**1,350,000**
Projects		
Ballymore	8,000,000	10,000,000
Alliance	20,600,000	26,500,000
Waterways	1,000,000	1,200,000
	29,600,000	**37,700,000**
Potential Realizations[1]	**30,750,000**	**39,050,000**

[1] The estimated realizations from the Projects assume receipt of proceeds from the closing of units already sold and proceeds from the sale of land only for future phases of the Projects. If economic conditions support

21. The Receiver's Investigation, while preliminary in nature, has led to the general conclusions and recommended next steps which are set out at the end of the Report. At a high level, significant additional work is required to: (a) reconcile Investor accounts; (b) investigate potential reviewable transactions; (c) explore options and best paths to optimize and maximize recoveries from the Projects for the benefit of all Investors; and (4) formulate a claims process and suitable scheme of distribution, taking into account the complexities and challenges created by the Debtor's information systems and record keeping.

BACKGROUND

The Debtors and Related Parties

22. Background to the Receiver's appointment, including a description of allegations of wrongdoing by SMFI and Sanford Sussman ("**Sussman**"), are set out in the Application, a copy of which is available on the Receiver's case website at https://brileyfarber.com/engagements/sussman-mortgage-funding-inc/ (the "**Case Website**").

23. SMFI is a private Ontario corporation operating as a registered mortgage broker, mortgage administrator and deposit broker. 248 and 198 are each private Ontario corporations that act as participant Members in the JVs.

24. Sussman is the sole director and officer of each of SMFI, 248 and 198. Copies of corporation profile reports for each company are attached hereto as **Appendix "C"**, **"D"** and **"E"**, respectively.

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further development, there may be significant additional realizations for Investors. The Receiver will continue to explore the potential for further development. The above are estimates only. Actual realizations will be driven by a number of complex considerations and may be materially different from preliminary estimates provided.

25. SMFI operates from offices located at 129 Dunlop Street East, Barrie, Ontario (the "**Premises**"). The Premises are owned by Mortgage Funding Building Inc. ("**MFB**"), a private corporation controlled by Sussman.

26. A corporate organization chart setting out the relationship between the Debtors, MFB and the related parties described in this First Report is attached hereto as **Appendix "F"**.

The Syndicated Mortgage Loans

27. SMFI acted as a broker of syndicated mortgage loans. Under an SML structure, investments from private investors are aggregated by a mortgage broker and invested in a mortgage against real property.

28. SMFI historically offered investments in mortgages secured against single-family homes in the Simcoe region ("**Residential SMLs**"). However, in the early 2000's, SMFI began offering SMLs secured by mortgages against various housing development projects ("**Development SMLs**").

29. These Residential SMLs were typically structured with a term of one year and typically included a prepaid interest reserve covering between three and 12 months of interest.

30. Currently, SMFI has 38 SMLs for which principal investments have not been repaid. These are referred to in this report as "**Active SMLs**".

31. As noted throughout this First Report, the Receiver has significant concerns about the accuracy, completeness and reliability of SMFI's financial records and information systems. The information set out in this section sets out the amounts reflected in the books and records the Receiver has been able to locate and review. Where possible the Receiver has reconciled discrepancies between different information systems, but offers no assurance as the accuracy or completeness of the information. Additional work will be required by the Receiver, beyond the scope of this preliminary investigation to reconcile information as between the various accounting and information systems and SMI investors' own records. The total principal invested in the Active SMLs is approximately $101

million. A schedule of the Active SMLs is attached hereto as **Appendix "G**". The table below provides a summary of the portfolio with respect to the status of the underlying mortgages.

Mortgage Status	No.	Approximate Principal Invested in SML
Discharged	27	60,000,000
Active	9	35,000,000
Power of Sale	2	6,000,000
Total	**38**	**101,000,000**

The Joint Venture Agreements

32. SMFI advanced funds (a mix of acquisition and construction financing) to certain housing development projects (the "**Projects**"). A summary of the Projects is provided below. Additional detail on each Project is provided in greater detail later in this report.

33. In addition to SMFI's direct investment in the Projects, Sussman personally holds and controls equity in each Project through one of either 248 or 198 (each an "**Equity Corp**"). While Sussman has advised the Receiver that the interests held by the Equity Corp. are held in trust for Investors, the Receiver has been unable to identify any agreement or documentation supporting this assertion.

Project	Equity Corp.	Approximate Principal Invested in SML
Ballymore	2486976 Ontario Inc.	44,000,000
Alliance	1981361 Ontario Inc.	25,000,000
Waterways	1981361 Ontario Inc.	3,910,000
Total		**72,910,000**

34. The Receiver notes that it appears that principal amounts invested in each SML may exceed actual mortgage advances to the Project.

35. For each Project, the rights and obligations of the Equity Corp are set out in an agreement between the Equity Corp and the Builder (as defined below), among others.

a. 248 is party to a joint venture agreement dated January 19, 2016, as amended on March 31, 2016 (the "**Ballymore JV**") between 248, Ballymore Development (Innisfil) Corp. ("**Ballymore**") and Ballymore Building (Innisfil) Corp. (the "**Ballymore Nominee**"). A copy of the Ballymore JV is attached hereto as **Appendix "H"**.

b. 198 is party to a co-tenancy agreement dated April 5, 2019 (the "**Alliance JV**") between 198, Alliance Compro Inc. ("**Compro**" and, together with Ballymore, the "**Builders**"), Alliance Homes Inc. ("**Alliance**") and 2114568 Ontario Inc. (the "**Alliance Nominee**"). A copy of the Alliance JV is attached hereto as **Appendix "I"**.

c. 198 is also party to a co-ownership and management agreement dated January 30, 2020 (the "**Waterways JV**" and, together with the Ballymore JV and the Alliance JV, the "**JVs**") between 198, Compro, Alliance and Waterways of Muskoka Ltd. (the "**Waterways Nominee**" and, together with the Ballymore Nominee and the Alliance Nominee, the "**Nominees**"). A copy of the Waterways JV is attached hereto as **Appendix "J"**.

36. In each Project, ownership of the Project is split between the Equity Corp. and the Builder, each of which is referred to as a "Member". Title to the Project in each case is held by the Nominee and beneficial ownership is held by each of the Members as tenants in common.

37. Sussman has advised the Receiver that the Equity Corps. hold their interests in the JVs for the benefit of Investors.

ACTIVITIES OF THE RECEIVER

38. Since the issuance of the Receivership Order, the Receiver's activities have included:

a. conducting a detailed review of the books and records and financial affairs of the Debtor that the Receiver was able to locate, the results of which are summarized in this First Report;

b. regularly updating the Receiver's Case Website;

c. preparing the Notice and Statement of the Receiver pursuant to Sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* for each of the Debtors;

d. securing the Premises (located in Barrie, Ontario);

e. securing SMFI's books and records, including both physical and computerized files located at the Premises;

f. termination of SMFI employees as at the date of our appointment and retaining key SMFI staff to assist the Receiver, on a contract basis (the "**Retained Contractor**");

g. extensive discussions with the Retained Contractor regarding GIC matters and reconciliation of amounts owing to Investors;

h. extensive correspondence with external bookkeeper of SMFI concerning employee information, trust account reconciliations, and Canada Revenue Agency matters, among others;

i. providing notice to guaranteed investment certificate ("**GIC**") institutions regarding the Receivership and the termination of GIC services;

j. reviewing materials related to the Representative Counsel motion, discussion with proposed Representative Counsel, and attending the associated case conference and hearing;

k. fulfilling its obligations under the Representative Counsel Order;

l. corresponding extensively with Avison Young, the realtor retained by the Receiver, to ascertain the value of SMFI's interest in the Projects;

m. reviewing mortgage documents and reconciling each mortgage with SMFI's records;

n. reviewing supporting information provided by Investors regarding amounts owing to them from SMFI;

o. extensive correspondence with Investors and other stakeholders regarding the proceedings;

p. corresponding extensively with the Receiver's counsel, Dentons Canada LLP, regarding all matters pertaining to these proceedings;

q. corresponding extensively with FSRA's counsel, Chaitons LLP, concerning FSRA's investigation of SMFI;

r. corresponding extensively with counsel for various Investors;

s. dealing with various administrative matters; and

t. drafting this First Report.

Employees

39. SMFI had three full-time employees at the Date of Appointment: a mortgage broker and two deposit brokers. Neither 248 nor 198 had any employees.

40. Immediately following its appointment, the Receiver issued termination letters to all of the employees. The Receiver subsequently entered into an independent contractor agreement with one of the former employees to assist with: (a) winding down the GIC Business (as defined below); and (b) the Receiver's investigations into the SMLs.

41. The Receiver has made the required filings under the *Wage Earner Protection Program Act* ("**WEPPA**") and has provided information necessary to file WEPPA claims to all former employees.

GIC Business Wind Down

42. In addition to operating as a mortgage broker, SMFI operated as a deposit broker. SMFI's role as a deposit broker involved soliciting GIC deposits from retail investors for placement with financial institutions. In this capacity SMFI did not hold funds in trust for investors, but did have delegated authority to instruct financial institutions in the investment of customer funds.

43. Pursuant to paragraph 4(c) of the Receivership Order, the Receiver is empowered to cease to carry on the GIC business of SMFI (the "**GIC Business**").

44. Immediately following its appointment, the Receiver engaged a former employee to assist with the wind-down of the GIC Business. On May 14, 2025 the Receiver distributed notices to all financial institutions holding GICs for SMFI investors advising of the wind down of the GIC Business and that future payments or correspondence should be sent directly to investors.

45. The Receiver also arranged for all payments held by SMFI to be released directly to GIC investors.

INFORMATION SYSTEMS AND RELATED CHALLENGES

46. In conducting its investigations into the SMLs, the Receiver relied on two principal information systems: a mortgage information system ("**PxPlus**"); and an accounting system ("**Sage**"), along with bank account statements and physical records.

47. As described more fully below, the Receiver has identified significant issues with the completeness, accuracy and reliability of the Information, particularly with PxPlus and Sage. This has implications for the ability to reconcile investor data, identify the quantum and timing of their investments and into which projects and mortgages their funds were deployed.

PxPlus

48. PxPlus was designed for SMFI by an Investor and is used to record transactions related to both the SMLs and the GIC Business.

49. With respect to the SMLs, PxPlus provides information with respect to principal and interest transactions on both the investor and borrower sides of a transaction. There are several issues arising from the design and use of PxPlus that present challenges:

a. At the end of each fiscal year, records for SMLs where the loan has been fully repaid by the borrower are purged from the system. Sussman has advised the Receiver that

this purge is automatic. The Receiver has not been able to confirm independently that this is the case. As a result, the Receiver must rely on physical print-outs of fully paid loans.

b. To mitigate issues with data storage, Sussman has advised the Receiver that he caused certain SML records in PxPlus to be deleted or edited. As an example, records related to the A-14 mortgage were deleted in 2020 and a new file was opened as A-14. (with a period following the "A-14") that opened with closing balances of each Investor's position. As a result, transactions from preceding years are only recorded on physical printouts. The Receiver has not confirmed that physical printouts in SMFI's records are a complete record of preceding transactions nor has the Receiver had an opportunity to verify all of the opening balances. Additionally, in some cases opening balances in the new mortgage file do not match closing balances in the old file.

c. PxPlus does not allow reports to be exported to .xlsx or .csv formats, requiring the Receiver to run ledger reports and then manually transfer data into MS Excel workbooks for analysis. As some SML records include thousands of transactions, this is a significant and time-consuming undertaking.

d. PxPlus does not allow the user to edit previous transactions. Instead, an offsetting transaction must be entered to reverse the effect of the previous transaction. For example, if a user inadvertently enters a transaction showing a deposit of $100,000 by Investor X, that transaction cannot be deleted or reversed. Instead, the user must enter a transaction showing a withdrawal of $100,000 on the same day. This practice creates uncertainty when attempting to match transactions to other information systems.

e. PxPlus transaction records do not reflect whether a particular investor's principal balance was repaid in cash or re-invested in another SML. To determine the disposition of principal, the Receiver must review all principal transactions for the investor in PxPlus and try to match dates and principal amounts to arrive at an assumed destination for the principal reinvestment. In many cases it is impossible to determine the disposition of a principal repayment set out in PxPlus.

f. PxPlus transaction records often do not match transactions recorded in Sage or the bank statements. By way of example, the following sets out the records of the borrower's repayment of outstanding amounts in the H-26 SML:

i. Bank statements reflect the receipt of a wire in the amount of $421,491.38 on August 22, 2024;

ii. Sage ledger reports reflect the receipt of the same amount on July 31, 2024 and record it as "31Jul2024 sale, H-26 Howarth"; and

iii. PxPlus shows no record of the repayment at all.

Sage

50. Sage is a widely used commercially available accounting platform. The principal challenges with Sage are related to the bookkeeping practice employed by SMFI and not to the features of the system.

a. The Receiver retained SMFI's former bookkeeper to assist in reconciling transactions in Sage. The bookkeeper advised that she frequently entered information without supporting documentation on Sussman's instructions.

b. The trust account reconciliations prepared by the former bookkeeper that the Receiver has reviewed are little more than records of unpresented cheques. Sussman advised the Receiver that cheques for interest payable were automatically issued by Sage each month. Where funds were unavailable to cover the issued cheques, the cheques were simply not sent to Investors.

c. There does not appear to have been any regular reconciliation of amounts in the trust bank account to the individual loan or Investor accounts, or any reconciliation of amounts recorded in Sage against those in PxPlus.

51. The Receiver has observed that the Debtor's bookkeeping practice varies widely when recording transactions. In many cases, principal investments will be recorded as "into B-73", indicating that either cash has been invested into loan B-73 or principal from another

loan has been transferred or reinvested into loan B-73. However, it is also common to see "into ???" as a notation, providing no insight as to which loan received the principal.

52. Transactions are also inconsistently recorded in Sage across accounts in the general ledger, such that it is unclear which Investor is impacted by an Investment, mortgage repayment or other transaction.

53. Records in Sage only go back to 2019. Sussman has advised that there may be physical financial records for the 2017 and 2018 fiscal years, but there are likely no records available for prior years. As many of the SMLs originated prior to 2019, the lack of available financial data will make it extremely challenging to reconcile transactions relating to those SMLs and to determine amounts owing to, or invested by, Investors.

54. Finally, as with PxPlus, information on the same transaction is reflected inconsistently in the various information systems. For example, Sage reflects a construction advance from loan C-13 in the amount of $120,000 on April 21, 2021. A review of bank records reveals no such transaction; there is no disbursement in that amount until November, 2021. PxPlus shows no advances at all from C-13 in April, 2021.

Bank Accounts

55. SMFI maintains two bank accounts with TD Bank. One account, the "**General Account"**, is primarily used for operating expenses, including wages and office-related costs. The second account, the "**Trust Account"**, is designated for handling investor and borrower payments and repayments. Sussman is the sole signing officer for the bank accounts.

56. The Trust Account periodically transfers funds to the General Account to cover brokerage fees and syndication commissions.

57. The Trust Account does not segregate funds by individual mortgage and all amounts related to all mortgages flow in and out of this account.

58. Additionally, MFB holds a separate bank account with TD Bank (the "**MFB Account**"). The General Account makes monthly rent payments of $4,425 to the MFB Account. In certain situations, SMFI has deposited investor funds into the General Account and

transferred a portion of these funds to the MFB Account to cover MFB expenses (such as property taxes).

Implications for Investigation

59. As outlined above, the Receiver has substantial concerns regarding the accuracy and reliability of the Information.

60. The deletion of records for loans that have been fully repaid by borrowers, combined with the absence of data for SMLs originating prior to 2019 will make reconciliation of those amounts extremely difficulty. In the absence of a complete accounting of the origination of investor funds and the transactions between borrowers, it will be challenging to produce an accurate or comprehensive reconciliation of the SMLs. When attempting to locate certain physical print-outs, it was found that many records were either incomplete or have been comingled with other SML records, further increasing the challenges of reconciliation.

61. For those SMLs with records in Sage and PxPlus, inconsistent transaction entries in Sage make it difficult to determine whether transactions represent cash movements or transfers between SMLs. The absence of detailed bank reconciliations for each SML within the Trust Account hinders this further.

62. Furthermore, the challenges in reconciling transactions across PxPlus, Sage, bank account statements and physical records hinders the ability to determine which source of Information can be used as the most reliable and accurate source.

THE INVESTIGATION

63. Pursuant to paragraph 4(g) of the Receivership Order, the Receiver is authorized to review and investigate (the "**Investigation**"):

A. transactions related to the syndicated mortgage loans brokered by SMFI and the disposition of any proceeds;

B. the status and realizable value of the underlying mortgages; and

C. the status and realizable value of the Respondents' interests in the joint venture agreements included in the Property.

A. Transactions Related to the SMLs

Investments

64. SMFI's records reflect a total of 117 unique Investors and 123 Investor accounts. Many of the Investors are part of related groups. Individual Investors often hold both unregistered and registered accounts (e.g. RRSP, RRIF accounts).

65. Funds provided by Investors (the "**Investments**") were invested in either Residential SMLs or Development SMLs or a combination. Investments in most SMLs are governed by a simple, one-page agreement (the "**Standard Investment Agreement**") between the Investor and SMFI which sets out:

a. the investment amount;

b. the SML and its terms; and

c. certain standard terms and acknowledgments, including that a request for an early redemption of the Investment will only be accommodated if a replacement Investor is available.

66. A copy of a template Standard Investment Agreement is attached hereto as **Appendix "K"**.

67. Investments in SMLs related to the Projects are governed by a slightly modified agreement (the "**Equity Investment Agreement**" and, together with the Standard Investment Agreement, the "**Investment Agreements**") which includes language to the effect that the Investor is also entitled to its proportionate share of a 50% equity stake in the Project. A copy of a template Equity Investment Agreement is attached hereto as **Appendix "L"**.

68. In theory, Investments would be made by Investors in two circumstances: (a) at the inception of an SML transaction, prior to advancing funds to the Borrower; and (b) in

response to a solicitation from Sussman for funds to replace the Investment of an Investor who had requested an early redemption in an existing SML.

69. In practice, it appears that SMFI also accepted Investments in two additional circumstances: (c) after the advance of funds to a Borrower in a fully subscribed SML (an "**Oversubscription**"); and (d) as a "transfer" of principal amounts between SMLs (a "**Principal Transfer**"), with or without the Investor's authorization.

70. To illustrate the treatment of Investments, the Receiver has prepared a summary of the flow of principal (excluding interest) for SML H-26.

a. As shown in the table below, the initial SML transaction was valued at $420,000, of which $407,000 was advanced to the borrower and $13,000 was paid to SMFI as brokerage fees.

b. Following the initial Investment of $420,000, SMFI solicited Oversubscriptions in the amount of $1.76 million to the SML.

c. Principal in the amount of $270,000 was transferred, with or without Investor consent, to the A-18 SML.

d. Further Oversubscriptions were received, purportedly into H-26.

e. Principal was repaid to only one of the investors (Investor RO02) in the amount of $20,000.

Date	Transaction Type	Investor	Debit	Credit
31-Dec-21	Brokerage Fees		13,000.00	-
11-Jan-22	Mortgage Advance		407,000.00	-
13-Jan-22	Investment	GO01	-	420,000.00
1-Mar-22	Oversubscription	SV01	-	100,000.00
1-Mar-22	Oversubscription	VA02	-	270,000.00
1-Mar-22	Oversubscription	SV02	-	50,000.00
14-May-22	Oversubscription	JO01	-	40,000.00
14-May-22	Oversubscription	SH01	-	40,000.00
14-May-22	Oversubscription	RO02	-	40,000.00
14-May-22	Principal Transfer - A-18	VA02	270,000.00	-
1-Sep-22	Oversubscription	BR01	-	100,000.00
5-Sep-23	Oversubscription	MI01	-	100,000.00

6-Sep-23	Oversubscription	TN01	-	130,000.00
1-Jan-24	Oversubscription	BR02	-	160,000.00
1-Mar-24	Oversubscription	VT01	-	310,000.00
31-Jul-24	Mortgage Repayment		-	421,491.38
6-Sep-24	Investment Repayment	RO02	20,000.00	-
			710,000.00	**2,181,491.38**

Investors

71. Based on the Receiver's preliminary review of the Information, and subject to the Receiver's concerns around the accuracy and completeness of the Information as discussed above, the Receiver has prepared a schedule of principal amounts invested by each Investor (the "**Investor Schedule**"), a copy of which is attached hereto as **Appendix "M"**.

72. To address privacy concerns, the Receiver has redacted the name of Investors in the Investor Schedule and has replaced the account name with an alphanumeric code.

73. The Investor Schedule includes the following:

    a. An overview of each Investor's principal investments as reflected in PxPlus, Sage and records provided by the Investor;

    b. A detailed schedule for each Investor showing the net principal invested by SML as reflected in PxPlus, Sage and records provided by the Investor[2] (if applicable).

74. The Receiver notes the following with respect to the Investor Schedule:

    a. Investors were invested in an average of four SMLs, with 77 Investors holding investments in multiple SMLs. The largest number of SML investments held by a single Investor is 25.

[2] The Receiver sent a written request to all Investors on May 14, 2025 to request that they submit a summary of their investments, including net principal investments and outstanding interest payments, together with copies of any supporting documentation, to assist the Receiver in its review of SMFI's mortgage transactions. We have received responses from only certain Investors as at the date of this report. The Receiver will continue to collate information received from Investors and will account for any future analysis.

b. There is a discrepancy of approximately $201,000 between the principal balances reported in PxPlus and Sage. Most of this variance ($155,000) is attributable to a single investor's principal balance. The reason for this discrepancy is unknown.

c. Upon reviewing the variances between the records provided by the Investors and those from PxPlus and Sage, there is a variance of approximately $1,000,000, with the sum of the amount reported by the Investors being higher. This amount is expected to increase as additional investor documentation is received. Currently, only 77 Investors of the 123 have submitted records.

d. This is consistent with what has been reported to the Receiver by certain Investors. These Investors have indicated that, although they invested funds with SMFI, they did not receive the appropriate documentation in return. This suggests that not all of the investments were likely not recorded in PxPlus and Sage, and opens the possibility that SMLs may exceed $101 million noted earlier in the report

e. SMFI and MFB are both investors in the SMLs with principal balances reported from Sage and PxPlus of $1,228,586 and $798,000, respectively. The invested funds from SMFI appear to have been transferred into the Trust Account from the General Account. The Receiver has not been able to confirm the source of funds for the SMFI and MFB Investments.

Disposition of Proceeds

75. The Receiver's preliminary review of the Information suggests that proceeds arising from the repayment of mortgage advances ("**Proceeds**") were used to fund: (a) repayments of invested principal; (b) interest payments; (c) advances to the Projects; and (d) brokerage fees and salaries**.** The table below sets out a high-level summary of cash flows as reflected in the Information. The Receiver notes again that this Information has not been verified and additional work is required to fully reconcile the cash flows. However, there is illustrative value in the estimates provided.

	2020	2021	2022	2023	2024	Total
Cash Inflows						
Principal Investments	24,468,869	24,082,488	19,530,396	13,445,643	9,151,571	**90,678,968**
Interest Payments	389,621	231,023	40,364	111,236	52,229	**824,472**
Mortgage Repayments	4,132,100	14,307,289	6,362,756	3,161,686	1,380,095	**29,343,926**
	28,990,589	**38,620,801**	**25,933,516**	**16,718,565**	**10,583,894**	**120,847,365**
Cash Outflows						
Principal Repayments	(767,000)	(2,983,770)	(6,989,235)	(4,654,171)	(2,544,710)	**(17,938,885)**
Interest Payments	(12,165,676)	(12,946,862)	(13,416,751)	(14,810,334)	(16,334,852)	**(69,674,476)**
Mortgage Advances	(5,768,501)	(8,879,088)	(2,460,554)	(2,323,063)	(85,000)	**(19,516,205)**
Brokerage Fees	(1,510,953)	(1,379,908)	(1,487,347)	(1,263,636)	(868,888)	**(6,510,731)**
Management Salaries	(765,100)	(1,446,500)	(900,000)	(562,200)	(557,800)	**(4,231,600)**
	(20,977,230)	**(27,636,127)**	**(25,253,887)**	**(23,613,403)**	**(20,391,250)**	**(117,871,898)**
Net Cash	**8,013,359**	**10,984,674**	**679,629**	**(6,894,839)**	**(9,807,356)**	**2,975,468**

76. The Receiver notes that the interest payment amount in 2024 in particular is likely overstated, as SMFI's staff had not completed corrections to T5 slips to reflect cheques that were printed but not actually issued to Investors.

77. Based on the Receiver's preliminary review, all Proceeds were deposited to the Trust Account and were comingled with other funds in that account.

Principal Repayments

78. Repayments of principal were to be available to Investors at maturity and prior, subject to the availability of a replacement investment. In practice, repayments of principal were made during the term of the investment regardless of whether replacement funds were available. A schedule of principal repayments in the period January 1, 2020 to December 31, 2024 (the "**Repayment Schedule**") to each Investor is attached hereto as **Appendix "N"**. Given the limitations identified above with respect to the Information, the Receiver has not yet been able to determine whether each of the principal repayments were cash payments or Principal Transfers (i.e. the accounting records do not clearly set out whether transfers out of Investments were cash payments to Investors or transfers of invested funds into another mortgage/project.)

79. The Receiver has also not yet been able to determine to what degree Principal Repayments were funded by Proceeds or by new Investments.

80. The Receiver notes the following with respect to the Repayment Schedule:

a. During the period, 58 out of the 123 investors received repayments of principal. Notably, the five investors who received the highest amounts accounted for approximately 43% of the total principal repayments distributed.

b. In 2022, principal repayments were the highest, totaling approximately $7.0 million for that that year.

Interest Payments

81. A key factor in the liquidity challenges faced by SMFI is the imbalance in cash flows related to interest payments, with interest payments far exceeding interest received from Investments. This imbalance and resultant liquidity challenge arose as a result of the Oversubscriptions (all of which earned interest whether funds were deployed or not) and from timing differences in interest-related cash flows on the Development SMLs.

82. As noted above, many of the SMLs were significantly oversubscribed, creating an imbalance between interest received on the mortgage advance and interest paid out to Investors.

83. This problem was compounded by imbalances in interest-related cash flows arising from the Development SMLs, which were driven by two issues.

a. First, interest payments to Investors in the Development SMLs were based on the total amount of the mortgage facility. Mortgage advances, however, were made incrementally over time up to the maximum available amount. As a result, interest earned on the advances was necessarily lest than interest paid to Investors (i.e funds were not fully deployed from the start date of their investment).

b. Second, interest on the Development SMLs was capitalized over the life of the mortgage. Repayments of the mortgages related to the Development SMLs were made periodically when funds became available from the sale of constructed houses. Again, this led to a situation where interest payments to Investors were necessarily unfunded.

84. The Receiver has not yet been able to reconcile interest payments across all SMLs. Given the issues identified above with respect to the quality and reliability of the Information, the

Receiver has made certain assumptions in estimating cash flows associated with interest. The Receiver has relied on SMFI's tax reporting to estimate interest payments to Investors and on certain bookkeeping conventions to identify the receipt of interest payments from borrowers. This approach is somewhat flawed in that it will not identify prepayments of interest, but the Receiver does not believe that variance to be material given the relative size of interest inflows and outflows. The Retained Contractor indicated that the interest payments made to Investors in 2024 remain uncertain, as certain T5 slips required amendments due to cheques that were issued but never delivered. The table below sets out the Receiver's estimate of interest-related cash flows.

	Interest Received	**Interest Paid**	**Net Cash Flows**
2020	389,621	(12,165,676)	(11,776,056)
2021	231,023	(12,946,862)	(12,715,839)
2022	40,364	(13,416,751)	(13,376,388)
2023	111,236	(14,810,334)	(14,699,098)
2024	52,229	(16,334,852)	(16,282,623)
Total	**824,472**	**(69,674,476)**	**(68,850,004)**

85. At this preliminary stage, it appears to the Receiver that the Net Cash shortfalls (as summarized in the above table) were funded from new Investments and/or cash distributions from the Projects, as these were the only material sources of cash in the period under review.

Mortgage Advances to the Projects

86. Advances under the Development SMLs were made by SMFI to the Nominee as funds were required by the Borrowers to advance the development or construction of the Project. Total advances to each Project, based on the Receiver's preliminary review of the Information and on accountings provided by the Builders, are set out in the table below.

87. As shown below, there were minimal advances to the Projects in the years 2020 through 2024. For Ballymore in particular, no funds were advanced to the Project in the period. On an aggregate basis, SMFI received $9.3 million more from the Projects than it advanced.

Project		2020	2021	2022	2023	2024	Total
Ballymore							
	Advances	-	-	-	-	-	-
	Repayments	-	(5,250,000)	-	-	-	(5,250,000)
	Net Advances	**-**	**(5,250,000)**	**-**	**-**	**-**	**(5,250,000)**
Uptergrove							
	Advances	1,887,000	2,110,000	1,200,000	-	-	5,197,000
	Repayments	(904,983)	(6,149,615)	(2,699,808)	(249,983)	-	(10,004,388)
	Net Advances	**982,018**	**(4,039,615)**	**(1,499,808)**	**(249,983)**	**-**	**(4,807,388)**
Waterways							
	Advances	892,500	3,640,439	230,000	360,000	-	5,122,939
	Repayments	-	(2,005,008)	(1,035,903)	(1,072,016)	(278,451)	(4,391,378)
	Net Advances	**892,500**	**1,635,432**	**(805,903)**	**(712,016)**	**(278,451)**	**731,562**
Total Advanced (Repaid)		**1,874,518**	**(7,654,183)**	**(2,305,711)**	**(961,998)**	**(278,451)**	**(9,325,826)**

Salaries and Brokerage Fees

88. SMFI charged brokerage fees as compensation for its services in brokering the SMLs. As described in the Investment Agreements, these fees were calculated as 6% of interest payable to Investors in the SML. Total brokerage fees collected as recorded in SMFI's records are set out in the table below.

	2020	2021	2022	2023	2024	Total
Brokerage Fees	1,510,953	1,379,908	1,487,347	1,263,636	868,888	**6,510,731**

89. In addition, Sussman received an annual salary from SMFI. Total amounts recorded in SMFI's records as gross salary for Sussman for the period 2020-2024 are set out in the table below.

	2020	2021	2022	2023	2024	Total
Sussman's Salary	765,100	1,446,500	900,000	562,200	557,800	**4,231,600**

B. The Mortgages

90. As discussed above, there are 38 Active SMLs in the SMFI portfolio. A schedule setting out the details and status of the mortgages related to the Active SMLs (the "**Mortgage Schedule**") is attached as **Appendix "O"** hereto.

91. The Mortgage Schedule shows that mortgages for all but 11 of the Active SMLs have been discharged. The disposition of the Proceeds arising from the repayment of mortgage loans is discussed in greater details above.

92. The status of the balance of the mortgages (the "**Undischarged Mortgages**") other than those related to the Uptergrove Project and the Waterways Project is discussed below. The status of mortgages related to the Uptergrove Project and Waterways Project is discussed later in this report in the context of the JVs.

The Raseta Mortgages

93. SMLs R-61 and R-66 (the "**Raseta SMLs**") relate to advances made to Sam Raseta and 2067041 Ontario Ltd. (together, "**Raseta**") in respect of lands municipally known as 2970 Fesserton Side Rd., Waubaushene, Ontario (the "**Raseta Lands**").

94. The Receiver has not been able to determine the complete history behind the Raseta SMLs, but understands that the mortgages related to a real estate development project in Waubaushene. The Raseta Lands are adjacent to a series of residential properties located along Georgian Heights Boulevard (the "**Georgian Heights Properties**"). Title searches show that the Georgian Heights Properties were encumbered by charges in favour of SMFI in 2007 and that those charges were discharged between 2013 and 2017.

95. The Raseta Lands were also encumbered by a charge in favour of SMFI on July 10, 2007. All charges in favour of SMFI were transferred to Logpin Investments Ltd. ("**Logpin**") on December 16, 2024. Logpin is controlled by one related group of Investors.

96. The Raseta Lands have not been developed, but are the subject of applications for a zoning by-law amendment and plan of subdivision submitted on August 23, 2021 by 2801829 Ontario Inc. ("**280**"), a corporation incorporated by Sussman to develop the Raseta Lands. Additional investigation is required to determine the nature of the relationship between SMFI and 280, the status of the development project, and the ultimate realizable value of the Raseta Lands.

Heritage Village

97. SML H-37 (the "**Heritage SML**") relates to advances made to Alliance Heritage Village Inc. ("**Alliance Heritage**") in respect of lands in Creemore, Ontario legally known as Lots 12 and 13; and Blocks 16 and 17, Plan 51M1163 (the "**Heritage Lands**").

98. The Receiver has not been able to determine the complete history behind the Heritage SML but understands that the mortgages were related to a real estate development in Creemore. The Heritage Lands were part of a proposed subdivision known as Hometown Creemore originally approved in 2008. Alliance Heritage developed the first phase of 25 homes but then sold the balance of the development to Tribute (Creemore) Ltd. ("**Tribute**").

99. The Heritage Lands were originally encumbered with a charge in favour of SMFI in July, 2019 (Lots 12 and 13) and February, 2020 (Blocks 16 and 17). The charge on Lots 12 and 13 was partially discharged on March 10, 2022 and fully discharged on April 26, 2022. The charge on Blocks 16 and 17 (the "**Remaining Heritage Lands**") was transferred to Logpin on December 16, 2024.

100. The Receiver has been advised by Alliance Heritage that, following the sale of the development to Tribute, several potential development options for the Remaining Heritage Lands were explored. The current plan is for the construction of four detached homes. Additional investigation is required to determine the status of the development project and the ultimate realizable value of the mortgage on the Remaining Heritage Lands.

The Bidmead Mortgage

101. SML B-95 relates to advances made to Colin Bidmead ("**Bidmead**") in respect of two residential properties municipally known as 2 Mill Street, Coldwater, Ontario and 10 Coldwater Road, Severn, Ontario (the "**Coldwater Properties**") and 5970 Line 9 North, Waubaushene, Ontario (the "**Waubaushene Property**" and, together with the Coldwater Property, the "**Bidmead Properties**").

102. The advances were originally made pursuant to SML B-94 in July, 2023. SMFI advanced $690,000 to Bidmead to finance the construction of a house on the Waubaushene Property.

Bidmead provided a charge against 2 Mill Street as collateral security and later replaced that charge with a charge against 10 Coldwater Road.

103. Sussman has advised the Receiver that SML B-95 was originated to provide additional construction financing and to take out the principal investments in B-94.

104. The Bidmead Properties are currently subject to a charge in favour of SMFI and Olympia Trust Company ("**Olympia**") in favour of certain SMFI Investors who invested funds through registered investment accounts (the "**Registered Investors**").

105. The Receiver has corresponded with Bidmead and has been advised that Bidmead intends to repay the mortgage on maturity in June, 2025. Based on a mortgage statement prepared by SMFI, the Receiver expects to receive approximately $750,000 at maturity. Based on SMFI's records there are principal investments in B-94 and B-95 outstanding in the amount of $1.34 million.

The Subramaniam Mortgages

106. SMLs S-26 and S-27 relate to advances made to Wareswan Subramaniam ("**Subramaniam**") in respect of real property municipally known as 1345 Bardeau St., Innisfil, Ontario (the "**S-26 Property**") and 1026 Green Street, Innisfil, Ontario (the "**S-27 Property**").

107. SMFI advanced $304,000 to Subramaniam in June, 2023 in respect of the S-26 Property, secured by a $500,000 mortgage (the "**S-26 Mortgage**"). The S-26 Mortgage matures in June, 2025 and is repayable in monthly payments of blended principal and interest in the amount of $4,918 with a balloon payment at maturity. The S-26 Property is currently encumbered by a charge in favour of SMFI and Olympia in trust for certain Registered Investors.

108. In respect of the S-27 Property, all of the investments were made by Registered Investors. $290,000 was advanced by Olympia, secured by a mortgage (the "**S-27 Mortgage**") maturing in April, 2026 and repayable in monthly payments of blended principal and interest in the amount of $2,853 with a balloon payment at maturity. The S-27 Property is

currently encumbered by a charge in favour of Olympia in trust for certain Registered Investors.

109. On May 7, 2025 the Receiver emailed Subramaniam to advise him of the receivership proceedings and to instruct him to remit monthly payments for S-26 and S-27 to the Receiver. On May 15, 2025 the Receiver again emailed Subramaniam to advise that payments for S-27 had not been received for March, April or May, 2025. Finally, on May 23, 2025 the Receiver wrote to Subramaniam to advise that a post-dated cheque in respect of the S-26 Mortgage had been returned for insufficient funds and that Subramaniam was in default of both mortgages. A copy of the Receiver's emails are attached hereto as **Appendix "P"**.

110. On May 23, 2025 the Receiver wrote to Ramachandran Law, counsel to Subramaniam, noting the default and demanding payment in full of the payments in arrears by May 27, 2025, failing which the matter would be referred to counsel for further action. A copy of the Receiver's letter is attached hereto as **Appendix "Q"**. The Receiver has been advised by Ramachandran Law that payment of the arrears will be made shortly.

Mortgages Related to the Projects

111. Information on mortgages related to the Uptergrove Project and the Waterways Project is provided below as part of the discussion of the JVs.

C. The Joint Venture Agreements

112. As set out above, the Projects are governed by the JVs. The following section discusses the scope of the JVs, the relationship between the parties, the status of the Projects, and the Receiver's estimate of potential recoveries on each Project.

The Ballymore Project

Background and Current Status

113. The Ballymore Project is a housing development consisting of four separate parcels in Innisfil, Ontario (the "**Ballymore Property**"), including:

a. 1335 Killarney Beach Road, Innisfil ("**1335**"), a 10.9 acre site currently under construction for a 130 unit detached home subdivision;

b. 1317 Killarney Beach Road, Innisfil ("**1317**"), a 3.5 acre site which is currently vacant but is the subject of an Official Plan Amendment and Zoning By-Law Amendment to permit the development of a mix of 3-storey common element townhouses and 3-storey back-to-back townhouses;

c. 1015 Cumberland St., Innisfil ("**1015**"), a 3.2 acre property which is currently vacant but is the subject of an Official Plan Amendment and Zoning By-Law Amendment to permit the development of 16 single detached homes; and

d. 1490 Killarney Beach Road, Innisfil ("**1490**"), a 7.5 acre site which is currently vacant. There are conceptual plans for 102 townhouse units, but no formal applications have been submitted.

114. SMFI's involvement with the Ballymore Project dates back to 2006, when SMFI advanced funds to Baywood Homes (Big Bass Phase 1) Inc. ("**Baywood**") for the development of a housing project (the "**Baywood Project**"). Baywood was unable to complete the development and the senior secured lender enforced on its mortgage. The Ballymore Nominee purchased the Ballymore Property through a power of sale proceeding.

115. The Receiver understands that funds raised from investors in the Ballymore SMLs were used to (a) finance the purchase of the Ballymore Property; and (b) repay investors in the original Baywood Project. No mortgages were actually granted in favour of SMFI in connection with the Ballymore SMLs. There were two mortgages in favour of SMFI in place at the time the Ballymore Property was acquired, but these were fully repaid.

116. Given the issues identified above with the Information, the Receiver has not to date been able to derive a complete accounting of those funds.

117. At present, only 1335 has been developed. All but 19 of the 130 units in 1335 have been completed and closed. The remaining 19 units are subject to executed purchase agreements and are expected to close by September 2025. Ballymore advises that it expects to realize

profits of approximately $14 million from the sale of the remaining homes, which would be subject to distribution pursuant to the terms of the JV.

118. Ballymore relaunched marketing of the 1317 development on May 31, 2025 and intends to begin construction in spring, 2026, subject to the outcome of pre-sale efforts. Once complete, Ballymore expects the 1317 development to result in profits of approximately $2 million but cautions that the current state of the housing market may have a negative impact on projected sales and on the project schedule.

119. Development of 1015 and 1490 has not begun and the timeline to develop these phases is unclear.

The Ballymore JV

120. The Ballymore JV governs the development of the Ballymore Project and the rights and obligations of Ballymore and 248. The Ballymore Nominee holds title to the Ballymore Property for the Members. Each of 248 and Ballymore hold a 49.98% interest in the Ballymore Project, with the balance of 0.04% held by the Ballymore Nominee. Key terms of the Ballymore JV include:

a. 248 and Ballymore are both responsible for providing a certain portion of funds required for the acquisition of the Ballymore Property.

b. 248 is entitled to recover a portion of the funds provided for purchase (the "**Sussman Deemed Equity**") before any profit distributions are made to the Members.

c. The Members are required to contribute additional funds after the closing of the acquisition under certain circumstances.

d. Following the repayment of all debt and equity obligations, Surplus Cash (as defined in the Ballymore JV) is to be distributed to Members according to the interest set out above.

e. Management of the Ballymore Project is provided by a Management Committee consisting of a representative of each of 248 and Ballymore.

Potential Realization

121. The Receiver engaged Avison Young ("**AY**") to prepare an opinion of value (the "**AY Opinion**") in respect of the Ballymore Property. Based on the Receiver's review of the AY Opinion, and subject to the customary assumptions and qualifications contained therein, the Receiver estimates the realizable value of 248's interest in the Ballymore Project, which includes proceeds from the closing of units already sold and proceeds from the sale of land, to be between $8.0 million and $10.0 million.

The Alliance Project

Background and Current Status

122. The Alliance Project is a housing development consisting of a manufactured home community on an 11.5 acre site at 5166 Highway 12 and 3396 Concession 10 Road, Ramara, Ontario (the "**Alliance Property**"). The Alliance Project is a land-lease community, in which customers purchase the homes but lease the land, generating an additional income stream for the land owner.

123. The development plan includes a total of 300 manufactured homes. 111 of the lots have been serviced. Phase 1 consists of 100 units, of which 87 are currently built and occupied. Phases 2 and 3 consist of 100 units each which have yet to be constructed.

124. There are three mortgages registered against the Alliance Property (the "**Alliance Mortgages**"). Interest on the mortgage advances is capitalized (i.e. not paid in cash but added to the principal amount of the mortgage). As discussed above, the capitalization of interest, particularly on the Alliance Project, has materially contributed to SMFI's liquidity issues as interest is paid to Investors monthly. The Receiver has been provided with an accounting of mortgage advances and interest calculations by Alliance and is in the process of reconciling those figures with information in SMFI's records. The Receiver estimates that the total amount payable on the mortgages related to the Alliance Project is approximately $35 million.

The Alliance JV

125. The Alliance JV governs the development of the Alliance Project and the rights and obligations of 198, Compro, Alliance and the Alliance Nominee. Each Member holds a 50% interest in the Alliance Project, with title to the Alliance Property held by the Alliance Nominee. Key terms of the Alliance JV include:

a. All net profits derived from the Property shall belong to the Members in accordance with their respective interests;

b. Additional funds required in excess of those available from external lenders are to be contributed exclusively by 198;

c. The Cash Surplus (as defined in the Alliance JV) is distributed to Members when funds become available in accordance with a priority scheme set out in the Alliance JV, and only after necessary repayments of principal and interest to third-party lenders;

d. Management of the Alliance Project is provided by a Management Committee composed of one representative from each of 198 and Compro.

Potential Realizations

126. The Receiver has reviewed a draft appraisal of the Alliance Project prepared by Colliers International Realty Advisors Inc. ("**Colliers**") for Alliance dated March 25, 2025 (the "**Colliers Appraisal**").

127. Realizations from the Alliance Property would be first applied to repayment of the Alliance Mortgages and then to distribution of profit to the Members in equal parts. Based on the Receiver's review of the Colliers Appraisal, and subject to the customary assumptions and qualifications contained therein, it estimates that the realizable value of proceeds from the Alliance Property to be between $20.6 million and $26.5 million.

128. Given the uncertainty surrounding the viability of further development, the Receiver's estimate of value assumes that the development of Phase 2 and 3 does not proceed and that realizations from those phases are limited to land values. If economic conditions support

further development, there may be significant additional realizations for Investors. The Receiver will continue to explore the potential for further development.

The Waterways Project

Background and Current Status

129. The Waterways Project is a housing development consisting of a 34 residential building lots on the southwest corner of Highway 118 West and Santas Village Road, Bracebridge ON (the "**Waterways Property**"). The Waterways Property is segregated into Blocks 3, 4, 5, 8, 10 and 20. All but eight of the units have been completed and closed. Alliance expects the remaining units to close in the next six months.

130. There are two mortgages registered against the Waterways Property (the "**Waterways Mortgages**"). The Receiver has reviewed an accounting prepared by Alliance and is in the process of reconciling it with information in SMFI's records. Given the discrepancy between the accounting prepared by Alliance and SMFI's records, the Receiver is unable to estimate the amount owing under the Waterways Mortgages at this time and recommends that further work be done to establish estimated realizable values.

The Waterways JV

131. The Waterways JV governs the development of the Alliance Project and the rights and obligations of 198, Compro, Alliance and the Waterways Nominee. Each Member holds a 50% interest in the Waterways Project, with title to the Waterways Property held by the Waterways Nominee. Key terms of the Waterways JV include:

a. All net profits derived from the Property shall belong to the Members in accordance with their respective interests;

b. Additional funds required in excess of those available from external lenders are to be contributed in equal shares by the Members;

c. 198 commits to provide an additional advance of up to $600,000 if required;

d. The Cash Surplus (as defined in the Waterways JV) is distributed to Members when funds become available in accordance with a priority scheme set out in the Alliance JV, and only after necessary repayments of principal and interest to third-party lenders and repayment of Members' equity advances;

e. Management of the Alliance Project is provided by a Management Committee composed of one representative from each of 198 and Compro.

Potential Realizations

132. Based on its review of information provided by Alliance with respect to projected revenues from the sale of the eight remaining units and projected costs to complete the sales, the Receiver estimates that realizations from the Waterways Mortgages and 198's interest in the Waterways Project to be between $1.0 million and $1.2 million.

CORRESPONDENCE WITH REGISTERED INVESTORS

133. On May 6, 2025, Jay Teichman ("**Teichman**"), a Registered Investor, wrote to Chaitons LLP and the Receiver advising that he and his wife wished to pursue individual remedies as Registered Investors in respect of the B-95, S-26 and S-27 remedies and seeking the Receiver's consent to same.

134. The Receiver responded to Teichman and advised that: (a) it considered the Investments in each of the SMLs to be Property as defined in the Receivership Order; (b) the stay of proceedings imposed by the Receivership Order applied to the SMLs; and (c) the Receiver could not consent to Teichman's proposed enforcement. A copy of the email exchange between Teichman and the Receiver, including additional emails through May 23, 2025, is attached hereto as **Appendix "R"**.

135. Teichman has written directly to Subramaniam to demand that payments on the S-26 Mortgage and the S-27 Mortgage be made to Olympia for the benefit of him and other Registered Investors, including Michael Stein (**"Stein**"), who has also written to the Receiver supporting Teichman's position. Copies of Teichman's letters to Subramaniam are attached hereto as **Appendix "S"**.

136. As described herein, the Registered Investors represent only a portion of the total principal invested in SMLs B-95 and S-26. Any enforcement by Teichman in respect of those mortgages would be prejudicial to other Investors in those SMLs.

137. With respect to the S-27 Mortgage, the Receiver's review of SMFI's records (to the extent that they can be relied upon) suggests that Teichman and Stein are the only Investors in the SML. Funds were advanced to Subramaniam directly by Olympia and all interest payments made to Teichman and Stein to date have been funded by Subramaniam. As such, and subject to this Court's approval, the Receiver Teichman and Stein be allowed to enforce their remedies in respect of the S-27 Mortgage only.

ASSESSMENT OF PAST TRANSACTIONS

138. The Receiver has identified several sets of transactions related to the SMLs as potentially requiring further review (the "**Reviewable Transactions**"). These include: (a) transactions involving assignment of mortgages and interests in the JVs to Logpin (the "**Logpin Transactions**"); (b) a grant to certain Investors by MFB of mortgage security (the "**MFB Security**") over the Premises; and (c) a series of transactions in July, 2024 in which Investor funds may have been misappropriated. Since the Receiver is early in its investigations, the list of potential Reviewable Transaction may grow.

<u>The Logpin Transactions</u>

139. As disclosed in the statement of claim issued on April 4, 2025 (the "**Goldfarb-Greenspan Claim**") by Logpin, The Goldfarb Corporation, Gary Goldfarb and Jeffrey Goldfarb (the "**Goldfarb Plaintiffs**") and by Suzy and Julianna Greenspan (the "**Greenspan Plaintiffs**"), on December 30, 2024, Sussman, SMFI and 248 executed various documents granting a security interest in certain assets related to the Ballymore Project to Logpin. These include:

a. A promissory note (the "**Ballymore Note**") in respect of SMFI and 248's indebtedness to the Goldfarb Plaintiffs in the amount of $14,919,990 in respect of the Ballymore Project (amended on February 5, 2025 to reflect indebtedness of $15,619,990);

b. A general security agreement in favour of SMFI and 248 (the "**Ballymore GSA**") and a personal guarantee from Sussman (the "**Ballymore Guarantee**") in respect of the Ballymore Note;

c. An assignment by 248 of its co-tenancy interest and interest in cash flow under the Ballymore JV (the "**Ballymore JV Assignment**" and, together with the Ballymore Note, the Ballymore GSA and the Ballymore Guarantee, the "**Ballymore Security**");

140. On February 5, 2025 Sussman, SMFI and 198 executed various documents granting a security interest in certain assets relating to the Waterways and Alliance Projects to Logpin. These include:

a. A promissory note (the "**Alliance Note**") in respect of SMFI and 198's indebtedness to the Goldfarb Plaintiffs in the amount of $27,130,054.17 in respect of the Alliance Project, $2,420,000 in respect of the Waterways Project, and $15,619,990 in respect of the Ballymore Project;

b. A general security agreement in favour of SMFI and 198 (the "**Alliance GSA**") and a personal guarantee from Sussman (the "**Alliance Guarantee**") in respect of the Alliance Note;

c. An assignment by 198 of its co-tenancy interest and interest in cash flow under the Alliance JV (the "**Alliance JV Assignment**" and, together with the Alliance Note, the Alliance GSA and the Alliance Guarantee, the "**Alliance Security**");

141. In addition to the Ballymore Security and the Alliance Security, the Receiver has been advised that the Logpin also took assignment of the mortgages set out below. The mortgages in bold are unrelated to the Ballymore Security and the Alliance Security.

Loan ID	**Borrower**	**Instrument No.**
A-14	2114568 Ontario Limited, Alliance Homes Inc. & Alex Troop	SC543816
A-18	2114568 Ontario Limited, Alliance Homes Inc. & Alex Troop	SC543816
H-27	**Alliance Heritage Village Inc.**	**SC1664789**
M-37	Waterways of Muskoka Ltd.	MT251982
R-61	**Sam Raseta/2067041 Ontario Ltd.**	**SC560684**

R-66	**Sam Raseta/2067041 Ontario Ltd.**	**SC560684**
T-14	2114568 Ontario Limited, Alliance Homes Inc. & Alex Troop	SC543816
W-31	Waterways of Muskoka Ltd.	MT251982

MFB Security

142. On or about February 28, 2025, as security for certain Investments by WFE Investment Corp. ("**WFE**") and Jeffrey Citron Professional Corporation ("**Citron**"), Sussman caused MFB to issue a mortgage in the amount of $800,000 in favour of WFE and Citron. The mortgage was registered against the Premises under instrument number SC2116273.

Potential Misappropriation

143. The Receiver has been advised by several Investors of transactions which do not conform to typical investments.

144. In the first case, Investor JO02 advised the Receiver that Sussman asked them to invest $40,000 in February 2025 but Sussman insisted they do so by providing blank cheques in specific denominations. Investor JO02 further advised that they provided the cheques as requested and were told by Sussman that he would give them details of the mortgage at a later date.

145. However, on review of their bank statements, Investor JO02 discovered that the cheques had been issued to, and cashed by, other Investors and MFB. A schedule of these payments is set out below. Sussman has confirmed to the Receiver that he entered the payee names and delivered the cheques to the other Investors.

146. The Table below summarizes the disposition of the $40,000 received as follows:

Cheque No.	Payee	Amount
90	Investor TP01	12,000.00
91	Investor CA01	3,524.99
92	Investor CA02	1,214.16
93	Investor PI02	3,289.99
94	Investor CO01	3,897.39

95	Investor PI01	940.00
-	Bank Draft* (MFB)	15,133.47
Total		**40,000.00**

* The funds from the bank draft in the amount of $15,133.47 were deposited to the MFB Account and were used to settle obligations of MFB.

147. In the second case, an Investor provided Sussman with $50,000 in July, 2024 for what he was told was a 30-day investment at an interest rate of 10.5%. The funds were deposited to SMFI's general account and comingled with funds in that account. No documentation was provided to the individual supporting any investment.

148. Finally, Investor TP01 provided Sussman with a cheque for $25,000 in July, 2024. Again, Sussman provided no information on the investment beyond it having a one-month term and an interest rate of 10.5%. The funds were deposited to the trust account and $10,000 was subsequently transferred to the general account. There is no record of any investment at that time or in that amount for Investor TP01 in the Information.

CONCLUSION

149. The Receiver's Investigation, while preliminary in nature, has led to the following general conclusions:

a. The Information suffers from significant deficiencies that will make it very difficult to fully reconcile the cash flows associated with the SMLs and the associated claims of Investors;

b. The comingling of funds related to the various SMLs both within the Trust Account and between the Trust, General and Building Accounts may prohibit any tracing required to establish trust claims in respect of the SMLs and the Investments;

c. A principal cause of SMFI's financial difficulties was liquidity imbalances (estimated to be in $60M range) arising from the payment of interest to Investors in respect of SMLs for which (a) no interest was received from the borrower or (b) the borrower had previously repaid all advances. While advances to the Projects may have created

liquidity challenges in prior years, SMFI's net payments to the Projects in the period 2020-2025 were not material; and

d. Many Investors have Investments across multiple SMLs, such that it will likely be very difficult to identify a group of Investors whose Investments could be ring-fenced to particular recoveries.

150. The Receiver has identified the following key steps to be taken in the receivership proceedings, subject to a confirmation and / or expansion of its mandate:

a. Develop and execute a plan to realize on the Active Mortgages and the interests of 248 and 198 in the Projects;

b. Continue the review of the Information and take all reasonable steps to locate and review such additional information that may exist and can be identified by the Receiver;

c. Continue the reconciliation of cash flows associated with the SMLs to determine whether Investments in any of the SMLs can be traced into specific Investments . Due to the comingling of funds, poor record keeping and complexity of the flow of funds, it is likely that a review and assessment of potential fair and equitable distribution mechanisms will need to be completed.

d. Further investigate the Reviewable Transactions to determine whether any of them constitute a preference, transfer at under value, or fraudulent conveyance and, in consultation with the Investors and counsel, determine whether to pursue a recovery in respect of any or all of the Reviewable Transactions; and

e. Conduct a comprehensive claims process to quantify the claims of Investors and other stakeholders against the assets of the Debtors, including Property held in Trust.

All of which is respectfully submitted this 2nd day of June, 2025.

B. RILEY FARBER INC.,
solely in its capacity as Court-Appointed
Receiver of the Debtors and without
personal or corporate liability

Per: 

Name: Richard Williams , CA, CIRP, LIT
Title: Senior Managing Director

Appendix “A”
to the First Report of the Receiver

Court File No. CV-25-00741044-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 2nd
	)	
JUSTICE J. DIETRICH	)	DAY OF MAY, 2025

CHIEF EXECUTIVE OFFICER OF THE FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Applicant

- and -

SUSSMAN MORTGAGE FUNDING INC., 2486976 ONTARIO INC., and 1981361 ONTARIO INC.

Respondents

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, S.O. 2006, c. 29, as amended (the "**MBLAA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing B. Riley Farber Inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Respondents acquired for, forming part of, or used in relation to a business carried on by the Respondents, any assets or property held by the Respondents in trust for any third party, and all property, rights, interests and proceeds arising from all joint venture or co-tenancy agreements entered into by the Respondents was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Antoinette Leung sworn April 11, 2025 and the Exhibits thereto (the "**Leung Affidavit**"), the Affidavit of Dannallyn Salita sworn April 23, 2025 and the Exhibits thereto and the Affidavit of Amy Casella sworn April 25, 2025 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant and such other parties in attendance

at the hearing of this application, and on reading the consent of B. Riley Farber Inc. to act as the Receiver, and on being advised that those investors represented today do not object to the form of Order presented to the Court today, including the Receiver's Charge for the Preliminary Expense Amount only, subject to the terms of this Order,

SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 37 of the MBLAA (in respect of SMFI) and pursuant to section 101 of the CJA (in respect of all of the Respondents), B. Riley Farber Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Respondents acquired for, forming part of, or used in relation to a business carried on by the Respondents, any assets or property held by the Respondents in trust for any third party, and all property, rights, interests and proceeds arising from all joint venture or co-tenancy agreements entered into by the Respondents, including but not limited to those described in **Schedule "A"** attached hereto, including all proceeds thereof and including all property vested in any trustee in bankruptcy of the said Respondents (collectively, the "**Property**").

3. **THIS COURT ORDERS** that the Receiver shall file a report with the Court within 30 days of the date of this Order containing its findings and recommendations with respect to the matters described in paragraph 4 (the "**Preliminary Report**"), with a case conference to take place on June 26, 2025 at 10:00 a.m.

RECEIVER'S POWERS

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

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

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

(c) to manage and operate the business of the Respondents, including the powers to cease to carry on the Respondents' GIC business;

(d) to enter the Respondents' business premises during regular business hours and examine and make copies of any document or record, in paper or electronic format;

(e) to have access to all electronic storage and record databases, including, but not limited to, iCloud, email inboxes, Dropbox, and to examine and make copies of any document or record contained therein;

(f) to review and investigate the books, records and financial affairs in electronic form or otherwise, including, without limitation, banking and investment records, of the Respondents;

(g) to review and investigate:

(i) transactions related to the syndicated mortgage loans brokered by SMFI and the disposition of any proceeds;

(ii) the status and realizable value of the underlying mortgages; and

(iii) the status and realizable value of the Respondents' interests in the joint venture agreements included in the Property;

(h) to deliver notices of examination to and examine any person (including, without limitation, any of the Respondents, and any other officer, director,

or employee of the Respondents) under oath who has knowledge of the business and affairs of the Respondents;

(i) to engage consultants, appraisers, agents, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

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

(k) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Respondents, for any purpose pursuant to this Order;

(l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondents;

(o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondents, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Respondents;

(p) to exercise any shareholder, partnership, joint venture or other rights which the Respondents may have; and

(q) to exercise the functions of an administrator in accordance with the MBLAA and regulations; and

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Respondents or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Respondents or the Property are hereby stayed and suspended pending further Order of this Court, provided however that nothing in this Order shall affect the relief ordered by the Court on this day in the action bearing Court File No. CV-25-00740475-00CL.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written

consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and further provided that nothing in this paragraph shall (i) empower the Receiver or the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the registration of a claim for lien, or (v) prevent any creditor from commencing a bankruptcy application against any of the Respondents.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any

source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court. Notwithstanding anything else contained in this Order, nothing in this Order shall affect or be deemed to affect or alter in any manner the holding of any property in trust by the Respondents for investors, which shall continue and remain in effect at all times.

EMPLOYEES

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

17. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, up to the maximum principal amount of $300,000, which amount includes third-party expenses incurred in carrying out the provisions of paragraph 4 herein, until completion of the Preliminary Report and a return to Court (the "**Preliminary Expense Amount**"), or such further amounts as may subsequently be approved by this Court, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for the Preliminary Expense Amount, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA. Notwithstanding anything else contained in this Order, including the granting of the Receiver's Charge to secure the Preliminary Expense Amount pending any further Order of the Court, the determination of whether assets or property held by the Respondents in trust for any third party ought to be subject to the Receiver's Charge for any amounts other than the Preliminary Expense Amount is expressly without prejudice to the rights of any party to advance such legal arguments following delivery of the Preliminary Report, which rights are expressly reserved. For greater certainty, the reservation of rights does not apply to the Receiver's Charge for the Preliminary Expense Amount, which is granted on an unopposed basis by those in attendance, without any determination on legal arguments that may be raised thereafter.

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

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

20. **THIS COURT ORDERS** that the Receiver's Charge shall not be enforced without leave of this Court.

21. **THIS COURT ORDERS** that the appointment of the Receiver over all Property and the Receiver's Charge granted over all Property to secure the Preliminary Expense Amount (or any other amount as may be ordered by the Court in future, subject to paragraph 17 herein) shall not be deemed in any way to reflect or predetermine the basis upon which the costs and expenses of the Receiver, or any proceeds that may arise from or be realized from the Property, may ultimately be allocated or distributed as the case may be, pursuant to a further Order of the Court. For greater certainty, steps taken by the Receiver and the costs incurred by the Receiver pursuant to this or any further Order shall, to the extent possible, be allocated by the Receiver based on the separate properties, mortgages, projects and/or investments, including, but not limited to, those identified in Exhibit "J" to the Leung Affidavit, for the purposes of any future allocation or distribution.

SERVICE AND NOTICE

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

shall be established in accordance with the Guide with the following URL 'https://brileyfarber.com/engagements/sussman-mortgage-funding-inc/'.

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

GENERAL

24. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

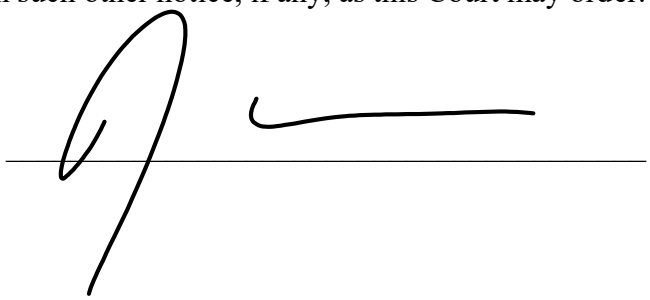
25. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondents.

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

27. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

28. **THIS COURT ORDERS** the Applicant's request for its costs of the application are to be determined by this Court on motion by the Applicant on not less than seven (7) days notice to the Service List.

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



SCHEDULE "A"

PROPERTY, ASSETS, UNDERTAKINGS

1. A joint venture agreement dated as of January 19, 2016 and amended March 2016 between 2486976 Ontario Inc. and Ballymore Building (Innisfil) Corp. governing the construction of a residential housing development on the real property described as follows:

   (a) PIN No. 58056-0089; Part Lt 22, Concession 3 Innisfil being Parts 1 & 2, Plan 51R-5794

   (b) PIN No. 58056-0092; Part Lot 22, Concession 3 Innisfil as in RO1093769

   (c) PIN No. 58056-0019; Part Lots 21&22, Concession 3 Innisfil being Part 2, Plan 51R36429, Part Lot 22, Concession 3 Innisfil Part 3, 51R36429, Innisfil

   (d) PIN No. 58056-0124; Part Lot 22, Con 3 Innisfil being Part 1, 51R37693, Town of Innisfil

   (e) PIN No. 58056-0127; Blocks A, B & C, Plan 973 and Part Lot 22 Concession 3 Innisfil being Part 1, 51R36429 except Part 3, 51R37693; Town of Innisfil

   (f) PIN No. 58065-0457; Part Lot 21 Con 4 Innisfil being Part 1, Plan 51R38206; Innisfil

   (g) PIN No. 58066-0222; Part of Lots 23 & 24, Concession 4 Innisfil being Part 1 on Plan 51R35702; Innisfil

2. A co-tenancy agreement dated as of April 5, 2019 between 1981361 Ontario Inc., Alliance Compro Inc., Alliance Homes Inc. and 2114568 Ontario Inc. governing the construction of a residential housing development on the real property described as follows:

   (a) PIN No. 58707-0038, Part of Lot 51/2 of Lot 24 and Part Lot 25 Concession 10 Mara being PTs 1, 2 & 3 51R36608 Except PT 1 51R36628

3. A co-tenancy agreement dated January 30, 2020 between 1981361 Ontario Inc. and Waterways of Muskoka Ltd. governing the construction of a residential housing development on the real property described as follows:

(a) PIN No. 481700493, PT LT3 PL 1 MONCK PT7 ON 35R23664

(b) PIN No. 481700494, PT LT3 PL 1 MONCK PT8 ON 35R23664

(c) PIN No. 481700495, PT LT3 PL 1 MONCK PT9 ON 35R23664

(d) PIN No. 481700496, PT LT3 PL 1 MONCK PT10 ON 35R23664

(e) PIN No. 481700497, PT LT4 & 5 PL 1 MONCK PT11 ON 35R23664

(f) PIN No. 481700498, PT LT4 & 5 PL 1 MONCK PT12 ON 35R23664

(g) PIN No. 481700499, PT LT4 & 5 PL 1 MONCK PT13 ON 35R23664

(h) PIN No. 481700500, PT LT4 & 5 PL 1 MONCK PT14 ON 35R23664

(i) PIN No. 481700501, PT LT4 & 5 PL 1 MONCK PT15 ON 35R23664

(j) PIN No. 481700502, PT LT4 & 5 PL 1 MONCK PT LANE 1 MONCK CLOSE BY MT91902 PT16 ON 35R23664

(k) PIN No. 481700503, PT LT 5 PL 1 MONCK PT 17 ON 35R23644

(l) PIN No. 481700504, PT LT 5 PL 1 MONCK PT 18 ON 35R23644

(m) PIN No. 481700505, PT LT 5 PL 1 MONCK PT 19 ON 35R23644

(n) PIN No. 481700506, PT LT 5 PL 1 MONCK PT 20 ON 35R23644

(o) PIN No. 481700507, PT LT 5 PL 1 MONCK PT 21 ON 35R23644

(p) PIN No. 481700508, PT LT 5 PL 1 MONCK PT 22 ON 35R23644

(q) PIN No. 481700509, PT LT 5 PL 1 MONCK PT 23 ON 35R23644

(r) PIN No. 481700510, PT LT 5 PL 1 MONCK PT LANE PL 1 MONCK CLOSED BY MT91902 OT 24 ON 35R23664

(s) PIN No. 481700553, PT LT 1 & 8 PL 1 MONCK PT 67 ON 35R23644

(t) PIN No. 481700554, PT LT 1 & 8 PL 1 MONCK PT 68 ON 35R23644

(u) PIN No. 481700555, PT LT 1 PL 1 MONCK PT 69 ON 35R23644

(v) PIN No. 481700526, PT LT 1 PL 1 MONCK PT 40 ON 35R23644

(w) PIN No. 481700527, PT LT 1 PL 1 MONCK PT 41 ON 35R23644

(x) PIN No. 481700528, PT LT 1 PL 1 MONCK PT 42 ON 35R23644

(y) PIN No. 481700529, PT LT 1 PL 1 MONCK PT 43 ON 35R23644

(z) PIN No. 481700525, PT LT 1 PL 1 MONCK PT 39 ON 35R23644

(aa) PIN No. 481700524, PT LT 1 PL 1 MONCK PT 38 ON 35R23644

(bb) PIN No. 481700523, PT LT 1 PL 1 MONCK PT 37 ON 35R23644

(cc) PIN No. 481700563, PT LT2 PL 1 MONCK PT 77 ON 35R23644

(dd) PIN No. 481700564, PT LT2 PL 1 MONCK PT 78 ON 35R23644

(ee) PIN No. 481700565, PT LT 1 & 2 PL 1 MONCK PT 79 ON 35R23644

(ff) PIN No. 481700566, PT LT1 PL 1 MONCK PT 80 ON 35R23644

(gg) PIN No. 481700567, PT LT1 PL 1 MONCK PT 81 ON 35R23644

(hh) PIN No. 481700568, PT LT1 PL 1 MONCK PT 82 ON 35R23644

Appendix “B”
to the First Report of the Receiver

Court File No. CV-25-00741044-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	TUESDAY, THE 20th
	)	
JUSTICE J. DIETRICH	)	DAY OF MAY, 2025

CHIEF EXECUTIVE OFFICER OF THE FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO

Applicant

- and -

SUSSMAN MORTGAGE FUNDING INC., 2486976 ONTARIO INC. and 1981361 ONTARIO INC.

Respondents

APPLICATION UNDER SUBSECTION 37 OF THE *MORTGAGE BROKERAGES, LENDERS AND ADMINISTRATORS ACT*, 2006, S.O. 2006, c. 29, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C.43, AS AMENDED

REPRESENTATIVE COUNSEL ORDER

THIS MOTION, made by certain investors who invested in mortgages brokered and administered by Sussman Mortgage Funding Inc. ("**SMFI**") pursuant to investor agreements entered into with SMFI, for an Order, among other things, appointing Aird & Berlis LLP ("**A&B**") as representative counsel of all investors who contracted with SMFI for the administration of mortgage investments was heard on this day at 330 University Ave, Toronto, Ontario.

ON READING the Notice of Motion dated April 29, 2025, the Affidavit of Harley Zaretsky sworn April 29, 2025, the Supplementary Affidavit of Harley Zaretsky sworn May 1, 2025, the Affidavit of Gordon Starkman affirmed May 9, 2025, the Affidavit of Dannallyn Salita sworn May 12, 2025, the Supplemental Affidavit of Dannallyn Salita sworn May 15, 2025, and the Affidavit of Beatrice Loschiavo sworn May 15, 2025, and on hearing the submissions of A&B, as counsel for the moving parties, and such other parties as were present, no one else appearing although duly

served as appears from the affidavits of service of Daisy Jin sworn April 29, 2025 and May 15, 2025, filed

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

2. **THIS COURT ORDERS** that Aird & Berlis LLP is hereby appointed as representative counsel (in such capacity, "**Representative Counsel**") to represent the investors who invested in mortgages brokered and administered by SMFI pursuant to any written, oral, express or implied investor agreements entered into with SMFI (each an "**Investor**" and collectively, the "**Investors**") in respect of the claims ("**Claims**") of the Investors in this proceeding. For greater certainty, "Investors" as such term is defined and used throughout this Order shall not include the Opt-Out Investors (as defined below).

3. **THIS COURT ORDERS** that Representative Counsel may determine, advance or compromise any Claims of the Investors, provided that each Investor reserves the right to advance any Claim against any other Investor or Opt-Out Investor including, without limitation, with respect to priority of Claims and preferential transactions or conveyances involving any Investor or Opt-Out Investor. Similarly, nothing contained herein shall affect the rights of any Opt-Out Investor to advance any claim against any Investor or any other Opt-Out Investor.

4. **THIS COURT ORDERS** that Representative Counsel shall have access to and the right to examine all relevant records and data kept by the Investors and all relevant records and data related to the Investors in the possession and control of B. Riley Farber Inc., in its capacity as court-appointed receiver of the Respondents (the "**Receiver**"), in any form whatsoever, and all associated costs shall be borne by the Investors and treated as a disbursement incurred by Representative Counsel.

5. **THIS COURT ORDERS** that pursuant to s. 7 of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver is authorized and permitted to disclose personal information of identifiable individuals who are believed to be Investors to Representative Counsel, provided, however, that the Receiver shall not disclose the personal information of any Opt-Out Investors who have notified the Receiver of their status as an Opt-Out Investor prior to the delivery of any such personal information to Representative Counsel. Representative Counsel shall maintain and protect the privacy

of such information and shall limit the use of such information to its role as Representative Counsel.

6. **THIS COURT ORDERS** that a committee of representatives of the Investors (the "**Representative Investors Committee**"), comprising a maximum amount of seven (7) members, shall be constituted in respect of the within receivership proceedings, pursuant to consultation with the Investors and the Receiver to ensure that membership represents a diverse range of Investors, provided that Investors may be appointed to or removed from the Representative Investors Committee from time to time on such terms as may be agreed to by the Representative Investors Committee or established by further order of this Court to ensure diverse and appropriate representation.

7. **THIS COURT ORDERS** that Representative Counsel may rely on and act on the instruction of the majority of the Representative Investors Committee in the course of their engagement, without further communication from the Investors, except as may otherwise be ordered by this Court.

8. **THIS COURT ORDERS** that the Representative Investors Committee and Representative Counsel acting on its behalf are authorized to take all steps and to perform all acts necessary or desirable to carry out the terms of this Order on behalf of the Investors, including, without limitation, by:

   (a) reviewing and advising Investors on the Receiver's preliminary report to stakeholders and the Court with respect to the business and affairs of the Respondents and the status of the mortgages referenced in the order appointing the Receiver (the "**Receivership Order**");

   (b) filing and preparing materials, including any appeal materials, and advancing submissions in respect of any motions that may be scheduled to be heard in these proceedings;

   (c) negotiating, as may be appropriate, any resolution to this application or any motion brought herein;

   (d) bringing any motion as may be required to advance the interests of the Investors, including, without limitation, a motion, as necessary, to challenge the security granted by the Respondents in favour of any Opt-Out Investor; and

   (e) performing such other actions as approved by this Court.

9. **THIS COURT ORDERS** that, with the exception of the Opt-Out Investors (as defined below):

   (a) Representative Counsel shall represent all Investors in connection with their Claims; and

   (b) the Investors shall be bound by the actions of Representative Counsel with respect to the Claims.

10. **THIS COURT ORDERS** that the Representative Counsel shall be entitled to apply to this Court for advice and direction in the discharge or variation of its powers and duties set out in this Order.

11. **THIS COURT ORDERS** that Representative Counsel shall be entitled to the benefit of a charge attaching to the assets of the Respondents as security for its professional fees at its standard rates and charges, up to an aggregate maximum amount of $150,000, exclusive of HST and disbursements (the "**Representative Counsel Charge**"). For greater certainty, and notwithstanding anything else contained herein: (i) the Representative Counsel Charge shall only secure the assets of the Respondents in relation to the interest of the Investors (and not the Opt-Out Investors), and (ii) payment of amounts to Representative Counsel from the assets of the Respondents or proceeds thereof shall only be made from the *pro rata* portion of the Respondents' assets or proceeds to which the Investors (and not the Opt-Out Investors) have an interest. The *pro rata* interests of the Investors as described in this paragraph shall be defined as the "**Investors' Interest**".

12. **THIS COURT ORDERS** that Representative Counsel shall be entitled to charge its reasonable legal fees and disbursements in connection with fulfilling its mandate on behalf of Investors in accordance with this Order against the Investors' Interests, as such proceeds become available for distribution, incurred at the standard rates and charges of the Representative Counsel, and such amounts when paid to Representative Counsel shall be treated for all purposes as payments made to the Investors from the Investors' Interests in the assets of the Respondent.

13. **THIS COURT ORDERS** that the Representative Counsel shall pass its accounts from time to time, and for this purpose the accounts of the Representative Counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, subject to such redactions to the invoices as are necessary to maintain solicitor-client privilege

between Representative Counsel and the Investors. Upon, or subject to the passing of its accounts, the Representative Counsel shall be entitled to receive payment of its fees by making a request to the Receiver, which amounts will be paid from the monetization of the assets of the Respondents (but only in respect of the Investors' Interest and not that of the Opt-Out Investors), as and when such proceeds become available.

14. **THIS COURT ORDERS** that the Representative Counsel Charge shall rank subordinate in priority to the Receiver's Charge (as defined in the Receivership Order) but only to the extent of the *pro rata* percentage of the Investors' Interests relative to the percentage of the interest of all investors, including the Opt-Out Investors.

15. **THIS COURT ORDERS** that the Representative Counsel Charge may be increased by further Order of the Court, provided that the Receiver's Charge is correspondingly increased in an amount deemed appropriate by the Court.

16. **THIS COURT ORDERS** that the Representative Investors and Representative Counsel shall have no personal liability or obligations as a result of the performance of their duties in carrying out the provisions of this Order, or any subsequent Order in these proceedings, save and except for liability arising out of gross negligence or willful misconduct.

17. **THIS COURT ORDERS** that no proceeding may be commenced against the Representative Investors or Representative Counsel in respect of the performance of duties under this Order without leave of this Court, and on at least seven days' notice to the Representative Investors or Representative Counsel.

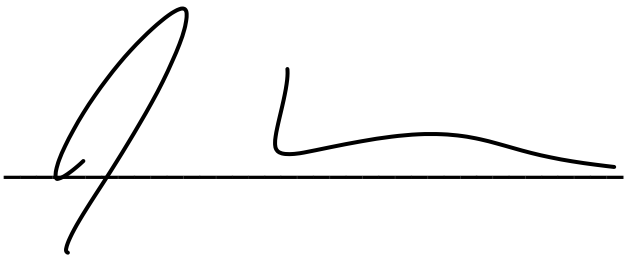
18. **THIS COURT ORDERS** that, by no later than May 22, 2025, a copy of this Order shall be delivered forthwith by the Receiver to all known Investors by way of email (to the extent that the Receiver has such email), and a copy of this Order shall be posted on the website of the court-appointed Receiver of the Respondents.

19. **THIS COURT ORDERS** that any investor who does not wish to be represented by the Representative Counsel shall notify Representative Counsel and the Receiver by no later than June 6, 2025 or otherwise with the written consent of Representative Counsel or further order of the Court and, thereafter, shall not be an "Investor" as defined herein and shall be responsible for representing themselves, personally or through counsel, as an independent individual party to the extent they wish to appear in these proceedings (the "**Opt-Out Investors**").

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

21. **THIS COURT ORDERS** that Representative Counsel and the Committee shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for advice and directions in the discharge or variation of their powers and duties hereunder.

22. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order, and this Order is enforceable without the need for entry and filing.



CHIEF EXECUTIVE OFFICER OF THE FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO
Applicant

SUSSMAN MORTGAGE FUNDING INC. et al.
Respondents

Court File No. CV-25-00741044-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

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

Steven L. Graff (LSO #31871V)
Tel: (416) 865-7726
Email: sgraff@airdberlis.com

Matilda Lici (LSO #79621D)
Tel: (416) 865-3428
Email: mlici@airdberlis.com

Proposed Representative Counsel

64439011.2

Appendix “C”
to the First Report of the Receiver

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

SUSSMAN MORTGAGE FUNDING INC. as of April 01, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	SUSSMAN MORTGAGE FUNDING INC.
Ontario Corporation Number (OCN)	627313
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation/Amalgamation	June 06, 1985
Registered or Head Office Address	129 Dunlop Street East, Barrie, Ontario, L4M 1A6, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Minimum Number of Directors	[Not Provided]
Maximum Number of Directors	[Not Provided]

Active Director(s)

Name	SANDFORD LAWRENCE SUSSMAN
Address for Service	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Resident Canadian	Yes
Date Began	May 01, 1990

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
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Active Officer(s)

Name	SANDFORD LAWRENCE SUSSMAN
Position	President
Address for Service	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Date Began	August 12, 2019

Name	SANDFORD LAWRENCE SUSSMAN
Position	Secretary
Address for Service	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Date Began	August 13, 2019

Name	SANDFORD LAWRENCE SUSSMAN
Position	Treasurer
Address for Service	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Date Began	August 13, 2019

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Corporate Name History

Name	SUSSMAN MORTGAGE FUNDING INC.
Effective Date	Refer to Corporate Records
Previous Name	627313 ONTARIO LIMITED
Effective Date	Refer to Corporate Records

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
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Active Business Names

Name	MORTGAGE FUNDING
Business Identification Number (BIN)	301159034
Registration Date	October 19, 2020
Expiry Date	October 18, 2025

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

Name	SUSSMAN MORTGAGE FUNDING
Business Identification Number (BIN)	180369662
Status	Inactive - Expired
Registration Date	April 07, 2008
Expired Date	April 05, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
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Document List

Filing Name	Effective Date
Annual Return - 2024 PAF: JONATHAN RICHLER	September 04, 2024
Annual Return - 2023 PAF: JONATHAN RICHLER	September 04, 2024
Annual Return - 2021 PAF: Jonathan RICHLER	November 11, 2022
Annual Return - 2022 PAF: Jonathan RICHLER	November 10, 2022
Annual Return - 2020 PAF: SANDY SUSSMAN - DIRECTOR	November 22, 2020
Annual Return - 2019 PAF: SANDY SUSSMAN - DIRECTOR	November 03, 2019
CIA - Notice of Change PAF: SANDFORD LAWRENCE SUSSMAN - DIRECTOR	August 13, 2019
Annual Return - 2018 PAF: SANDY SUSSMAN - DIRECTOR	November 18, 2018
BCA - Articles of Amendment	November 22, 2017
CIA - Notice of Change PAF: SANDFORD L. SUSSMAN - DIRECTOR	November 21, 2017
Annual Return - 2017 PAF: SANDY SUSSMAN - DIRECTOR	November 19, 2017
Annual Return - 2016 PAF: SANDY SUSSMAN - DIRECTOR	November 13, 2016
Annual Return - 2015 PAF: SANDY SUSSMAN - DIRECTOR	November 14, 2015

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
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Annual Return - 2014 PAF: SANDY SUSSMAN - DIRECTOR	November 15, 2014
Annual Return - 2013 PAF: SANDY SUSSMAN - DIRECTOR	November 09, 2013
Annual Return - 2012 PAF: SANDY SUSSMAN - DIRECTOR	November 06, 2012
Annual Return - 2011 PAF: SANDY SUSSMAN - DIRECTOR	November 19, 2011
Annual Return - 2010 PAF: SANDY SUSSMAN - DIRECTOR	October 30, 2010
Annual Return - 2009 PAF: SANDY SUSSMAN - DIRECTOR	November 14, 2009
Annual Return - 2008 PAF: SANDY SUSSAMN - DIRECTOR	January 03, 2009
Annual Return - 2007 PAF: MURRAY SUSSMAN - DIRECTOR	January 12, 2008
Annual Return - 2006 PAF: MURRAY SUSSMAN - DIRECTOR	December 30, 2006
Annual Return - 2005 PAF: MURRAY SUSSMAN - DIRECTOR	December 17, 2005
Annual Return - 2003 PAF: MURRAY SUSSMAN - DIRECTOR	December 27, 2004
Annual Return - 2003 PAF: MURRAY SUSSMAN - DIRECTOR	January 03, 2004
Annual Return - 2002 PAF: MURRAY SUSSMAN - DIRECTOR	January 26, 2003
Annual Return - 2001 PAF: MURRAY SUSSMAN - DIRECTOR	January 25, 2002
Annual Return - 1994 PAF: OTHER	July 20, 1995

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Other - SPECIAL NOTICE 2 PAF: MURRAY SUSSMAN - OFFICER	July 13, 1994
Other - SPECIAL NOTICE PAF: Officer	June 18, 1993
CPCV - Corporate Conversion ADD	June 27, 1992

All “PAF” (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the “as of” date indicated on the report. Additional historical information may exist in paper or microfiche format.

Ontario

Ministère des Services au public et aux entreprises

Rapport de profil

SUSSMAN MORTGAGE FUNDING INC. en date du 01 avril 2025

Loi	Loi sur les sociétés par actions
Type	Société par actions de l'Ontario
Dénomination	SUSSMAN MORTGAGE FUNDING INC.
Numéro de société de l'Ontario	627313
Autorité législative responsable	Canada - Ontario
Statut	Active
Date de constitution/fusion	06 juin 1985
Adresse légale ou du siège social	129 Dunlop Street East, Barrie, Ontario, L4M 1A6, Canada

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

V. Quintanilla W.

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Nombre minimal d’administrateurs	[Non précisé]
Nombre maximal d’administrateurs	[Non précisé]

Administrateurs en fonction

Dénomination	SANDFORD LAWRENCE SUSSMAN
Adresse aux fins de signification	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Résident canadien	Oui
Date d’entrée en fonction	01 mai 1990

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l’égard des sociétés, et le 1er avril 1994, à l’égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l’heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu’à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Dirigeants en fonction

Dénomination	SANDFORD LAWRENCE SUSSMAN
Poste	Président de la société
Adresse aux fins de signification	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Date d'entrée en fonction	12 août 2019

Dénomination	SANDFORD LAWRENCE SUSSMAN
Poste	Secrétaire
Adresse aux fins de signification	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Date d'entrée en fonction	13 août 2019

Dénomination	SANDFORD LAWRENCE SUSSMAN
Poste	Trésorier
Adresse aux fins de signification	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Date d'entrée en fonction	13 août 2019

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Historique des dénominations sociales

Nom	SUSSMAN MORTGAGE FUNDING INC.
Date d'entrée en vigueur	Consulter les registres de la société
Ancienne dénomination	627313 ONTARIO LIMITED
Date d'entrée en vigueur	Consulter les registres de la société

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Noms commerciaux en vigueur

Dénomination	MORTGAGE FUNDING
Numéro d'identification d'entreprise (NIE)	301159034
Date d'enregistrement	19 octobre 2020
Date d'expiration	18 octobre 2025

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Noms commerciaux expirés ou révoqués

Dénomination	SUSSMAN MORTGAGE FUNDING
Numéro d'identification d'entreprise (NIE)	180369662
Statut	Inactive - Expiré
Date d'enregistrement	07 avril 2008
Date d'expiration	05 avril 2018

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Liste de documents

Nom du dépôt	Date d'entrée en vigueur
Rapport annuel - 2024 PRE: JONATHAN RICHLER	04 septembre 2024
Rapport annuel - 2023 PRE: JONATHAN RICHLER	04 septembre 2024
Rapport annuel - 2021 PRE: Jonathan RICHLER	11 novembre 2022
Rapport annuel - 2022 PRE: Jonathan RICHLER	10 novembre 2022
Rapport annuel - 2020 PRE: SANDY SUSSMAN - DIRECTOR	22 novembre 2020
Rapport annuel - 2019 PRE: SANDY SUSSMAN - DIRECTOR	03 novembre 2019
CIA - Avis de modification PRE: SANDFORD LAWRENCE SUSSMAN - DIRECTOR	13 août 2019
Rapport annuel - 2018 PRE: SANDY SUSSMAN - DIRECTOR	18 novembre 2018
BCA - Statuts de modification	22 novembre 2017
CIA - Avis de modification PRE: SANDFORD L. SUSSMAN - DIRECTOR	21 novembre 2017
Rapport annuel - 2017 PRE: SANDY SUSSMAN - DIRECTOR	19 novembre 2017
Rapport annuel - 2016 PRE: SANDY SUSSMAN - DIRECTOR	13 novembre 2016
Rapport annuel - 2015 PRE: SANDY SUSSMAN - DIRECTOR	14 novembre 2015

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
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Directeur ou registrateur
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Rapport annuel - 2014 PRE: SANDY SUSSMAN - DIRECTOR	15 novembre 2014
Rapport annuel - 2013 PRE: SANDY SUSSMAN - DIRECTOR	09 novembre 2013
Rapport annuel - 2012 PRE: SANDY SUSSMAN - DIRECTOR	06 novembre 2012
Rapport annuel - 2011 PRE: SANDY SUSSMAN - DIRECTOR	19 novembre 2011
Rapport annuel - 2010 PRE: SANDY SUSSMAN - DIRECTOR	30 octobre 2010
Rapport annuel - 2009 PRE: SANDY SUSSMAN - DIRECTOR	14 novembre 2009
Rapport annuel - 2008 PRE: SANDY SUSSAMN - DIRECTOR	03 janvier 2009
Rapport annuel - 2007 PRE: MURRAY SUSSMAN - DIRECTOR	12 janvier 2008
Rapport annuel - 2006 PRE: MURRAY SUSSMAN - DIRECTOR	30 décembre 2006
Rapport annuel - 2005 PRE: MURRAY SUSSMAN - DIRECTOR	17 décembre 2005
Rapport annuel - 2003 PRE: MURRAY SUSSMAN - DIRECTOR	27 décembre 2004
Rapport annuel - 2003 PRE: MURRAY SUSSMAN - DIRECTOR	03 janvier 2004
Rapport annuel - 2002 PRE: MURRAY SUSSMAN - DIRECTOR	26 janvier 2003
Rapport annuel - 2001 PRE: MURRAY SUSSMAN - DIRECTOR	25 janvier 2002
Rapport annuel - 1994 PRE: OTHER	20 juillet 1995

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
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Directeur ou registrateur
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Autre (SPECIAL NOTICE 2) PRE: MURRAY SUSSMAN - OFFICER	13 juillet 1994
Autre (SPECIAL NOTICE) PRE: Officer	18 juin 1993
CPCV - Conversion de société (ajout)	27 juin 1992

Tous les renseignements de la « PRE » (personne autorisant le dépôt) sont affichés exactement tels qu'ils sont enregistrés dans le Registre des entreprises de l'Ontario. Lorsque la PRE ne figure pas sur un document, les renseignements n'ont pas été enregistrés dans le Registre des entreprises de l'Ontario.

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Appendix “D”
to the First Report of the Receiver

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

2486976 ONTARIO INC. as of April 01, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2486976 ONTARIO INC.
Ontario Corporation Number (OCN)	2486976
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	October 14, 2015
Registered or Head Office Address	129 Dunlop Street East, Barrie, Ontario, L4M 1A6, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Minimum Number of Directors	1
Maximum Number of Directors	10

Active Director(s)

Name	SANDFORD SUSSMAN
Address for Service	129 Dunlop Street East, Barrie, Ontario, L4M 1A6, Canada
Resident Canadian	Yes
Date Began	October 14, 2015

Name	SANDFORD L SUSSMAN
Address for Service	15 Alexandra Wood, Toronto, Ontario, M2N 2S2, Canada
Resident Canadian	Yes
Date Began	October 14, 2015

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
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Active Officer(s)

Name	SANDFORD SUSSMAN
Position	President
Address for Service	129 Dunlop Street East, Barrie, Ontario, L4M 1A6, Canada
Date Began	October 14, 2015

Name	SANDFORD SUSSMAN
Position	Secretary
Address for Service	129 Dunlop Street East, Barrie, Ontario, L4M 1A6, Canada
Date Began	October 14, 2015

Name	SANDFORD L SUSSMAN
Position	President
Address for Service	15 Alexandra Wood, Toronto, Ontario, M2N 2S2, Canada
Date Began	October 15, 2015

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Corporate Name History

Name	2486976 ONTARIO INC.
Effective Date	October 14, 2015

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V. Quintanilla W.

Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

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V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
Annual Return - 2015 PAF: SANDFORD L SUSSMAN - DIRECTOR	August 31, 2017
CIA - Initial Return PAF: SANDFORD SUSSMAN - OFFICER	November 02, 2015
BCA - Articles of Incorporation	October 14, 2015

All “PAF” (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
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Ontario

Ministère des Services au public et aux entreprises

Rapport de profil

2486976 ONTARIO INC. en date du 01 avril 2025

Loi	Loi sur les sociétés par actions
Type	Société par actions de l'Ontario
Dénomination	2486976 ONTARIO INC.
Numéro de société de l'Ontario	2486976
Autorité législative responsable	Canada - Ontario
Statut	Active
Date de constitution	14 octobre 2015
Adresse légale ou du siège social	129 Dunlop Street East, Barrie, Ontario, L4M 1A6, Canada

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

V. Quintanilla W.

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Nombre minimal d'administrateurs	1
Nombre maximal d'administrateurs	10

Administrateurs en fonction

Dénomination	SANDFORD SUSSMAN
Adresse aux fins de signification	129 Dunlop Street East, Barrie, Ontario, L4M 1A6, Canada
Résident canadien	Oui
Date d'entrée en fonction	14 octobre 2015

Dénomination	SANDFORD L SUSSMAN
Adresse aux fins de signification	15 Alexandra Wood, Toronto, Ontario, M2N 2S2, Canada
Résident canadien	Oui
Date d'entrée en fonction	14 octobre 2015

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Dirigeants en fonction

Dénomination	SANDFORD SUSSMAN
Poste	Président de la société
Adresse aux fins de signification	129 Dunlop Street East, Barrie, Ontario, L4M 1A6, Canada
Date d'entrée en fonction	14 octobre 2015

Dénomination	SANDFORD SUSSMAN
Poste	Secrétaire
Adresse aux fins de signification	129 Dunlop Street East, Barrie, Ontario, L4M 1A6, Canada
Date d'entrée en fonction	14 octobre 2015

Dénomination	SANDFORD L SUSSMAN
Poste	Président de la société
Adresse aux fins de signification	15 Alexandra Wood, Toronto, Ontario, M2N 2S2, Canada
Date d'entrée en fonction	15 octobre 2015

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
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Historique des dénominations sociales

Nom	2486976 ONTARIO INC.
Date d'entrée en vigueur	14 octobre 2015

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Noms commerciaux en vigueur

Cette personne morale n’a aucun nom commercial actif enregistré en vertu de la Loi sur les noms commerciaux de l’Ontario.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l’égard des sociétés, et le 1er avril 1994, à l’égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l’heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu’à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Noms commerciaux expirés ou révoqués

Les noms commerciaux actifs enregistrés de cette personne morale en vertu de la Loi sur les noms commerciaux de l'Ontario sont expirés ou annulés.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Liste de documents

Nom du dépôt	Date d'entrée en vigueur
Rapport annuel - 2015 PRE: SANDFORD L SUSSMAN - DIRECTOR	31 août 2017
CIA - Rapport initial PRE: SANDFORD SUSSMAN - OFFICER	02 novembre 2015
BCA - Statuts constitutifs	14 octobre 2015

Tous les renseignements de la « PRE » (personne autorisant le dépôt) sont affichés exactement tels qu'ils sont enregistrés dans le Registre des entreprises de l'Ontario. Lorsque la PRE ne figure pas sur un document, les renseignements n'ont pas été enregistrés dans le Registre des entreprises de l'Ontario.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Appendix “E”
to the First Report of the Receiver

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

1981361 ONTARIO INC. as of April 01, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	1981361 ONTARIO INC.
Ontario Corporation Number (OCN)	1981361
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	March 15, 2018
Registered or Head Office Address	129 Dunlop Street East, Barrie, Ontario, L4M 1A6, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Minimum Number of Directors	1
Maximum Number of Directors	10

Active Director(s)

Name	SANDFORD SUSSMAN
Address for Service	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Resident Canadian	Yes
Date Began	March 15, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Officer(s)

Name	SANDFORD SUSSMAN
Position	President
Address for Service	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Date Began	March 15, 2018

Name	SANDFORD SUSSMAN
Position	Secretary
Address for Service	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Date Began	March 15, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Corporate Name History

Name	1981361 ONTARIO INC.
Effective Date	March 15, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
CIA - Initial Return PAF: LEON B. CARTER - OTHER	April 11, 2018
BCA - Articles of Incorporation	March 15, 2018

All “PAF” (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.
V. Quintanilla W.
Director/Registrar
This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the “as of” date indicated on the report. Additional historical information may exist in paper or microfiche format.

Ontario

Ministère des Services au public et aux entreprises

Rapport de profil

1981361 ONTARIO INC. en date du 01 avril 2025

Loi	Loi sur les sociétés par actions
Type	Société par actions de l'Ontario
Dénomination	1981361 ONTARIO INC.
Numéro de société de l'Ontario	1981361
Autorité législative responsable	Canada - Ontario
Statut	Active
Date de constitution	15 mars 2018
Adresse légale ou du siège social	129 Dunlop Street East, Barrie, Ontario, L4M 1A6, Canada

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

V. Quintanilla W.

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Nombre minimal d'administrateurs	1
Nombre maximal d'administrateurs	10

Administrateurs en fonction

Dénomination	SANDFORD SUSSMAN
Adresse aux fins de signification	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Résident canadien	Oui
Date d'entrée en fonction	15 mars 2018

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Dirigeants en fonction

Dénomination	SANDFORD SUSSMAN
Poste	Président de la société
Adresse aux fins de signification	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Date d'entrée en fonction	15 mars 2018

Dénomination	SANDFORD SUSSMAN
Poste	Secrétaire
Adresse aux fins de signification	15 Alexandra Wood, Toronto, Ontario, M5N 2S2, Canada
Date d'entrée en fonction	15 mars 2018

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Historique des dénominations sociales

Nom	1981361 ONTARIO INC.
Date d'entrée en vigueur	15 mars 2018

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Noms commerciaux en vigueur

Cette personne morale n’a aucun nom commercial actif enregistré en vertu de la Loi sur les noms commerciaux de l’Ontario.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l’égard des sociétés, et le 1er avril 1994, à l’égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l’heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu’à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Noms commerciaux expirés ou révoqués

Les noms commerciaux actifs enregistrés de cette personne morale en vertu de la Loi sur les noms commerciaux de l'Ontario sont expirés ou annulés.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.
V. Quintanilla W.
Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Liste de documents

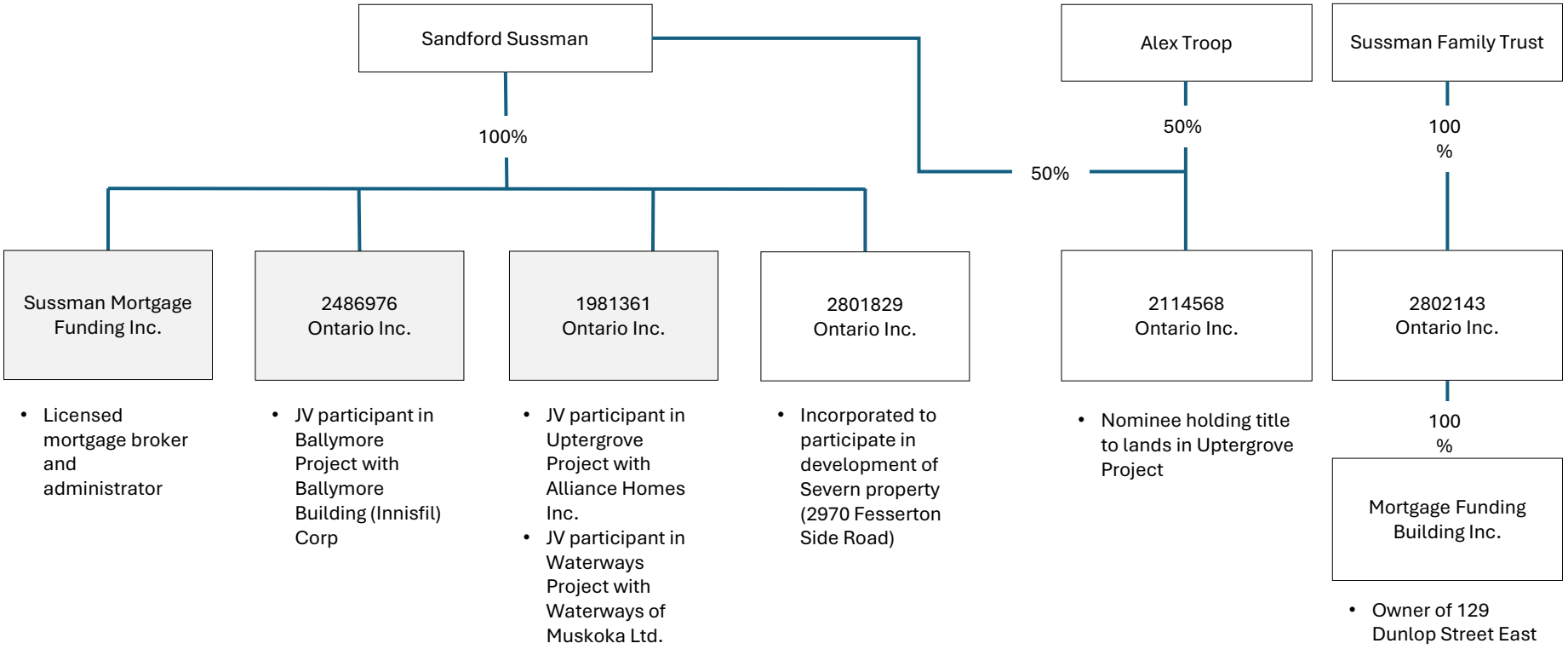
Nom du dépôt	Date d'entrée en vigueur
CIA - Rapport initial PRE: LEON B. CARTER - OTHER	11 avril 2018
BCA - Statuts constitutifs	15 mars 2018

Tous les renseignements de la « PRE » (personne autorisant le dépôt) sont affichés exactement tels qu'ils sont enregistrés dans le Registre des entreprises de l'Ontario. Lorsque la PRE ne figure pas sur un document, les renseignements n'ont pas été enregistrés dans le Registre des entreprises de l'Ontario.

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Directeur ou registrateur
Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Appendix “F”
to the First Report of the Receiver

SUSSMAN MORTGAGE FUNDING INC.
CORPORATE ORGANIZATION CHART



DISCLAIMER
This information has been compiled by B. Riley Farber Inc. ("BRF") in its capacity as financial advisor to Sussman Mortgage Funding Inc. ("SMFI"). In preparing this work product BRF has relied on unaudited information provided by SMFI and its management (the "Information"). BRF has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants Canada Handbook, and, accordingly, BRF expresses no opinion or other form of assurance contemplated under CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own due diligence.

Appendix “G”
to the First Report of the Receiver

Mortgage	Status	Approximate Principal Balance
A-14	Active	5,168,692
A-18	Active	13,712,021
B-73	Discharged	2,902,214
B-83	Discharged	18,236,949
B-86	Discharged	8,105,000
B-90	Discharged	2,035,000
B-92	Discharged	387,000
B-93	Discharged	430,000
B-94	Discharged	293,000
B-95	Active	1,044,500
C-13	Discharged	800,000
C-64	Discharged	540,000
H-20	Discharged	600,000
H-26	Discharged	1,470,000
H-27	Active	3,851,000
I-24	Discharged	1,108,932
J-17	Discharged	1,641,287
K-19	Discharged	1,230,000
L-16	Discharged	7,446,604
M-27	Discharged	1,460,000
M-35	Discharged	1,595,000
M-37	Active	2,560,000
P-11	Discharged	160,000
P-12	Discharged	548,000
R-61	Power of Sale	1,145,000
R-66	Power of Sale	4,885,000
R-68	Discharged	1,364,485
S-18	Discharged	2,778,000
S-24	Discharged	195,000
S-26	Active	486,827
S-27	Active	286,161
T-14	Active	6,475,000
T-18	Discharged	2,325,000
T-20	Discharged	280,000
W-21	Discharged	1,130,000
W-27	Discharged	225,000
W-29	Discharged	750,000
W-30	Active	1,350,000

Appendix “H”
to the First Report of the Receiver

JOINT VENTURE AGREEMENT

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JOINT VENTURE AGREEMENT

THIS AGREEMENT is made as of the 19th day of January 2016

BETWEEN:

2486976 ONTARIO INC.,
a corporation incorporated under the laws of the Province of Ontario

(the "**Purchaser**" or "**Sussman** ")

OF THE FIRST PART

- and -

BALLYMORE DEVELOPMENT (INNISFIL) CORP.,
a corporation incorporated under the laws of the Province of Ontario
[to be incorporated Tuesday]

("**Ballymore**")

OF THE SECOND PART

- and -

2499948 ONTARIO INC.,
a corporation incorporated under the laws of the Province of Ontario
[to be incorporated Tuesday]

(the "**Nominee**")

OF THE THIRD PART

WHEREAS

A. Sussman, Ballymore and the Nominee (herein individually referred to as a "**Member**" and collectively called the "**Members**") have agreed to form and constitute a joint venture (hereinafter referred to as the "**Joint Venture**") for the purposes hereinafter set forth.

B. Pursuant to a certain Agreement of Purchase and Sale dated October 26, 2015, as amended from time to time (the "**Purchase Agreement**"), the Purchaser, as purchaser, agreed to purchase all of the interest in the Lands described in Schedule "A" hereto, which lands and premises are more particularly described in the Purchase Agreement and are hereinafter referred to as the "**Lands**" or "**Lands**").

C. Title to the Lands will be directed in favour of the Nominee on the Date of Closing.

D. It is intended that title to the Lands shall be registered in the name of the Nominee in trust for the Members as tenants-in-common pursuant to the terms of this Agreement.

E. The Members wish to enter into this Agreement for the purpose of setting forth the various terms, provisions and conditions governing their arrangements to develop, service, build and sell the Project (as hereinafter defined).

THEREFORE in consideration of the mutual covenants of the parties hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless the context otherwise requires, the terms defined in this Agreement shall for all purposes have the meanings set forth below:

(a) "**Accredited Appraiser**" means a Person dealing at arm's length with each Member who enjoys a fully accredited membership in the Appraisal Institute of Canada (or its successor organization or, failing either, another equivalent national Canadian real estate appraisal organization and who has had extensive experience in appraising the land component of land developed or capable of being developed for residential and commercial purposes in the County of Simcoe or Greater Toronto Area within the ten (10) year period before his or her retainer);

(b) "**Accounting Period**" means the period of twelve (12) months ending on the last day of November in each calendar year, except for the first Accounting Period for the Property which shall be the period from and including the Effective Date;

(c) "**Acquisition Equity**" shall have the meaning ascribed thereto in Section 3.4(b) hereof;

(d) "**Acquisition Price**" shall have the meaning ascribed thereto in Section 3.1 hereof;

(e) "**Adverse Development Conditions**" means any event or series of events beyond the control of the Member such as strikes, walkouts, labour troubles, inability to procure materials or services or construction financing, power failures, restrictive governmental laws or regulations or the orders or directions of any administrative board, governmental department, officer or other authority, riots, insurrections, war, sabotage, rebellion or acts of God, material changes or delays in market conditions affecting sales or closings, delays in obtaining governmental approvals, permits, rezoning or similar regulatory requirements, or adverse and

material changes to the Project Budget, none of which is the fault of the Member having acted in a commercially reasonable manner;

(f) "**Affiliate**" with respect to a Member means any corporation which directly or indirectly is Controlled by or Controls such Member or is Controlled by the same Person or group of Persons which Controls such Member; or any trusts, the beneficiaries of which are the Person or group of Persons who Controls any Member or any spouse or issue of that Person; or any corporation, the sole shareholders of which are such trusts or any one of such trusts;

(g) "**Agreement**" means this agreement, including the schedules hereto, as amended from time to time;

(h) "**Applicable Interest**" has the meaning ascribed thereto in Section 9.5(a);

(i) "**Approval**" of the Members or of the Joint Venture means an approval of the Management Committee on behalf of the Members as contemplated in Section 5.6 or otherwise approved in writing by the Members and "approve" or "approved" when referring to the Members or Joint Venture shall have the same meaning mutatis mutandis;

(j) "**BIA**" means the Bankruptcy and Insolvency Act (Canada);

(k) "**Business Day**" means any day other than a Saturday, Sunday, or statutory holiday in Ontario;

(l) "**Buy/Sell Provisions**" means the buy/sell arrangements under Article 10 hereof;

(m) "**Cash Call**" has the meaning ascribed thereto in Section 3.10 hereof;

(n) "**Closing**" or "**Date of Closing**" means the closing date for the acquisition of the Lands as contemplated in this Purchase Agreement and "Closing" and "Closing Date" shall have the same meaning;

(o) "**Closing Costs**" shall mean:

(i) any reasonable due diligence costs incurred by Sussman, as reasonably approved by Ballymore and required for the purchase of the Lands and as more particularly set out in the Schedule B attached hereto;

(ii) any legal costs incurred in the negotiation, and closing of the Purchase Agreement and incorporation and organization of the Nominee (currently estimated at $34,000.00 plus disbursements and HST) with any increase to be approved by the Members, acting reasonably;

(iii) any mortgage, placement or commitment fees required to be paid for the First Mortgage or the Construction Financing, as the case may be, and approved by the Members and related legal costs; and

(iv) any other expenses incurred by Sussman for the Project and approved by Ballymore, acting reasonably.

(p) "**Construction Equity**" has the meaning ascribed thereto in Section 3.4(b) hereof;

(q) "**Construction Finances**" means any Joint Venture loan intended to finance the construction of the Development alone or together with the funds for acquisition of the Property;

(r) "**Control**" means:

(i) when applied to the relationship between a Person (or group of Persons) and a corporation, the ownership by such Person (or group of Persons) (other than by way of security only) either directly or indirectly (including by means of the direct or indirect control of one or more intermediate corporations or other entities) of voting securities of such corporation carrying more than fifty per cent (50%) of the votes for the election of directors, if the votes carried by such securities are sufficient, if exercised, to elect a majority of the board of directors of such corporation; and

(ii) when applied to the relationship between a Person (or group of Persons) and a partnership, joint venture or other unincorporated entity, the ownership by such Person (or group of Persons) (other than by way of security only) either directly or indirectly (including by means of the direct or indirect control of one or more intermediate corporations or other entities) of more than fifty per cent (50%) of the ownership interests of such partnership, joint venture or other entity in circumstances where it can reasonably be expected that such Person (or group of Persons) directs the affairs of such partnership, joint venture or other entity;

and the words "**Controlled by**", "**Controlling**" and similar words have corresponding meanings;

(s) "**Deemed Value**" shall mean the purchase price paid by the Joint Venture for the Lands up to a maximum amount of Fourteen Million Five Hundred Thousand Dollars ($14,500,000.00);

(t) "**Development**" means the development of the Lands by the Joint Venture to facilitate and permit the construction of the Project including, without limitation, the provision of the Services, the marketing and sale of the Residential Component, the preparation of agreements of purchase and sale, processing of all

official plan amendments, draft plan and secondary plan approvals, zoning approvals, Committee of Adjustment applications, plan of subdivision approvals, satisfying draft plan conditions, site plan agreements, development agreements, Section 37 agreements and other similar agreements with any Government Authority and "Develop" has a similar meaning;

(u) "**Effective Date**" means the date of this Agreement;

(v) "**Encumbrance**" means any charge, mortgage, lien, pledge, claim, restriction, security interest or other encumbrance whether created or arising by agreement, statute or otherwise at law, attaching to Lands, interests or rights and shall be construed in the widest possible terms and principles known under the law applicable to such Lands, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of Ontario;

(w) "**Equity Interest**" has the meaning ascribed thereto in Section 3.3(b) hereof;

(x) "**Event of Insolvency**" means in regard to any Member, the occurrence of any one of the following events:

(i) if such Member, is wound up, dissolved, liquidated, or has its existence terminated unless such existence is reinstated within a reasonable time, or has any resolution passed therefor or makes a general assignment for the benefit of its creditors or a proposal under the *Bankruptcy and Insolvency Act* (Canada), or is adjudged bankrupt or insolvent, or if it proposes a compromise or arrangement under the *Companies' Creditors Arrangement Act* (Canada) or files any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, or similar relief for itself under any present or future law relating to bankruptcy, insolvency, or other relief for or against debtors generally; or

(ii) if a court of competent jurisdiction enters an order, judgment or decree against such Member seeking any reorganization, arrangement, composition, re-adjustment, liquidation, dissolution, winding up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to bankruptcy, insolvency or other relief for or against debtors generally, and such order, judgment or decree remains unvacated and unstayed for an aggregate of 15 days (whether or not consecutive) from the day such Member receives notice thereof; or if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers is appointed for any such Member and such appointment remains unvacated and unstayed for an aggregate of 15 days (whether or not consecutive); or

(iii) if a writ of execution, distress, attachment or similar process is issued or levied against a Member by a court of competent jurisdiction and such writ of execution, distress, attachment or process shall not be satisfied in accordance with its terms and shall continue unstayed in effect for thirty (30) days from the date such Member receives notice of such writ of execution, distress, attachment or similar process that is issued or levied; or

(iv) if such Member admits or acknowledges that it is unable to pay its debts generally or that it is otherwise insolvent, or becomes insolvent.

(y) "**Excess Liability**" has the meaning ascribed thereto in Section 3.7 hereof;

(z) "**Fair Market Value**" means the value of the Lands or any part or parts thereof or a Tenancy Interest, as the case may be, determined without any minority discount by appraisal pursuant to the provisions of Section 9.6 hereof;

(aa) "**First Mortgage**" has the meaning ascribed thereto in Section 3.2(a)(i) hereof;

(bb) "**First Mortgage Advance**" has the meaning ascribed thereto in Section 3.1(a)(i) hereof;

(cc) "**First Phase**" shall mean the first sixty-three (63) residential units of the Residential Component to be constructed in the Project and which as of the Effective Date, have received draft plan approval from the Town of Innisfil and are fully serviced, save and except for asphalt and sidewalks;

(dd) "**Freeze Period**" shall mean the date upon which all units in the Residential Component have been completed, sold and closed in the Project or five (5) years from the Effective Date, whichever comes first;

(ee) "**GAAP**" means generally accepted accounting principles for private, non-offering real estate holding and development companies in Canada, consistently applied;

(ff) "**Government Authority**" means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial, regional or municipal government having jurisdiction over part or all of the Lands, the Development, the transactions contemplated by this Agreement and/or one or more of the Members and shall include a board or association of insurance underwriters;

(gg) "**Gross Receipts**" has the meaning ascribed thereto in Section 4.2;

(hh) "**HST**" means all goods and services taxes, value added taxes, sales taxes, use, consumption taxes and other similar taxes of whatever name or description

whether or not in existence at the date hereof, now or hereafter imposed, levied, rated, charged or assessed by the Government of Canada or by any provincial, municipal or local government or public authority, including the goods and services tax or any harmonized sales tax now or hereafter levied pursuant to the *Excise Tax Act* (Canada);

(ii) "**Initiating Member**" has the meaning ascribed thereto in Section 9.5(a);

(jj) "**Interest Rate**" means a rate of interest which at all times is the Prime Rate plus ten percent (10%);

(kk) "**Joint Venture Assets**" has the meaning ascribed thereto in Section 2.1;

(ll) "**Lands**" shall mean the lands set out in Schedule "A" and any other lands acquired for the Project by the Joint Venture;

(mm) "**Lender**" means any lender or mortgagee or other secured lender of the Joint Venture approved by the Management Committee as herein provided;

(nn) "**Management Committee**" means the management committee established pursuant to the provisions of Article 5 hereof;

(oo) "**Maximum Principal Amount**" has the meaning ascribed thereof in Section 3.2(a)(iii) hereof;

(pp) "**Member**" means any of the Nominee, Sussman or Ballymore (and collectively the "Members");

(qq) "**Member Group**" has the meaning ascribed thereto in Section 2.7(b);

(rr) "**Members' Account**" means the bank account of the Joint Venture as provided in Section 7.4(g);

(ss) "**Mortgagees**" means, collectively, Pacific & Western Bank of Canada and KingSett Real Estate Mortgage GP No. 3 Inc., and hold a first and second charge, respectively, on title to the Lands as of the Effective Date and which charges shall be discharged on Closing;

(tt) "**Non-Defaulting Member**" means any Member who is not at the relevant particular time a Defaulting Member;

(uu) "**Non-Residential Component**" means that portion of the Project that is not the Residential Component, and which at the Effective Date is intended to include the lots on Emily Street, a seniors block and two commercial blocks;

(vv) "**Operations**" means the Development, improvement, operation, management, repair and maintenance of the Lands;

(ww) "**Permitted Encumbrances**" means, when used in relation to a Member's Tenancy Interest:

(i) liens for taxes, assessments or governmental charges or levies which are not at the time due and delinquent;

(ii) undetermined or inchoate liens or charges which have not at the time been filed pursuant to law against the Member or which relate to obligations not due or delinquent;

(iii) liens in respect of any judgment rendered, writ of execution issued or claim filed against the Member or any of its Lands which may be satisfied by the payment of money and which the Member is diligently contesting in good faith, provided that such contestation prevents the forfeiture or loss of any part of the Member's Tenancy Interest; and

(iv) Encumbrances affecting the Lands approved by the Management Committee and created or assumed by all of the Members in connection with the Operations;

(xx) "**Person**" means a natural person, firm, trust, partnership, joint venture, estate, unincorporated organization, association, corporation, government or governmental board, agency or instrumentality;

(yy) "**Project**" means the proposed mixed use development to be constructed on the Lands and consisting of both the Residential Component and the Non-Residential Component;

(zz) "**Project Budget**" means any budget or budgets for the Project or any part thereof, approved by the Members as contemplated herein, together with all changes and amendments thereto approved by the Management Committee; "

(aaa) "**Project Costs**" means those costs incurred for the Project and contained in the Project Budget or otherwise approved by the Management Committee;

(bbb) "**Prime Rate**" means the prime commercial lending rate of interest of the Royal Bank of Canada from time to time establishes as the reference rate of interest for the purpose of determining the rate of interest that it would charge to its most favoured commercial customers for loans in Canadian funds at its head office or main branch in Toronto, Ontario, and which it refers to as its "prime rate" as the same is in effect from time to time;

(ccc) "**Purchase Agreement**" has the meaning ascribed thereto in recital B;

(ddd) "**Purchase Notice**" has the meaning ascribed thereto in Section 9.5(a);

(eee) "**Purchaser**" has the meaning ascribed thereto in Section 9.5(a);

(fff) "**PW LC**" has the meaning ascribed thereto in Section 3.3(d);

(ggg) "**Representative**" shall mean a member of the Management Committee;

(hhh) "**Residential Component**" means the residential component of the Project and which at the Effective Date shall be comprise 241 lots and certain partial lots consisting of approximately 10,290 linear front feet which shall be used for the construction of single family residences;

(iii) "**Second Phase**" means the subsequent phases for the balance of the residential units not included as part of the First Phase of the Residential Component;

(jjj) "**Services**" means all services, as such term is commonly used in the residential development industry, necessary to permit the subdivision of the Lands and as may be required by any Government Authority pursuant to any subdivision, development, site plan or like agreements applicable to the Lands, including storm and sanitary sewers, functioning water service, water pumping station, storm water management pond, utilities (including a hydroelectric looping system), roads, sidewalks and landscaping, whether constructed on the Lands or on other lands owned by any other Person;

(kkk) "**Share**" means with respect to each of the Members and subject to adjustment as per Section 2.14, be equal to forty-nine (49.98%) per cent for each of Sussman and Ballymore and 0.04% for the Nominee;

(lll) "**Sussman Deemed Equity**" shall have the meaning set forth in Section 3.2;

(mmm) "**Sussman Purchase Funds**" shall have the meaning set forth in Section 3.2(a)(iii);

(nnn) "**Sussman Purchase Funds Mortgage**" shall have the meaning set forth in Section 3.5;

(ooo) "**Tarion**" shall have the meaning set forth in Section 3.6;

(ppp) "**Tenancy Interest**" shall have the meaning set forth in Section 2.1;

(qqq) "**Time of Closing**" means 4:00 p.m., Toronto time or such other time on the Date of Closing as the particular Vendor and Purchaser may agree upon;

(rrr) "**Unavoidable Delay**" means a delay in the performance of an act or compliance with a covenant caused by an act of God, fire, strike, lockout, inability to obtain or delay (which is not reasonably within the control of the party obliged to perform or comply) in obtaining material, equipment or transport, inability to

obtain or delay (which is not reasonably within the control of the party obliged to perform or comply) in obtaining governmental approvals, permits, licences or allocations, restrictive laws or governmental regulations, or any other cause, whether of the kind specifically enumerated above or not, which is not reasonably within the control of the Party obliged to comply or perform, but does not mean a delay caused by lack of funds or other financial reasons of a party;

(sss) "**Vendor**" has the meaning ascribed thereto in Article 9 and Article 10 hereof as the case may be; and

(ttt) "**VTB**" means the mortgage to be given back by the Purchaser to the Vendor under the Purchase Agreement and assigned to an Affiliate of Sussman and which shall be discharged immediately after Closing;

ARTICLE 2
THE JOINT VENTURE

2.1 Interests in the Joint Venture

The Members shall hold an undivided interest ("**Tenancy Interest**") in the Lands, assets and rights of the Joint Venture (the "**Joint Venture**") both real and personal as tenants in common in the following proportions:

MEMBER	PERCENTAGE SHARE
Sussman	49.98%
Ballymore	49.98%
Nominee	0.04%

2.2 Purpose and Scope

(a) The Members, each expressly relying on the warranties, representations and covenants in this Agreement, hereby establish a Joint Venture for the purpose of governing their respective rights and obligations to and with each other with respect to the Development of the Project.

(b) The purpose, and only purpose, of the Joint Venture is to acquire, own, Develop, market, construct and sell the Project under the Joint Venture name to be chosen by the Management Committee or such other name as may from time to time be agreed upon by the Members. The Members agree, in promoting the Development, all advertising and marketing materials, plans, signage, newspaper advertisements, promotions and any of the like showing Ballymore as developer of the Development.

(c) The Members agree to own, operate, maintain and Develop the Lands and construct the Project in accordance with the terms of this Agreement.

(d) Subject to any Adverse Development Conditions, the Members agree to diligently and in good faith take such steps as are commercially reasonable to Develop the Lands.

(e) The Members hereby agree that this Agreement shall govern and define their respective rights, benefits, liabilities, obligations, interests and powers as Members with respect to:

(i) the Lands;

(ii) the Development;

(iii) the Project;

(iv) all property and property rights, whether real or personal, now owned or hereafter acquired by the Members in connection with the Development and the Property;

(v) gross receipts, including all revenues, capital sums and other proceeds derived from the Development; and

(vi) all present and future leases and other agreements and choses-in-action which may be entered into or owned by or on behalf of the Members in connection with the Development, the Lands, and the Project.

2.3 Effective Date and Continuance

(a) This Agreement is effective from and after the date of this Agreement.

(b) This Agreement shall continue in full force and effect until the later of:

(i) the date that the last of the Residential Component and the Non-Residential Component in the Project is sold by the Members to a third party purchaser and all letters of credit deposited with any municipal and/or governmental authorities, tribunals, corporations (including Tarion Warranty Corporation) or agencies have been released;

(ii) the date that final settlement has been made among the Members in accordance with Section 2.3(c) unless this Agreement and the Joint Venture constituted hereby is otherwise terminated upon written agreement by the Members or otherwise in accordance with the provisions hereof; and

(iii) the date that only one Member has an interest in the Project.

(c) In the event that the Members sell all of the Residential Component to one or more third party purchasers and the Non-Residential Component of the Development is completed and sold (or is transferred to a Member pursuant to the terms of this Agreement), the Members shall make a final settlement among themselves to the end that, subject to Section 2.7 hereof, the Members shall share all of the rights and benefits and bear all of the liabilities and obligations of the Joint Venture in accordance with their respective Tenancy Interest, provided that any distribution of funds shall be made only in accordance with Section 4.1.

2.4 Partnership Not Created

Each Member expressly disclaims any intention to create a partnership. Nothing in this Agreement, or otherwise arising herefrom, shall be construed to constitute any of the Members nor the Nominee a partner, agent or representative of the others or any of them or any commercial or other partnership. Each Member expressly declares its intention to rely upon:

(a) the provisions of Section 3 of the *Partnership Act* (Ontario), as amended or re-enacted from time to time, to the effect, inter alia, that tenancy in common, common lands or part ownership does not of itself create a partnership as to anything so held or owned, whether the tenants or owners do or do not share any profits made by the use thereof; and

(b) the statutory and common law as it applies to tenants in common save only to the extent that the same is, by the express provisions of this Agreement, amended or varied.

2.5 Apportionment of Profits and Losses

Except as hereinafter otherwise specifically provided, all net profits derived from the ownership, operation, development and sale of the Property shall belong to the Members in accordance with their respective Tenancy Interest, and all expenditures or losses incurred in connection with the Property shall be borne by the Members in accordance with their respective Tenancy Interests.

2.6 No Authority to Bind

Except as otherwise expressly provided in this Agreement, a Member shall not have any authority to act for or on behalf of the other Member or to bind the other Member or the Nominee.

2.7 Indemnity

(a) Each Member (in this Section called the "**Indemnitor**") hereby irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other Member and the Nominee (in this Section called the "**Indemnitees** ") from and against any and all liability, loss, harm, damage, cost or expense, including legal

fees on a full indemnity basis, which the Indemnitees or either of them may suffer, incur or sustain as a result of any act of the Indemnitor committed outside the scope of or in breach of this Agreement.

(b) In the event that any time hereafter any of the Members (or an Affiliate thereof or principals thereof) (the "**Member Group**") shall become a surety or guarantor, or become indebted or liable for any moneys borrowed by the Joint Venture or for any obligation entered into by the Joint Venture, or any of the Member Group expends any money on behalf of the Joint Venture, so long as such debt, liability, obligation or expenditure is incurred pursuant to the provisions of this Agreement, then, in any such event, each of the Members hereto covenants and agrees to protect, indemnify and save the other Member Group harmless against and from any such loss, damage, costs and liability whatsoever, arising in respect of the aforementioned debt, liability, obligation, expenditure or loan, in the respective Shares.

(c) As security for its obligations, relating to any guarantees provided by Ballymore, its affiliates or principals hereunder, pursuant to the indemnity hereunder, Sussman hereby grants Ballymore a security interest in its Tenancy Interest. This security interest shall be postponed to any financing necessary for the development of the Project.

2.8 Liability

Subject to Section 2.7 hereof, the obligations of each Member with respect to the Project and the Joint Venture and all borrowings by or secured obligations entered into by or on behalf of the Members in connection therewith shall, in every case, be several to the extent of the Share of such Member and not joint, and not joint and several, unless expressly otherwise approved by the Management Committee (or if required by Tarion Warranty Corporation). All contracts and agreements for the Operations shall be entered into by the Nominee.

2.9 Legal and Beneficial Ownership

The Members confirm and agree that title to the Lands and to all lands, whether real, personal or mixed, comprising, used or otherwise acquired in connection with the Lands or used in connection with the Joint Venture including, without limitation, personal Lands and choses-in-action, shall be taken and held in the name of the Nominee, and that beneficial ownership shall be held by each of the Members as tenants in common in the same ratio as their respective Shares.

2.10 Other Businesses, etc.

(a) Each Member and any Affiliates shall have the free and unrestricted right independently to engage in other businesses or ventures for its own individual profit without any accountability to the other Member, even if such other businesses or ventures are similar to or compete with the Lands outside of a

radius of 3 miles of the Project. Notwithstanding the foregoing, either Member or any Affiliate may, at any time, purchase, develop and sell lands within a 3 mile radius of the Lands provided that no steps will be taken to develop the lands until at least 100 units have been sold in the Residential Component of the Project.

(b) Each Member shall maintain its corporate status in good standing and pay all taxes and other levies owing to governmental authorities in a timely manner.

(c) Save as specifically set forth in this Agreement, no Member or any officer, director or shareholder of a Member shall be required to devote any particular amount of time or attention to the Joint Venture, save as otherwise provided herein, but each Member shall cause its officers and/or employees to devote such time and attention thereto as shall be necessary to permit and promote the effective ownership, holding and development of the Lands in accordance with the terms and provisions of this Agreement.

(d) Each Member covenants to perform, discharge and exercise the powers, duties and discretions entrusted, allocated or reserved to it hereunder, or as a result hereof, in good faith and in the best interest of the Joint Venture, and that, in connection therewith, it shall exercise that degree of care, diligence and skill that a reasonable prudent developer and owner of similar Lands would exercise in comparable circumstances.

2.11 No Partitioning

No Member and no person claiming through or under a Member shall partition or apply to the court or other authority having jurisdiction over the matter, or commence or prosecute any proceeding for the partition or sale of the Lands, or any part thereof. In the event of a breach of the provisions of this Section by a Member, the other Members shall, in addition to all other rights and remedies at law or in equity to which they are otherwise entitled, be entitled to a decree or order perpetually restraining and enjoining such partition, application, action or other proceeding, and the first-mentioned Member is hereby precluded from pleading in defence that there would be an adequate remedy at law (it being acknowledged by all the Members that the injury and damages flowing from any such breach would be impossible to measure monetarily).

2.12 Waiver of Sale

Each of the Members waives the benefit of all provisions of law, as now in effect or as hereinafter enacted, relating to actions for sale in lieu of partition of real and personal Lands including, without limiting the generality of the foregoing, the *Partition Act* (Ontario), as amended, and each of the Members agrees that it will not resort to any action at law or in equity for a sale in lieu of partition in respect of the Lands.

2.13 Indemnity for Loans from Unauthorized Acts

No Member shall lend money or give credit to, or borrow money from, or enter into any contract or have other dealings with any Person purportedly on behalf of the Joint Venture to pledge the credit of the Joint Venture unless authorized or contemplated by this Agreement or as otherwise arises by operation of law, or unless the approval by the Management Committee to such action is obtained as herein set forth, and if it does, it shall indemnify and save the other Members harmless from all demands, costs, losses, debts, obligations, duties, claims, liabilities, damages and expenses in respect thereof.

2.14 Representations and Warranties

Each Member hereby represents and warrants to the other Member that the Tenancy Interest owned by such Members are free and clear of all liens, charges, encumbrances and other security interests of whatsoever nature other than the Permitted Encumbrances, including any agreement, option, right or privilege (whether by law, pre-emptive right or contract) capable of becoming a right to purchase from such Member of any of such Tenancy Interest. Sussman represents and warrants that the Lands are free and clear of all liens, charges, debts, encumbrances and other security interests of whatsoever nature except the Permitted Encumbrances, including any agreement, option, right or privilege (whether by law, pre-emptive right or contract) capable of becoming a right to purchase from the interest of the Nominee of any of its interest in the Property.

ARTICLE 3
FINANCING

3.1 Funds required for the Acquisition of Lands

It is acknowledged and agreed that all funds required to close the purchase of the Lands as contemplated in the Purchase Agreement (the "**Acquisition Price**") shall be the sole responsibility of the Purchaser, subject to the terms hereof.

3.2 Funds Required for Closing

(a) The funds required for Closing shall be provided as follows:

(i) up to an amount not to exceed the Deemed Value, the Joint Venture shall advance the amounts obtained ("**First Mortgage Advance**") from financing by a recognized financial institution ("**First Mortgage**");

(ii) from Ballymore, 50% of:

(A) land transfer tax payable on the Deemed Value of the Lands; and

(B) Closing Costs.

(iii) from Sussman, the balance required for the Closing including the land transfer tax payable in accordance with the Purchase Agreement;

(iv) The cash due on Closing, after credit for the First Mortgage Advance and any deposits paid in accordance with the Purchase Agreement, required to be paid by Sussman for the aggregate of the following:

(A) the amounts to discharge the Mortgagees;

(B) the commission owing to CBRE Limited being 2% of the Purchase Price, but not to exceed $400,000.00 plus HST, in accordance with the Purchase Agreement;

(C) the costs to vacate or discharge the construction lien registered on title to the Lands in the amount of $134,132.99; and

(D) any realty taxes payable under the Purchase Agreement and not otherwise included in the amounts payable to the Mortgagees,

shall be the "**Sussman Purchase Funds**".

(v) It is understood and agreed that Sussman may arrange private financing or financings (the "**Second Mortgage**") for the total principal amount (the "**Maximum Principal Amount**") equal to the Sussman Purchase Funds, together with any interest payments made to the Mortgagees from and including October 1, 2015 to the Closing as set out in Schedule "C" (the "**Interest Payments**") plus the deposit of $1,000,000.00 paid pursuant to the Purchase Agreement. The rate of interest for the Second Mortgage shall not exceed the rate of interest under the First Mortgage for the first $1,000,000.00 of the Maximum Principal Amount and 200 basis points over the rate charged to the Joint Venture under the First Mortgage on the balance. It is further understood and agreed that the Second Mortgage shall be non-recourse against Ballymore or its principals and shall have recourse only against the Lands and Project assets. The Joint Venture shall consent to the registration of the Second Mortgage to secure the Sussman Purchase Funds, provided that the First Mortgage and Construction Financing permits same and on such terms as it may require including, inter alia, execution of postponement/standstill agreements in favour of the First Mortgage and any Construction Finances and containing the usual development provisions.

(vi) It is understood and agreed that the difference between the Deemed Value, and the sum of the First Mortgage Advance and the principal amount of the Second Mortgage, shall be referred to herein as the "**Sussman Deemed Equity**".

By way of example, see below:

(A)	Deemed Value	=	$14,500,000.00
(B)	First Mortgage	=	$ 9,000,000.00
(C)	Principal Amount Second Mortgage	=	$ 3,200,000.00
(D)	Sussman Deemed Equity	=	$ 2,300,000.00

(b) An amount equal to the Sussman Deemed Equity shall be paid to Sussman in accordance with the Priority of Distribution set forth in Article 4.

(c) It is acknowledged that Sussman shall advance the sum of $367,000.00 to cash collateralize the Letter of Credit ("**PW LC**") presently lodged with the Town of Innisfil by Pacific and Western Bank of Canada, for pre-servicing and, such funds will be replaced by the First Mortgage and/or Construction Financing in accordance with the terms thereof and such funds shall be returned to Sussman Mortgage Funding Inc. once released by Pacific & Western Bank of Canada. Alternatively, if such cash collateral can be posted with the Town of Innisfil on Closing so as to permit a release of the PW LC, Sussman shall do so and same shall be considered as part of the Sussman Purchase Equity.

3.3 Financing

(a) The Members shall, using reasonable commercial efforts, actively pursue to obtain the financing for the Development and the Project from a Lender with a view to obtain the most advantageous terms and conditions possible. To the maximum extent possible, all amounts required by the Joint Venture for the acquisition of the Lands and the Development of the Project shall be obtained by way of conventional mortgage financing of the Lands, supported, if required by the covenant of Ballymore or its Affiliates but not that of Sussman or the Nominee, provided that Sussman and the Nominee shall charge their Tenancy Interests and execute such documentation as may be required by a Lender.

(b) In the event the Joint Venture obtains financing from any Lender for both the acquisition of the Lands and for the construction of the Development and the Project, on terms satisfactory to the Members and the Lender requires from the Members equal contributions of equity to fund the Purchase, then Sections 3.2(a)(iii) and 3.3(b) hereof shall not apply, both Members shall advance their respective shares of equity from their own resources and no interest shall accrue on any amount required to be advanced by the Lender by each of the Members unless same is advanced by mezzanine financing approved by the Members. To the extent the said Lender can designate equity required for the funding of the Acquisition Price ("**Acquisition Equity**") and separate equity for the financing of

the construction of the Development ("**Construction Equity**"), Sussman shall fund the Acquisition Equity via the Second Mortgage or his own resources and both Members shall equally fund the Construction Equity. For the purpose of clarity, it is understood that Sussman is responsible for obtaining and funding the Purchase Price. No credit will be given to Sussman, on account of any required Construction Equity, for any portion of the Purchase Price including the initial $1,000,000.00 deposit

3.4 Vendor Take Back Mortgage/ Sussman Purchase Funds Mortgage

The VTB shall be discharged from title to the Lands immediately following the purchase of the Property. The Members acknowledge that the VTB is not an obligation of the Joint venture.

3.5 Guarantees/Covenants and Tarion Security

With respect to registering the Project under the Tarion Warranty Corporation ("**Tarion**") and providing all required indemnities and documentation, Ballymore or its Affiliate without Sussman acceptable to Tarion, shall be required to provide same including, inter alia, acting as the registered vendor and builder and using the Nominee as Vendor under the Ballymore group registration under Tarion and provided that Sussman shall execute any documents required by Tarion so long as Sussman is not required to give any guarantees except a charge of its Tenancy interest in the project.

3.6 Indemnity

In the event that at any time hereafter any of the parties hereto, or any of their respective Affiliates, shall become a surety or guarantor, or become indebted or liable for any monies borrowed by the Joint Venture or for any obligations entered into by the Joint Venture including Tarion,, or any of the Members or any of their respective Affiliates expends any money on behalf of the Joint Venture as a result of a legal demand by a third party lender or obligee, in both cases in an amount exceeding such Member's Share of same ("**Excess Liability**"), so long as such debt, liability, obligation or expenditure is incurred pursuant to the provisions of this Agreement, or in the event that any Member or its respective Affiliates shall not receive repayment in full of the monies advanced by such Member or its Affiliates to the Joint Venture pursuant to the provisions of this Agreement, then, in any such event, each of the Members and their respective Affiliates covenants and agrees to protect, indemnify and save the other Members and their Affiliates harmless against and from any such loss, damage, cost and liability whatsoever, arising in respect of the aforementioned debt, liability, obligation, expenditure, guarantee or loan proportionate to their respective Shares for such Excess Liability.

3.7 Additional Capital

If the Joint Venture, after Closing shall require funds in excess of those available from a lender and the same has been provided for in the Project Budget, such funds shall be advanced within the time frames approved by the Members, except for the Nominee, pro rata to their

Shares. In the event funds required are other than stated in the Project Budget then the Management Committee shall consider and approve same.

3.8 Interest

Amounts advanced by the Members in their respective Shares pursuant to Section 3.8 above shall not bear interest.

3.9 Notice for Advance

Whenever funds are required to meet any legal obligations arising out of the business and affairs of the Joint Venture, as contemplated herein, any member of the Management Committee shall be entitled to notify the Members in writing, which notice shall set out the amount of the contribution from each Member and the date upon which such funds are required ("**Cash Call**"). If the purpose of the Cash Call is not anticipated in the Project Budget, the Cash Call shall provide the specific purpose for which it is required. Subject to the provisions of Section 3.8 hereof, each Member shall advance the amount required on or before the date set forth in such Cash Call payable to the Nominee and delivered for deposit to the Members' Account, which shall be no less than ten (10) business days following the date the notice has been given.

3.10 Default under a Cash Call

If a Member does not advance funds as is required pursuant to a Cash Call (the "**Defaulting Member**") on or before the date such funds are required, the other Member shall have recourse against the Defaulting Member in accordance with Article 9 hereof.

3.11 Additional Equity required for Development

If the Joint Venture, after Closing, shall require funds in excess of those available from any financings arranged by the Joint Venture and the same has been provided for in the Project Budget, such funds shall be advanced within the time frames approved by the Members pro rata to their Shares. In the event funds required are other than stated in the Project Budget then the Management Committee shall consider and approve same.

ARTICLE 4
CASH SURPLUS; DISTRIBUTIONS

4.1 Priority

The cash surplus ("**Cash Surplus**") of the Joint Venture arising from the receipt of any Project Revenue (save for collateralization of any Letters of Credit, approved reserves for warranty claims, unpaid Project Costs or other reserves approved by the Joint Venture) shall be distributed to the Members, as and when funds become available for distribution, in the priority and manner as follows (the "**Priority of Distributions**"), without duplication, no distribution being made in any category set forth below unless and until the preceding category has been satisfied in full, unless the Members otherwise agree in writing:

(a) firstly, to Lenders for the repayment of any financing or any other financing obtained by the Joint Venture for the Development of the Project;

(b) secondly, to repay the Second Mortgage;

(c) thirdly, any unpaid Project Costs including the Project Management Fee, as defined at Section 6;

(d) fourthly, interest on the Sussman Purchase Funds at the rates set out under the Second Mortgage from the date of advance to the date of repayment, to the extent such Sussman Purchase Funds has not been advanced and secured under the Second Mortgage (the "**Unsecured Sussman Purchase Funds**");

(e) fifthly, the Sussman Deemed Equity not secured by the Second Mortgage;

(f) sixthly, payment to the applicable Member any Excess Loans pro rata together with accrued interest;

(g) seventhly, payment of any equity owing to the Members pro rata in accordance with their Shares; and

(h) eighthly, to the Members pro rata in accordance with their Shares.

4.2 Calculation of Cash Surplus

For the purpose of Section 4.1 hereof, "**Cash Surplus**" of the Joint Venture for each Accounting Period means all amounts actually received by the Joint Venture arising out of the Lands or the sale or operation thereof of every kind or nature whatsoever howsoever earned, derived or received ("**Gross Receipts**") for each Accounting Period from and after the Construction/Commitment Date, including without limitation:

(a) the leasing or sale of any Lands of the Joint Venture;

(b) funds provided by the Members pursuant to the advances made pursuant to **Error! Reference source not found.** hereof;

(c) the amount, if any, of any insurance proceeds received by the Joint Venture over the amount thereof necessary to repair the damage compensated for, or payable to any third party mortgagee having a mortgage on the Lands or any part thereof;

(d) the net proceeds, if any, received by the Joint Venture from any Lender, from partial or total expropriations (over the amount thereof necessary for restoration and less any amount thereof paid to any third party mortgagee having a mortgage on such Lands or any part thereof), from sales of easements, rights of way or similar interests in respect of the Lands or from dispositions of an interest therein;

less the aggregate for the Accounting Period of:

(i) all expenses, charges and outlays actually paid by the Joint Venture incurred with respect to the Lands or business of the Joint Venture during such period, including any sums paid on account of principal and/or interest to third party Lenders in respect of any loans owing by the Joint Venture;

(ii) the payment of the compensation to any financial, development or construction or Lands manager; and

(iii) such portion of the cash on hand as the Management Committee determines is reasonably necessary for payment of current and anticipated payables and to provide a reserve for contingencies and for anticipated future costs and expenses of the Joint Venture,

provided that for greater certainty, in calculating the Cash Surplus for any period, no deduction shall be made for capital cost allowance in respect of the Lands and no reserve shall be provided for the same.

ARTICLE 5
MANAGEMENT COMMITTEE

5.1 General Provision

The Members hereby establish a Management Committee and the Major Decisions, as defined in Section 5.6 hereof shall be made by the Management Committee.

5.2 Composition

The Management Committee shall be composed of two (2) members, being 2 representatives of each Member. Each Member shall appoint at least one (1) alternate representative to serve on the Management Committee during the period or periods when the principal representative of such Member is not available. The principal representative and alternate, until notice of change is given as herein required, for each Member shall be as follows:

MEMBER	PRINCIPAL REPRESENTATIVES	ALTERNATE REPRESENTATIVE
Sussman	Sandy Sussman	Lawrence Cogan
Ballymore	Louie Morra	Larry Dekkema

A Member may change its principal representative or its alternate representative by giving notice of such change to the other Members and to its representatives so replaced. All references in this Article to Representatives of a Member shall include and refer to the alternate

Representative of such Member in the event that any of its Representatives is not present or is unable to act.

5.3 Vacating of Office

The office of a representative shall be vacated upon the occurrence of any of the following events:

(a) if a receiving order is made against him/her or if s/he makes an assignment under the BIA, as amended or re-enacted from time to time;

(b) if an order is made declaring him/her to be a mentally incompetent person or incapable of managing his/her affairs;

(c) if he/she shall be removed from office by a written notice from the Member that appointed him/her pursuant to this Article; or

(d) if by notice in writing to the Members, s/he resigns his/her office and such resignation, if not effective immediately, becomes effective in accordance with its terms.

5.4 Vacancies

Any vacancy in the Management Committee shall be filled by a natural person appointed by the Member which appointed the former representative whose loss of office created the vacancy, as soon as reasonably possible after the creation of the vacancy. Such Member shall fill the vacancy by written notice stating the name and address of the natural person whom it appoints to the Management Committee to fill the vacancy. Such written notice shall be given to the other Members, to the Nominee and to the person so appointed the representative.

5.5 Authority of Individual Representatives

The Representatives appointed by each Member have the power and authority to represent and bind each Member with respect to any matter within the competence of the Management Committee.

5.6 Authority of Management Committee

(a) Subject to Section 6.3 hereof, the Management Committee has the power and authority, and the Members hereby direct the Management Committee, to be responsible for the following decisions ("**Major Decisions**"):

(i) negotiating and entering into financial arrangements with any Lender, including, *inter alia*, the Acquisition and Construction Loan, provided that each member shall not unreasonably withhold or delay its consent, nor shall it withhold its consent to conventional bona fide institutional

financing that is in accordance with current market interest rates and in accordance with the Project Budget;

(ii) review and approve all budgets, including the Project Budget and any changes to the Project Budget which would cumulatively increase same by 10%;

(iii) any applications or material amendments for rezoning, draft plan approvals, configuration of the Development; development approval or official plan currently filed for the Lands with the Town of Innisfil with respect to the First Phase or to be filed with the Town of Innisfil with respect to the Second Phase;

(iv) any decisions with respect to the Non-Residential Component, future phases and acquisition by purchase, lease or otherwise of any additional land or interest therein;

(v) the sale or lease or disposition of all or part of the Lands or the Project (including all or part of a Member's Tenancy Interest) other than a transfer for the sale of any unit within the Residential Component of the Project to a third party Purchaser;

(vi) the exchange of any part of the Lands for lands owned by third parties;

(vii) determining whether or not distributions should be made to the Members, other than in the manner set forth in this Agreement;

(viii) the adjustment, settlement, or the compromise of any claim, obligation, debt, demand, suit or judgment against the Joint Venture involving a sum in excess of $100,000.00 for any such claim, obligation, debt, demand, suit or judgment; and

(ix) commencing and engaging in any legal action, suit or proceeding involving a sum in excess of $100,000 for any such legal action, suit or proceeding, and the defending of any such legal action, suit or proceeding.

The decision of the Management Committee with respect to any matter within its competence shall be binding on the Members and the Nominee.

(b) Save for Major Decisions referred to in Sections 5.6(a)(iv), (v), (viii) and (ix), in the event of a disagreement between the representatives on the Management Committee, Ballymore's decision shall be binding. It is understood and agreed that in the event Sussman is not agreeable with Ballymore's decision in regards to Section 5.6(a) (iv) or (v), Sussman shall be entitled to exercise the Buy Sell provisions contained in Article 10 hereof irrespective of the Freeze Period.

5.7 Advisors

A representative shall be entitled to invite advisors to attend meetings of the Management Committee, subject to such restrictions on their attendance at and their participation in meetings as the Management Committee may impose.

5.8 Meetings

(a) Meetings of the Management Committee may be held in person or by telephone from time to time at such time and place as the representative of each Member may determine and such notice shall be given in accordance with the provisions of this Agreement not less than twenty-four (24) hours (excluding any day that is not a Business Day) before the time when the meeting is scheduled to be held, provided that notice shall not be necessary if all the representatives are present or if the absent representative(s) have waived notice of or otherwise signified their consent to the holding of such meeting.

(b) Notwithstanding the foregoing, meetings of the Management Committee will be held at least monthly from and after the commencement of construction of the Project. Meetings of the Management Committee shall be held at Ballymore's offices located at 12840 Yonge Street, Richmond Hill, Ontario, or such place as may be agreed upon by the Management Committee from time to time.

5.9 Voting Rights

The representative of each Member on the Management Committee shall have one (1) vote each.

5.10 Quorum

A quorum for a meeting of the Management Committee shall be two (2) representatives present in person or by phone (one representing each Member), provided that if there shall be no quorum present at any properly convened meeting of the Management Committee, such meeting shall be automatically adjourned and reconvened on three (3) Business Days' notice to all representatives and notwithstanding anything else contained herein, the representatives present at such reconvened meeting shall constitute a quorum for the transaction of business by the Management Committee. For the purpose of determining quorum, a member of the Management Committee attending or participating in any meeting, by means of conference telephone or other communications equipment, or by means of a proxy, as permitted herein, shall be deemed and counted as a representative of such Member attending or having attended such meeting in person. Where there is any vacancy or vacancies in the Management Committee, the remaining members may exercise all powers of the Management Committee so long as a quorum remains in office.

5.11 Proxies

Each of the members of the Management Committee is authorized to appoint by means of a proxy a proxy holder, who is not required to be a member of the Management Committee, to attend and act at the meetings of the Management Committee in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. A proxy holder appointed pursuant to this subsection shall have the same rights as the member who appointed him to speak at and participate in a meeting of the members of the Management Committee in respect of any matter and to vote at the meeting.

5.12 Chairman

A chairman of the Management Committee shall be the Ballymore representative. He/she shall be chairman of any of the meetings of the Management Committee at which s/he is present, failing which the members of the Management Committee shall choose one of their other members to be chairman. Subject to the provisions of Section 5.6 hereof, the chairman of a meeting shall not be entitled to cast a second or tie breaking vote in the event that an equal number of votes is cast at any meeting of the Management Committee.

5.13 Decisions by Vote

Save for Major Decisions, all other decisions to be made with respect to the Lands, Project and Development shall be made by the Project Manager.

5.14 Decisions in Good Faith

The Management Committee shall implement the provisions of this Agreement and undertakes to perform the duties assigned to it under this Agreement. Any decision required to be made by the Management Committee shall be made in good faith and strictly upon the merits of the matter in respect of which its decision is required and shall not be unreasonably delayed.

5.15 Records and Systems

All financial planning and recording for the Joint Venture, the Lands, the Project and the Development, including accounting, bookkeeping and banking systems and procedures, shall be established by the Project Manager. The Project Manager shall be responsible for establishing and maintaining all financial planning and recording for the Joint Venture, the Property and the Development, including accounting, bookkeeping, audit and banking systems and procedures.

5.16 Agreement for Provision of Materials or Services

No Member or an Affiliate of a Member shall enter into an agreement with the Joint Venture for the provision of materials or services for the Lands without prior disclosure to the Management Committee of the relationships and upon the approval of the Representatives excluding that of the Member with the conflict.

5.17 Where Defaulting Member

In addition to, and without in any way limiting, the remedies contained in this Agreement or otherwise available to a Member that is a Non-Defaulting Member with respect to the default of a Member that is a Defaulting Member hereunder, in the event of a continuing Event of Default on the part of the Defaulting Member, where the alleged Event of Default [is not the subject of an arbitration pursuant to Section 15 hereof], the representative of a Defaulting Member shall be entitled to attend but not to vote (although he shall be entitled to continue receiving notices of meetings) at any meeting of the Management Committee. In such case, so long as any such default continues, a quorum for a meeting shall be constituted by the representative of the Non-Defaulting Member, any decision of the Management Committee shall be made by such representatives of the Non-Defaulting Member and any decision so made shall be final and binding on all Members and on the Nominee.

5.18 Indemnity

Each Member hereby irrevocably and unconditionally undertakes and agrees to indemnify and save harmless each representative on the Management Committee from and against any and all liability loss, harm damage, cost or expense, including legal fees, which such representative may suffer, incur or sustain as a result of any suit, claim or demand brought or commenced against such representative and arising out of any action properly taken by the Management Committee. The liability of each Member under or by virtue of this Section is not limited to its Share.

5.19 Remuneration of Management Committee

Unless approved by all Members, no fees, salaries, commissions or other compensation shall be paid by the Members to the representatives of the Management Committee in respect of their work related thereto. Such representatives shall, however, be entitled to reimbursement of all actual, reasonable and appropriate expenditures made by them on behalf of the Members and the Joint Venture and in accordance with the terms of this Agreement.

5.20 Information on Lands

Solely with respect to books and records maintained from the date of this Agreement, each Member shall:

(a) furnish to the other Member such information respecting the Lands and the Development as may be reasonably required by such other Member at the expense of the requesting Member; and

(b) have the right at all reasonable times and on reasonable notice at its expense and during usual business hours to audit, examine and make copies of or extracts from the books and records of the Joint Venture which pertain exclusively to the Lands.

Such right may be exercised through any agent or employee of such Member designated by it or by an outside independent chartered accountant designated by such Member. Each Member shall bear all expenses incurred by it in any examination made for its account.

ARTICLE 6
PROJECT MANAGER

6.1 Appointment of Project Manager

Ballymore Terra Inc. or an affiliated corporation shall be appointed project manager (the "**Project Manager**") to manage and supervise all aspects of the development of the Project.

6.2 Project Management Agreement

The Joint Venture will enter into a Project Management Agreement substantially on the terms attached as Schedule "C" to this Agreement. The appointment of the Project Manager will be effective until the expiry or termination of the Project Management Agreement. Any decision by the Joint Venture relating to the purported default of the Project Manager under the Project Management Agreement shall be made by the Sussman representative on the Management Committee, acting reasonably, and subject to the default provisions at Article 9, hereof.

6.3 Duties of Project Manager

(a) The Project Manager shall have full authority to manage the Development of the Project and make all decisions in respect thereto including, *inter alia*, with respect to the following:

(i) finalization of zoning approvals and the status of draft plan of subdivision approvals for the Residential Component of the First Phase and Second Phase;

(ii) approve all construction contracts provided that same are to arm's length contracts and are at a competitive market rate;

(iii) managing the marketing and sales program including hiring of marketing agencies, sales agents and others (but excluding the actual sale personnel which will be part of the third party real estate brokers for which separate commissions will be paid);

(iv) providing for builder and vendor registration with Tarion and handling all communications with Tarion including conciliations and other Tarion related matters, it being understood and agreed that Sussman shall comply with the requirements of Tarion, if any;

(v) arranging for deposit bonding and insurance for Tarion deposits and excess deposits;

(vi) providing monthly reports as to the status of the Development, construction, sales and financial matters (e.g. revenues, expenses, loan advances) in formats approved by the Management Committee and as may be reasonably required by Sussman;

(vii) customer sales and service from and after marketing of the Project, including all communications with purchasers in the Residential Component both before and after closing of their units (such as addressing PDI, deficiencies and Tarion conciliations and claims); and

(viii) all such other duties relating to and ancillary to the Development of the Project.

6.4 Compensation of Project Manager

(a) In consideration for the provision of the services referred to in Section 6.3 and as set forth in the Project Management Agreement, Ballymore shall be entitled to receive a fee (the "**Project Management Fee**") of:

(i) Eight Thousand ($8000.00) Dollars plus HST per residential unit constructed and sold in the First Phase of the Project, payable as follows;

(A) The sum of $4,000 plus HST is payable upon the execution of an Agreement of Purchase and Sale for any residential unit; and

(B) The balance of $4,000.00 plus HST upon closing of each residential unit.

(ii) and Twelve Thousand ($12,000.00) Dollars plus HST per residential unit constructed and sold in the Second Phase of the Project, payable as follows:

(A) The sum of $4,000.00 plus HST for all of the approved residential units upon commencement of the installation Services;

(B) The sum of $4,000.00 plus HST is payable upon the execution of an Agreement of Purchase and Sale for any residential unit; and

(C) The balance of $4,000.00 plus HST upon closing of each residential unit.

(b) The Joint Venture shall negotiate the project management fees with the Project Manager for the development of the Non- Residential Component

6.5 Accounting, Budgets and Development Plan

Prior to commencement of the construction of any phase of the Project, the Project Manager shall prepare or cause to be prepared and submit to the Management Committee for consideration by the Members a proposed budget setting forth the estimated expenses, including capital expenditures and reasonable details of the purposes for which expenditures are to be made, an estimated reserve and such other information as may be reasonably requested by any of the Members. The proposed budget shall be approved by the Members as required by Section 5.6(a)(ii) (and following such approval is herein referred to as a "**Project Budget**"). Amendments of the Project Budget, if approved by the Management Committee, shall be made from time to time as required.

ARTICLE 7
OTHER FINANCIAL AND ACCOUNTING MATTERS

7.1 Fiscal Year

Accounts for the Joint Venture shall be prepared and settled as of the 30th day of November in each year or as of any other date the Members may agree upon.

7.2 Books of Account

Proper and complete books, records, reports and accounts of the Joint Venture shall be kept at the principal office of the Joint Venture and shall be open and available for inspection and copying by any one of the parties hereto or its authorized representative at any reasonable time during normal business hours. The said books and records shall fully and accurately reflect all transactions of the Joint Venture and shall be maintained in conformity with GAAP.

7.3 Accountants

The accountants (the "**Accountants**") of the Joint Venture shall be determined by the Management Committee. Ballymore shall have the right to select lawyers to represent the Joint Venture on house sale closings and all related matters with respect to the residential subdivisions. Robins Appleby LLP shall provide legal services relating to the Closing, all Non-Residential Components, and First Mortgage and Construction Financing.

7.4 Financial Statements

Within one hundred and eighty days (180) days after the end of each Accounting Period of the Joint Venture, the Project Manager shall cause the Accountants of the Joint Venture to furnish to each Member an annual report consisting of:

(a) a Balance Sheet;

(b) Statement of Earnings;

(c) Statement of Members Capital;

(d) Statement of Changes in Financial Position;

(e) applicable notes and tax information;

(f) a profit and loss statement for such year; and

(g) any additional information that the Members may require for the preparation of their individual federal and provincial income tax returns.

The said financial statements shall not be audited and shall be accompanied by the report of the Accountants thereon. The Accountants shall also, at such other time as may reasonably be required by a Member, prepare audited financial statements of the books and accounts of the Joint Venture, and for such purpose the Accountants shall have access to all books of account, records, vouchers, cheques, papers and documents of or which relate to the Joint Venture. The Accountants shall furnish copies of all audited financial statements to each Member forthwith after preparation. The cost of audit shall be for the Member who requests same unless there is a discrepancy of greater than 5%, in which case the cost of audit is a Project Cost.

7.5 Banking

(a) A separate bank account (the "**Member's Account**") shall be opened and maintained for the Joint Venture by the Nominee or in such other name or names as may from time to time be agreed upon by the Management Committee. The bank of the Joint Venture shall be such bank or banks as the Management Committee may from time to time determine.

(b) All gross receipts and other monies from time to time received on account of the Joint Venture shall be paid immediately into the Member's Account in the same drafts, cheques, bills and cash in which they are received and all disbursements on account of the Joint Venture shall be made by cheque on such bank.

(c) All cheques, negotiable instruments and withdrawals from the Member's Account in excess of Fifty-Thousand ($50,000.00) shall require the signature of the representatives for each of the Members. All cheques less than $50,000 shall only require the signature of the Ballymore Member. All other documents required to be executed in respect of matters including, but not limited to, the repayment to the Members of their respective advances to the Joint Venture under this Agreement, distribution of Cash Surplus to the Members, financing commitment, mortgages and sales of any part of the Property, shall be executed by a representative of Ballymore. Banking statements will be provided to the Members monthly.

7.6 Timely Decision and Execution

Except as otherwise agreed herein, each Member agrees to make all decisions and execute and deliver all documents and cheques under this Agreement as soon as possible but in any event within two (2) Business days after the request.

7.7 Payment for Services

Except as may be hereafter approved by the Members, no payment will be made to any Member for its services or the services of its shareholders, directors or employees.

7.7 Status Report

Each Member will, at the request of any of the Members, execute and deliver at no cost to the requesting Member, or such party as the requesting Member may in writing designate, a certificate which certifies to the best of the knowledge of such Member after due investigation as to the then status of this Agreement, including as to whether it is in full force and effect, is modified or unmodified, confirming the state of accounts between the Members, the existence or non-existence of defaults, and any other matter pertaining to this Agreement as to which the other Members shall, acting reasonably, request a certificate.

ARTICLE 8
TRANSFER OF INTERESTS IN THE JOINT VENTURE

8.1 Prohibition against Disposition

(a) In this Agreement, "**transfer**" means to sell, assign, surrender, gift, transfer, pledge, mortgage, charge, create a security interest in, hypothecate or otherwise encumber or deal any portion of its Tenancy Interest, whether legal or beneficial. Any change in legal or beneficial ownership of a Member shall be deemed to be a transfer by such Member of its Tenancy Interest and shall be prohibited by the terms of this Agreement, save to Affiliates (as defined in the *Ontario Business Corporations Act)* or family trusts, provided the directing minds for each of the Members is as follows:

Sussman:	Sandy Sussman
Ballymore:	Louie Morra

Notwithstanding the above and for clarity, it is understood and agreed that the Tenancy Interest of the Ballymore Member is held by various parties and may be transferred by any such party so long as Louie Morra retains an interest and has the authority to make all decisions.

The Project still must continue at all times with Ballymore banner only.

(b) Except as otherwise expressly provided in this Agreement or unless the unanimous written consent of all of the Members is first obtained, and the transferee first enters into an assumption agreement in favour of the Joint Venture and the other Member in the form reasonably satisfactory to the solicitors of the Joint Venture and the other Member pursuant to which the transferee shall agree to be bound by all of the terms, covenants, conditions and agreements contained in this Agreement on the part of the transferor as fully and effectively as if the transferee had originally executed this Agreement as the transferor, no Member shall transfer (by operation of law, contract or otherwise) any portion of its Tenancy Interest and any attempt to do otherwise shall be void.

(c) In granting or withholding its consent under this Section, each Member may act in its sole arbitrary and unfettered discretion.

ARTICLE 9
EVENTS OF DEFAULT AND INSOLVENCY

9.1 Act of Default

A Member shall be deemed to have committed an act of default in the event that such Member:

(a) fails to advance any amount required pursuant to Section 3.2 or 3.8 hereof;

(b) is in default under any other provision or provisions of this Agreement, and such default continues for a period of thirty (30) days after written notice by the other Member;

(c) makes any assignment for the benefit of creditors or is adjudged bankrupt or insolvent by any court of competent jurisdiction under any legislation then in force, or takes the benefit of any act that may be in force for bankrupt or insolvent debtors, or shall go into liquidation, either voluntary or under an order of a court of competent jurisdiction, or otherwise acknowledges its insolvency;

(d) is the subject of any order made for the winding up of the Member; or

(e) is the subject of any distress or execution or any similar process that is levied or enforced upon or against such Member's interest in the Joint Venture and the same remains unsatisfied for a period of thirty (30) days, unless the Member is in good faith disputing such process and has given security, which, in the absolute discretion of the other Member shall be deemed sufficient to pay in full the amount claimed in the event that it shall be held to be a valid claim.

The Member committing such act of default shall be referred to herein as the "**Defaulting Member**", and the other or others of them shall be referred to herein as the "**Non-Defaulting Member**".

9.2 Remedies

In the event of default under this Agreement, and provided such default continues for a period of five (5) days after written notice thereof to the Defaulting Member by the Non-Defaulting Member, the Non-Defaulting Member shall have the following rights, in addition to any other right contained herein:

(a) Non-Defaulting Member may advance to the Joint Venture the Defaulting Member's portion of an advance as is required to be made and the amount so advanced by the Non-Defaulting Member shall be owing to the Non-Defaulting Member as a loan (the "**Excess Loan**") and be repaid forthwith by the Defaulting Member to the Non-Defaulting Member and, until repaid, shall bear interest at the Interest Rate, on the amounts from time to time owing to the Non-Defaulting Member by the Defaulting Member as aforesaid, and, until so repaid, such amounts together with interest thereon as aforesaid shall, to the extent thereof, be and constitute a first lien and charge on and against the shares of the Defaulting Member in the Joint Venture, and on and against all other interests of the Defaulting Member in the Project and on all moneys derivable thereunder or therefrom, all of which interests of the Defaulting Member are hereinafter collectively referred to as the "**Defaulting Member's Interests**" and same shall be enforceable both as a security interest under the *Personal Property Security Act* (Ontario) and as a mortgage under the *Mortgages Act* (Ontario) as applicable.

(b) The Non-Defaulting Member is hereby irrevocably authorized, instructed and directed for on behalf of and as attorney for the Defaulting Member to execute any and all documents required to be executed pursuant to the provisions hereof and to do all such other things as may be necessary or advisable in connection therewith, it being expressly understood and intended by each of the Members that the grant of the foregoing Power of Attorney is coupled with an interest to do so.

(c) It is understood and agreed that, during the period of such default, the representatives of the Non-Defaulting Member to the board of directors and Management Committee shall be vested with the irrevocable right to exercise and cast the vote of the representative of the Defaulting Member on the board of directors and Management Committee.

(d) It is further understood and agreed that, during the period of such default, the Non-Defaulting Member shall be vested with and authorized to make all decisions, do all acts, and sign all documents required, which shall be binding on the Joint Venture and on all the parties hereto without requiring the approval, consent or affirmative vote of the Defaulting Member or its nominees or other representatives.

(e) In the event of an unremedied act of default and an Excess Loan being made by the Non-Defaulting Member, no payment shall be made by the Joint Venture to the Defaulting Member of any moneys received by the Joint Venture that would otherwise be available for distribution to the Members until the Joint Venture or the Defaulting Member has made repayment to the Non-Defaulting Member of all Excess Loan advanced by it, plus interest.

(f) If Ballymore is a Defaulting Member, Sussman shall have the right to terminate the Project Manager and in such event, shall be obliged to hire a new competent manager to complete the Project on competitive terms.

9.3 Right to Sign for Defaulting Member / Nominee

If the Representative of the Defaulting Member is also the authorized signing officer for the Nominee, the Non-Defaulting Member shall request the Management Committee to appoint an alternative signatory who is not Affiliated with the Defaulting Member to execute any and all cheques, negotiable instruments and other documents as may be required.

9.4 Advance of Moneys

Subject to the provisions of Section 9.2 hereof, if a Non-Defaulting Member expends money to remedy the Event of Default of a Defaulting Member (including providing all or a portion of the Defaulting Member's share of funds required for the Operations):

(a) the amount paid by the Non-Defaulting Member shall bear interest from the date of payment to the date of actual repayment at the Interest Rate, such interest to be calculated and payable monthly with interest on overdue interest at the Interest Rate; for greater certainty, any judgment obtained by the Non-Defaulting Member in respect of any such amount shall similarly bear interest and interest on overdue interest at the Interest Rate;

(b) the amount paid by the Non-Defaulting Member, and any interest thereon shall be a debt owing by the Defaulting Member to the Non-Defaulting Member and shall be deemed to be a demand loan made by the Non-Defaulting Member to the Defaulting Member which the Non-Defaulting Member has been irrevocably directed to advance for payment of the Joint Venture Cash Calls for and on behalf of the Defaulting Member;

(c) the Non-Defaulting Member shall have the right to receive the Defaulting Member's share of any Cash Surplus in accordance with Section 4.1 hereof or any fees or other sums payable to the Defaulting Member by or in respect of the Joint Venture including any fees or other sums due in respect of services rendered in connection with the Lands, until the amount owing by the Defaulting Member has been paid in full; and

(d) the debt for any monies including interest owed by the Defaulting Member to a Non-Defaulting Member shall be secured by a charge over the Defaulting Member's Tenancy Interest which may be registered and enforced pursuant to the *Personal Lands Security Act* (Ontario) or the *Mortgages Act* in the discretion of the Non-Defaulting Member.

9.5 Sale of Defaulting Member's Interest

If an Event of Default or an Event of Insolvency occurs with respect to a Defaulting Member and continues to exist for at least one hundred and eighty (180) days:

(a) the Non-Defaulting Member (the Non-Defaulting Member delivering the Purchase Notice (as hereinafter defined) being hereinafter collectively referred to as the "**Initiating Member**") may deliver a notice in writing (the "**Purchase Notice**") to the Defaulting Member (hereinafter referred to as the "**Vendor**") requiring the Vendor to sell, assign and transfer to the Non-Defaulting Member (hereinafter referred to as the "**Purchaser**") the Vendor's Tenancy Interest free and clear of any Encumbrances whatsoever, other than Permitted Encumbrances (the "**Applicable Interest**") and, upon receipt of such Purchase Notice, the Vendor shall sell, assign and transfer to the Purchaser and the Purchaser shall purchase from the Vendor its Applicable Interest upon the terms and subject to the conditions hereinafter provided.

(b) The Purchase Price for the Applicable Interest shall be equal to seventy-five per cent (75%) of the Fair Market Value of the Applicable Interest or in the case of an Event of Insolvency, equal to one hundred per cent (100%) of the Fair Market Value of the Applicable Interest on the date that the Purchase Notice is delivered to the Defaulting Member (the "**Applicable Date**"), determined in the manner set out in Section 9.6 hereof and payable as hereinafter set forth.

The aggregate Purchase Price for the Applicable Interest subject to the adjustments as set out herein, shall be paid as follows:

(a) as to an amount equal to the Vendor's share of the Joint Venture's liabilities as at the Date of Closing by the assumption by the Purchaser(s) of such liabilities *pro rata*, having regard to their respective Share or in such other proportions as they may agree upon, subject to the consent of the Permitted Encumbrances, if required;

(b) the balance, if any, shall be payable as follows:

(i) as to fifty per cent (50%) thereof in cash or by certified cheque at the Time of Closing; and

(ii) the balance of the Purchase Price shall be paid in four (4) equal consecutive annual instalments together with interest on the principal

balance from time to time outstanding, calculated annually, not in advance, at the rate hereinafter provided, both before and after default, as well after as before maturity, with interest on overdue interest at the aforesaid rate, such interest to be payable annually at the same time as payments of principal and secured by a promissory note by the Purchaser(s) on a several basis, such note to be open for prepayment without notice or bonus, subsequent in priority to and subordinated to all financing of the Joint Venture in connection with the Development. The first of such instalments of principal and interest shall become due and payable one (1) year after the date of closing with interest at the aforesaid rate computed from the date of closing. In calculating the amount of interest payable on any particular payment date, the rate of interest to be applied shall be the Prime Rate in effect on such date less one percentage point and the rate so determined shall be deemed to have been the rate in effect throughout the period since the last such payment of interest.

9.6 Determination of Fair Market Value

The Fair Market Value of the Defaulting Member's Applicable Interest shall, unless determined in writing by the Vendor and Purchaser(s) within fifteen (15) days of the Applicable Date, be determined by appraisal as follows:

(a) the Purchaser(s) and the Vendor shall appoint a single Accredited Appraiser satisfactory to both (or all, as the case may be) such parties for the purpose of determining the Fair Market Value of the Applicable Interest;

(b) if the Vendor and the Purchaser(s) fail to agree upon an Accredited Appraiser within such fifteen (15) day period, then within ten (10) days thereafter, the Vendor shall appoint one Accredited Appraiser and the Purchaser(s), jointly, shall appoint one Accredited Appraiser. The two Accredited Appraisers so appointed shall, within ten (10) days of the date on which the last of such appraisers is appointed, appoint a third Accredited Appraiser. The three appraisers so appointed shall each determine the Fair Market Value of the Applicable Interest;

(c) if either the Vendor or the Purchaser(s) shall fail within the ten (10) day period limited hereby to appoint an Accredited Appraiser then the appraiser so appointed by the other of them shall be conclusively deemed to have been appointed by the Vendor and Purchaser(s) jointly pursuant to Subsection 9.6(a) hereof. If both the Vendor and the Purchaser(s) fail to appoint their respective Accredited Appraiser within such ten (10) day period, then a single Accredited Appraiser shall be appointed by a Judge of the Superior Court of Justice upon the application of either the Vendor or the Purchaser(s) for the purpose of determining the Fair Market Value of the Applicable Interest;

(d) if the two appraisers fail to appoint a third Accredited Appraiser within the time period prescribed in Subsection 9.6(b) hereof, an Accredited Appraiser shall be

appointed by a Judge of the Superior Court of Justice upon the application of either of the Purchaser(s) or the Vendor;

(e) within thirty (30) days after the date that the single or third appraiser is appointed, each appraiser shall prepare and submit to the Vendor and the Purchaser(s) a written report setting forth the Fair Market Value of the Applicable Interest on the Applicable Date in his opinion;

(f) in conducting their appraisals, the appraisers shall take into account:

(i) reasonable actual market data from the sales within the preceding year, if any, of lands closely comparable to the Lands in size, location, type and quality, purchased on comparable terms, all as reported by reputable market data sources such as "Real Net" or any successor service;

(ii) all agreements and rights with respect to such Tenancy Interest to which the applicable Member is then a party or entitled, including agreements of purchase and sale for condominium units;

(iii) the cost of Development to date; and

(iv) the value of the business of the Joint Venture, as a going concern,

but no allowance shall be made for the goodwill of the Joint Venture;

(g) in preparing their reports, the appraiser(s) shall have access to all books of account and records and all vouchers, cheques, papers and documents of the Joint Venture. The Members shall co-operate with the appraiser(s) for such purpose and shall provide all information and documents requested by him or them;

(h) for the purposes hereof, the Fair Market Value of the Applicable Interest shall be the amount set forth in the single appraisal; or if there are three appraisals, the average of the two appraisals which have the closest Fair Market Values set forth in the three appraisals;

(i) the determination of the Fair Market Value of the Applicable Interest pursuant to this Section shall, in the absence of fraud or clerical error, be final and binding on the Vendor and the Purchaser(s) and on all other persons affected thereby and there shall be no appeal therefrom; and

(j) the Vendor shall bear all the fees and expenses reasonably attributed to the sale including the Joint Venture's legal and accounting fees and disbursements, the Purchaser's legal costs, the Purchaser's land transfer tax, the costs of all appraisals, the cost of obtaining approvals of Lenders and all other transaction costs. The said costs shall be set off against the Purchase Price payable.

9.7 Closing

The date of closing of the transaction of purchase and sale herein contemplated (hereinafter in this Article called the "**Date of Closing**") shall be the date being ninety (90) days after the Purchase Price for the Tenancy Interest is finally determined as provided in Section 9.6 hereof or such earlier date stipulated by the Purchaser(s) on at least five (5) Business Days' notice or such earlier or later date upon which the Vendor and Purchaser(s) may mutually agree.

The closing of the transaction of purchase and sale herein contemplated shall take place at the offices of the solicitor for the Purchaser(s) (the "**Place of Closing**") at the Date of Closing on the Date of Closing or at such other time and place as the parties may mutually agree upon.

9.8 Documents

The Vendor and the Purchaser(s) shall each execute and deliver and cause to be executed and delivered all such documents and do and perform and cause to be done and performed all such acts and things as may be necessary or desirable in order to give effect to the provisions of this Article.

9.9 Separate Rights

The rights of any Member under this Article 9 and at law or in equity are separate and are not dependent on one another and each such right is complete in itself and not by reference to any other such right. Any of such rights or any combination of such rights may be exercised by a Member from time to time and no such exercise shall exhaust such rights or preclude such Member from exercising any other rights or any combination of such rights from time to time thereafter or simultaneously.

ARTICLE 10
BUY/SELL ARRANGEMENTS

10.1 Buy/Sell Notice

At any time following the Freeze Period, any one or more Members who is not a Defaulting Member (in this Article called the "**Offeror**") is entitled to give notice in writing (in this Article called the "**Buy/Sell Notice**") to the other Member (in this Article sometimes referred to as the "**Offeree**""), which Buy/Sell Notice shall be signed by the Offeror and shall contain the following:

(a) the price for a one per cent (1%) interest in the Project;

(b) an unconditional offer to purchase (hereinafter in this Article referred to as the "**Offer to Purchase**") all, but not less than all of the Tenancy Interest of the Offeree in the Project and the entirety of the Non-Residential Component (collectively, the "**Remaining Component**") at a total Purchase Price equal to the

product obtained by multiplying the Share of the Offeree, by the price referred to in Subsection 10.1(a) hereof; and

(c) an unconditional offer to sell (hereinafter in this Article referred to as the "**Offer to Sell**") the Offeror's entire Tenancy Interest in the Remaining Component to the Offeree, at a Purchase Price equal to the Offeror's Share multiplied by the price referred to in Subsection 10.1(a) hereof.

10.2 Options of Offeree

(a) The Offeree shall be entitled to accept either of the offers contained in the Buy/Sell Notice within forty-five (45) days of the receipt by the Offeree of the Buy/Sell Notice.

(b) If Offeree accepts the Offer to Sell, the Offeree accepting such Offer to Sell (hereinafter in this Article sometimes referred to as the "**Purchaser**") shall purchase from the Offeror (hereinafter in this Article sometimes referred to as the "**Vendor**") and the Vendor shall sell to the Purchaser all of its Tenancy Interest in the Remaining Component owned by the Vendor at the price set forth in the Buy/Sell Notice.

(c) If the Offeree does not accept the Offer to Sell, then the Offeree (hereinafter in this Article sometimes referred to as the "**Vendor**") shall sell to the Offeror (hereinafter in this Article sometimes referred to as the "Purchaser") and the Purchaser shall purchase from the Vendor the Tenancy Interest in the Remaining Component owned by the Vendor at the price set forth in the Buy/Sell Notice.

(d) If an Offeree does not accept either of the said Offers within the said forty-five (45) day period, such Offeree shall be deemed, for purposes hereof, to have accepted the Offer to Purchase on the last day of the said forty-five (45) day period.

10.3 Purchase Price

Notwithstanding anything in the Buy/Sell Notice to the contrary, the aggregate Purchase Price for the Tenancy Interest in the Remaining Component of any Vendor shall be paid by the assumption *pro tanto* of such Vendor's Share of the Joint Venture's liabilities at the Date of Closing and the balance shall be paid in full at such time by certified cheque payable at par at the Town of Innisfil, Ontario, subject to the adjustments set forth in Article 11.

10.4 Closing Date

The closing of the transaction of purchase and sale herein contemplated shall take place at the Place of Closing, at the Time of Closing, on the date (hereinafter in this Article called the "**Date of Closing**") which is one hundred and twenty (120) days following the acceptance or deemed acceptance by the Offeree(s) of one of the offers contained in the Buy/Sell Notice

provided that the Purchaser shall have the right to extend the Date of Closing in order to obtain financing if reasonable efforts have been made to obtain same for an additional sixty (60) days, provided, however, that a Purchaser shall have the right to advance the Date of Closing upon at least fifteen (15) Business Days' notice from the Purchaser or the Purchaser's solicitors to the Vendor(s) or the Vendors' respective solicitors.

10.5 Default by Purchaser

In the event the Purchaser defaults on or before the Date of Closing, the Vendor shall have the option to purchase the Purchaser's interest in the Remaining Component for a purchase price of Seventy-Five (75) percent of the price that the Purchaser would have paid to the Vendor if the Purchaser had not defaulted. The Vendor shall have thirty (30) days from the date of default by the Purchaser to notify the Purchaser in writing that it wishes to purchase the Remaining Component and shall proceed on the same terms and conditions as set forth in this Article 10.

ARTICLE 11
GENERAL SALE PROVISIONS

11.1 Application

Except as may otherwise be provided in this agreement, the provisions of this Article shall apply to any sale of a Tenancy Interest pursuant to Article 9 or Article 10 hereof in each case mutatis mutandis provided that in the event of any conflict between the provisions of this Article 10 and the provisions of any offer referred to in Article 9 hereof, the provisions of such offer shall prevail.

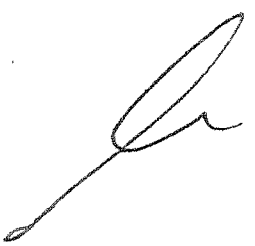
11.2 Priorities

The following respective provisions contained in this Agreement shall rank in the following order of priority:

(a) First Priority: the Sale of a Defaulting Member's Interest in the Joint Venture;

(b) Second Priority: the Buy/Sell Provisions;

In the event that a Member exercises one of the rights above-listed (the "**Effective Right**"), the other Member may not exercise any right of lesser priority until the completion of the exercise of that right and any purported exercise of any right of lesser priority shall be deemed null and void. However, the exercise of any right having a higher priority than the Effective Right prior to the completion of the exercise of the Effective Right, shall take priority and shall nullify the exercise of the Effective Right.



11.3 Implied Condition

It shall be an implied condition precedent of any closing that any required consent of a Permitted Encumbrancer to the transfer shall be obtained prior to Closing. The Purchaser shall be liable to pursue the consent at its expense with cooperation of the Vendor.

11.4 Closing Requirements

(a) At the Time of Closing, the Vendor shall:

(i) deliver to the Joint Venture and the Nominee signed resignations by all of its nominees, as employees, directors and officers thereof, as the case may be;

(ii) assign and transfer to the Purchaser the Tenancy Interest being sold to it or them, as the case may be, and deliver all necessary instruments and conveyances for the purpose of effecting the assignment of such Tenancy Interest to the Purchaser including, inter alia, a transfer of the shares of the Vendor in the Nominee;

(iii) do all other things required in order to deliver good and marketable title to the Tenancy Interest to the Purchaser, free and clear of any Encumbrances whatsoever, save and except for Permitted Encumbrances. Provided that, if at the Date of Closing the Tenancy Interest is not free and clear of all other Encumbrances whatsoever, the Purchaser may, without prejudice to any other rights which it may have, purchase the Tenancy Interest subject to such Encumbrances. In that event, the Purchaser shall, at the Time of Closing, assume all obligations and liabilities with respect to such Encumbrances and the Purchase Price payable by the Purchaser for the Tenancy Interest shall be satisfied, in whole or in part, as the case may be, by such assumption. The amount so assumed shall reduce that portion of the Purchase Price payable at the Date of Closing and thereafter shall reduce payments on account of the said Purchase Price in the order of maturity;

(iv) deliver to the Purchaser a release by the Vendor of all its claims against the Purchaser, its principals and the Nominee and each of their respective directors and officers with respect to any matter or thing relating to the Joint Venture up to and including the Date of Closing but excluding any claims for payment of the balance, if any, of the Purchase Price for its Tenancy Interest and the indemnity referred to in Section 11.6 hereof; and

(v) either provide the Purchaser with evidence reasonably satisfactory to the Purchaser that the Vendor is not then a "non-resident" of Canada within the meaning of the *Income Tax Act* (Canada) or provide the Purchaser with a certificate pursuant to Subsection 116(2) of the *Income Tax Act* (Canada)

with a certificate limit in an amount not less than the Purchase Price for the Tenancy Interest; provided that if such evidence or certificate is not forthcoming, the Purchaser shall be entitled to make the payment of tax required under Section 116 of the *Income Tax Act* (Canada) and to deduct such payment from the Purchase Price for the Tenancy Interest, the amount deducted to reduce that part of the Purchase Price payable at the Date of Closing and thereafter to reduce payments on account of the said Purchase Price in the order of maturity.

(b) At the Time of Closing, the Purchaser shall deliver its certificate in form prescribed by the *Excise Tax Act* (Canada), or, if no such form is prescribed, then in reasonable form, certifying that, where permitted by such legislation with respect to the Tenancy Interest, if applicable, the Purchaser shall be liable for, shall self-assess and shall remit to the appropriate Government Authority all HST payable in respect to the transaction contemplated hereunder. The Purchaser's certificate shall also include certification of the Purchaser's HST registration number. If the Purchaser shall fail to deliver its certificate, then the Purchaser shall tender to the Vendor, at Closing, in addition to the balance due at Closing, an amount equal to the HST that the Vendor shall be obligated to collect and remit in connection with the said transaction.

(c) Unless otherwise specifically provided hereunder, any purchase and sale effected in accordance with the provisions of this Article 10 shall be subject to the following express provisions:

(i) upon a sale being effected of the Tenancy Interest of any Member, adjustments shall be made as of the Date of Closing of all items of income and expense and in accordance with the usual practice or as provided for in this Agreement. In addition, the Purchase Price shall be increased by the amount of:

(A) any Excess Loans owing by the Purchaser to the Vendor;

(B) if the Purchaser is Ballymore, the outstanding Sussman Deemed Equity Amount, if any plus any accrued interest at the same interest rate as set forth in Section 3.3(b).

In the event that the final cost or amount of an item which is to be adjusted, or whether an amount should be adjusted, has not been determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the Project Accountants, acting reasonably, and shall be subject to adjustment upon the final amount being determined by the Accountant whose determination shall be binding;

(ii) any tender of documents or money may be made on the parties or their respective solicitors and money may be tendered by bank draft or certified cheque drawn on a Canadian Schedule I chartered bank;

(iii) the Vendor shall and does hereby agree to indemnify and hold the Purchaser harmless for its Share of any claims by any third party resulting from the business carried on by the Joint Venture prior to such sale and the Purchaser shall and does hereby agree to indemnify and hold the Vendor harmless for any claims by any third party resulting from the business carried on by the Purchaser after such sale as well as for such liabilities as accrued before Closing to the extent credited in favour of the Purchaser against the Purchase Price and/or to the extent that such liabilities were incurred in the ordinary course of the business of the Joint Venture and in accordance with the provisions of this Agreement;

(iv) if the Vendor is not represented at the Closing or is represented but fails for any reason whatsoever to produce and deliver the transfer documents to the Purchaser, then the Purchase Price(or an estimate thereof) may be deposited by the Purchaser to their own solicitors trust account to be held in escrow for the Vendor. Each such deposit shall constitute valid and effective payment of the Purchase Price the Vendor even if the Vendor has, in breach of this Agreement, voluntarily encumbered or disposed of any of its Tenancy Interest and notwithstanding the fact that a transfer of any of such Tenancy Interest, may have been delivered or made in breach of this Agreement to any alleged encumbrancer, transferee or other party having or claims any interest, legal or equitable, therein or thereto;

(v) from and after the date on which the Purchaser pays the Purchase Price and assumes the Vendor's Share of the liabilities of the Joint Venture on the Closing, and even though the transfer documents have not been delivered to the Purchaser, at the option of the Purchaser, the purchase of the Joint Venture Interest shall be deemed to have been fully completed and all right, title, benefit and interest, both at law and in equity, in and to such Tenancy Interest shall be conclusively deemed to have been transferred and assigned to and become vested in the Purchaser and all right, title, benefit and interest, both in law and in equity, of the Vendor, or of any encumbrancer, transferee or other party having or claiming any interest, legal or equitable, therein or thereto shall cease and determine upon delivery of the Purchase Price to the Purchaser's solicitors, to be held in trust pending delivery of the transfer documents or upon the Purchase Price being paid into court by the Purchaser; provided, however, that the Vendor shall be entitled to receive the Purchase Price so deposited, without interest, only upon delivery to the Purchaser of the transfer documents as prepared by the Purchaser's solicitor;

(vi) upon the completion of a sale, all rights or privileges accruing to the Vendor hereunder in regard to the Development and the right to have any say in or participate in the Management Committee shall terminate and be of no further force or effect, Provided that in the event of a sale pursuant to Article 9 the said rights are suspended effective as of the date the Default Notice is delivered to the Defaulting Member;

(vii) any sale pursuant to Article 9 or Article 10 hereto shall be effective to create an interest in the Lands, only if the subdivision control provisions of the Planning Act of Ontario are complied with by the Vendor on or before completion and the Vendor hereby covenants, with the assistance of the Purchaser, to proceed diligently at its expense to obtain any necessary consent on or before completion.

11.5 Prior Guarantees, Securities, Covenants, etc.

If, at the Time of Closing, the Vendor or any person, firm or partnership for or on behalf of the Vendor shall have any guarantees, securities or covenants lodged with:

(a) any Lender, and/or

(b) any other Person, firm or partnership to secure any indebtedness, liability or obligation of the Joint Venture permitted hereunder the following shall apply:

(i) with respect to any guarantees, securities or covenants lodged with any Lender, the Purchaser shall use best efforts to cause the same to be cancelled or delivered up to the Vendor at the Time of Closing, as the case may be. If the Lender will not release such guarantees, securities or covenants:

(A) in the event of a sale Under Article 9, the Purchaser shall provide to the Vendor or to its Affiliate who provided such guarantees, securities or covenants, an indemnity in writing in a form satisfactory to the Purchaser's solicitors indemnifying them from any and all claims, demands, costs, expense damages, liabilities and suits paid or suffered or incurred by them with respect to the said guarantees securities or covenants; or

(B) in the event of any other sale the Vendor shall have the right to terminate the transaction or accept the indemnity of the Purchaser as in (A) above.

11.6 Indemnity

At the Time of Closing, the Purchaser shall indemnify the Vendor from any and all manner of claims and causes of action arising thereafter relating to the Vendor's Tenancy Interest save and except any claims arising out of breach by the Vendor of the terms of this Agreement.

11.7 Power of Attorney

If, at the Time of Closing the Vendor fails to complete the transaction of purchase and sale, the Purchaser shall have the right, without prejudice to any other rights which it may have, upon payment of that part of the Purchase Price payable to the Vendor at the Date of Closing to the Purchaser's lawyer's trust account to be held in escrow for the Vendor, or to pay the amount into Court and then to execute and deliver, on behalf of and in the name of the Vendor such deeds, transfers, resignations or other documents that may be necessary to complete the subject transaction and the Vendor hereby irrevocably appoints the Purchaser its attorney in that behalf.

11.8 Failure to Close

If, for any reason the Purchaser fails to complete the transaction of purchase and sale contemplated in Article 10, as and when required (the "**Substituted Vendor**"), the Vendor (hereinafter referred as the "**Substituted Purchaser**") shall have the option exercisable by notice in writing within ninety (90) days of the Date of Closing, to purchase the Tenancy Interest of the Substituted Vendor on the same terms *mutatis mutandis*, save that the Substituted Purchaser shall only be responsible for using its reasonable efforts to satisfy the obligations under Section 10.5, and failing same, it shall provide an indemnity to the Substituted Vendor with respect to any remaining guarantees and covenants not released as per Section 11.5(b). The Purchase Price shall be 85% of the original Purchase Price determined in accordance with Section 10.1 and Closing shall be on the Date of Closing to be set by the Substituted Purchaser in the said notice.

All of the other provisions of this Article 11 shall apply *mutatis mutandis*. The Substituted Purchaser is hereby irrevocably appointed and authorized as the attorney of the Substituted Vendor to execute any deeds, transfers, conveyances, assignments, assurances and other documents and to do all other things which the Substituted Vendor is required to do pursuant to the terms hereof, if the Substituted Vendor fails to do so on the new Date of Closing.

ARTICLE 12
THE NOMINEE

12.1 General Provisions

(a) The Members shall appoint the Nominee to acquire and hold title to the Lands, and all other Lands, assets and rights of the Joint Venture as bare trustee for each of the Members, as set out in section 2.1 hereof..

(b) The Nominee accepts such appointment and acknowledges and declares that it agrees to hold the Lands and all other property, assets and rights of the Joint

Venture as bare trustee for the Members in accordance with the provisions hereof and that the Nominee has no beneficial interest, right or title to or in the Lands, or other property, assets or rights, or any part thereof of the Joint Venture except as otherwise set out herein.

(c) The Nominee also agrees that it will perform such activities and enter into such agreements in connection with Development of the Lands for the Project as the Management Committee may request from time to time.

12.2 General Duties

The Nominee shall:

(a) at all times comply with the provisions of this Agreement and follow the directions of the Management Committee;

(b) act solely on the directions of the Management Committee and/or the Project Manager as otherwise provided herein and not on the directions of an individual Member;

(c) not acquire or hold any Lands, incur any liability, undertake any obligation or perform any activity except on the directions of the Management Committee and in connection with the Lands;

(d) save as expressly provided herein, the Nominee shall have no further obligation to advance funds under this Agreement as a Member and shall have no rights to vote or otherwise under this Agreement..

12.3 Duties re: the Lands

(a) The Nominee shall cause to be provided to each Member such information relating to the Property as the Member may reasonably request.

(b) The Nominee shall cause to be maintained appropriate and proper books of account and records with respect to the Property.

(c) Each Member shall have the right from time to time and at all reasonable times during usual business hours to audit, examine and make copies of or extracts from the records relating to the Property. Such right may be exercised through any Person designated by the Member. Each Member shall bear all expenses of any such examination.

12.4 Organization of the Nominee

The Nominee shall be organized or re-organized, as the case may be, as follows:

(a) The business and affairs of the Nominee shall be managed by the Board of Directors of the Nominee. There shall be two (2) Directors, being one (1) nominee of Sussman and one (1) nominee of Ballymore. The authorized number of directors of the Nominee shall be increased or decreased accordingly. Should any vacancy occur on the Board of Directors for any reason, such vacancy shall forthwith be filled by a nominee to be appointed by the Member which is then not represented by the nominee to which it is entitled and until such vacancy is filled, the Board of Directors shall not transact any business or exercise any of the powers or functions except as may be necessary to qualify or elect a new director. There should be no casting vote by any director in the event of a tie in any vote.

(b) At all times, the following Members shall have the right to be represented on and have elected to the Board of Directors of the Nominee, the following respective number of nominees:

MEMBER	# OF NOMINEES	INITIAL DIRECTOR
Sussman	One (1)	Sandy Sussman
Ballymore	One (1)	Louie Morra

Each of the Members expressly covenants and agrees to vote or cause to be voted, its respective Shares at all meetings of the shareholders, or to consent to all resolutions of the shareholders, as the case may be, respecting the election or appointment of Directors, to give full effect to the provisions of this Section.

(c) Subject to the provisions herein in an Event of Default, the Nominee shall have two (2) Officers, namely a President and a Secretary, the first officers of which shall be the following respective nominees:

POSITION	NAME OF NOMINEE
President	Louie Morra
Secretary	Sandy Sussman

In the event of the resignation, removal or death of any of the above-named officers, the Members whose nominee such officer was shall have the sole and exclusive right to appoint a replacement for such officer.

(d) All documents, instruments or agreements to be signed by the Nominee shall be signed as required by Section 7.5 hereof.

(e) Each Member shall subscribe for and there shall be issued to each of the Members common shares at the rate of $0.01 per share in the capital of the Nominee as follows:

Member	No. and Class of Shares
Sussman	10 Common Shares
Ballymore	10 Common Shares

It is expressly understood and agreed that, without the unanimous consent of the Members, the Nominee shall not allot or issue any additional shares in the capital thereof.

(f) All share certificates issued or to be issued by the Nominee shall be endorsed with a memorandum as follows:

> "This certificate is issued to and held by the party to whom it is issued, subject to the terms of an agreement made as of the ____ day of _____, 201__, among _____, _____, _____ and _____."

(g) The Members hereby agree that this Section shall constitute a unanimous shareholders agreement and that, for so long as this Section is in force, the directors of the Nominee are hereby relieved of all of their rights, duties, powers, obligations and discretion as directors with respect to the management of the business and affairs of the Nominee including, without limitation, all of their rights, duties, powers, obligations and discretions as directors pursuant to the provisions of the *Business Corporations Act* (Ontario) and any amendments thereto, and all such rights, duties, powers, obligations and discretions are hereby entrusted to the Members of the Joint Venture.

(h) Unless expressly provided to the contrary herein, the rules and procedures and the organization of the Board of Directors of the Nominee shall, *mutatis mutandis*, be identical to that of the Management Committee, and for all purposes of this Agreement, any duly constituted meeting of the Management Committee shall be deemed to be a duly constituted meeting of the Board of Directors of the Trustee, and vice versa, as it relates to the Nominee's involvement in the Development, and any resolution duly passed by the Board of Directors of the Nominee as it relates to the Development and the Co-Tenancy shall be deemed to be a resolution duly passed by the Management Committee and vice versa.

12.5 Indemnity by Members

Each Member hereby irrevocably and unconditionally undertakes and agrees to severally indemnify and save harmless the directors and officers of the Nominee from and against any and all liability, loss, harm, damage, cost or expense, including legal fees, which they may suffer, incur or sustain as a result of any suit, claim or demand, brought or made against them and arising out of the due and proper performance by them of their duties as directors and officers of the Nominee.

12.6 Obligations of Members

(a) The Members covenant and agree to and with each other that they shall cause their respective nominees on the Board of Directors of the Nominee to cause it to follow the directions of the Management Committee properly given pursuant to this Agreement and to comply with the provisions of this Agreement.

(b) The Members, in their capacity as shareholders of the Nominee, shall do, or cause to be done, all such acts and things as shall be necessary or desirable to give effect to the provisions of this Agreement including, without limiting the generality of the foregoing, voting or causing to be voted the shares in the capital of the Nominee beneficially owned by them.

(c) The Members, in their capacity as shareholders of the Nominee, agree from time to time to transfer their interest in the shares in the capital of the Nominee whenever such transfer is required in connection with the transfer of a Tenancy Interest under or by virtue of this Agreement and to do all acts and things as may be necessary, desirable or useful for such purpose. In the event of the refusal or failure of a Member to transfer its shares in the Nominee as aforesaid, each of the other Members may, as attorney for the Member refusing or failing to transfer its shares, transfer such shares as required to comply with this agreement and to execute and deliver all necessary documents or writings and to do all such acts as are necessary to give effect to the foregoing and for such purpose only each Member is irrevocably constituted and appointed the attorney of each of the other Members.

12.7 Fiscal Year

The financial year of the Nominee shall be the same as the accounting period of the Joint Venture Accounting Period

12.8 By-Laws of the Nominee

The by-laws of the Nominee shall give effect to the foregoing provisions of this Article and shall provide, among other things, as follows:

(a) subject to the provisions regarding Defaulting Members, the provisions for quorum of the Board Directors meetings shall be the same as set out in Section 5.10 hereof;;

(b) any resolution of the Board of Directors shall require the affirmative votes of all directors;

(c) the provisions for quorum of the shareholders at meetings shall be the same as set out in Section 5.10 hereof;

(d) any director shall have the right any time and from time to time to call a meeting of the Board of Directors;

(e) any shareholder holding one (1) or more shares in the Nominee entitled to voting rights at such meeting shall have the right at any time or from time to time to call a meeting of the shareholders;

(f) the chairman presiding at directors' meetings shall have the right to vote in his/her capacity as a director in the first instance, but shall have no second or casting vote in case of an equality of votes; and

(g) the chairman presiding at shareholders' meetings shall have the right to vote in the first instance in his/her capacity as a shareholder, and as a proxy if so appointed, but shall have no second or casting vote in case of an equality of votes.

12.9 Restricted Activity

The Nominee shall not carry on, nor be permitted to carry on, any business of any nature or kind whatsoever in its own right, and shall be restricted in all of its activities to the performance of its function as Nominee as herein set forth. Notwithstanding that the ownership of the Lands may be registered in the name of the Nominee, the true and beneficial ownership thereof shall for all purposes be vested in each of the Members as original beneficial owners.

ARTICLE 13
GENERAL CONTRACT PROVISIONS

13.1 Arbitration

If, at any time or from time to time during the continuance of the Joint Venture or after the dissolution or other termination thereof, any material dispute, difference, or question shall arise between or among any of the Members, their heirs, executors, administrators, successors, assigns or nominees or any of them, touching or concerning the Joint Venture or the Lands, meaning or effect of this Agreement or any provision hereof, save and except for any deadlock as between the Members with respect to Major Decisions, such material dispute, difference or question shall be submitted to and settled by arbitration and the decision of the arbitrator appointed as hereinafter provided, to deal with such matter shall be final and binding upon all the Members, their representatives, the Nominee, and there shall be no appeal therefrom.

The arbitration shall be conducted by a single arbitrator agreed upon by the Members. If, within five (5) days after notice of the matter has been given by one of the Members to the other Member, the Members cannot agree upon a single arbitrator, then, a single arbitrator shall be appointed by a Judge of the Superior Court of Justice (Ontario) on the application of any one of the Members, upon notice to the other Member. The arbitration shall be conducted in accordance with the provisions of the *Arbitration Act*, R.S.O. 1990 and any amendments thereto.

13.2 Notice

All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery, by registered mail, postage prepaid, email or by telecopier addressed to the other party or delivered to such other party as follows:

Sussman	129 Dunlop Street East Barrie, Ontario L4M 1A6 Attention: Sandy Sussman Fax: Email: ssussman@rogers.com
Ballymore	12840 Yonge Street, Suite 200 Richmond Hill, Ontario L4E 4H1 Attention: Louie Morra Fax: Email: lmorra@ballymorehomes.com

or at such other address as may be given by any of them to the others in writing from time to time, not to exceed two at any particular time, and such notices, requests, demands, acceptances and other communications shall be deemed to have been received when delivered (if personally delivered), or if mailed, on the fifth (5^{th}) Business Day after the mailing thereof or on the Business Day following transmission if sent by telecopier; provided that in the event of a strike or other interruption in the normal delivery of mail after the mailing of any notice, request, demand, acceptance or other communication hereunder but before the deemed receipt thereof as provided herein, such notice, request, demand, acceptance or other communication shall not be deemed to be received by the party for whom the same is intended unless the same is delivered to such party as contemplated herein.

13.3 Additional Lands

The Joint Venture may, through the Nominee, or otherwise, enter into such further agreements for the purchase and development of lands as may be deemed appropriate by the Management Committee, all of which further lands and projects in respect thereof, shall be governed by the provisions of this Agreement.

13.4 Planning Act

Where applicable, the provisions of this Agreement requiring compliance with section 50 of the *Planning Act,* R.S.O. 1990, c.P.13, and any amendments thereto, are agreed to be subject to the condition that the provisions shall be effective only if the provisions of section 50 of the

Planning Act are complied with and the parties agree to use their best efforts to cause such compliance.

13.5 Further Assurances

Each of the parties shall from time to time and at all times do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

13.6 Accounting Principles

All calculations made or referred to herein shall be made in accordance with GAAP. Where GAAP would permit more than one basis for calculation, the applicable basis shall be selected by the Management Committee. Notwithstanding the foregoing, each Member may account for its participation in the Joint Venture in its own financial statement as it sees fit, in its sole and absolute discretion, unless otherwise required by law.

13.7 HST

The Members agree to execute an election in the prescribed form under Section 273 of the Excise Tax Act (Canada) to permit accounting by the Nominee for all HST in connection with the operation of the Lands while such election is in effect.

13.8 Currency

All payments contemplated herein shall be made in Canadian funds.

13.9 Gender and Number

Words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender and neuter gender, and words importing persons shall include firms and corporations, and vice versa where the context so requires.

13.10 Articles and Section Numbers

The division of this Agreement into Parts, Articles and Sections and the Table of Contents preceding are for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

13.11 Table of Contents

The table of contents preceding this Agreement but under the same cover is included for convenience of reference only and is not to be deemed or construed in any way as part of this Agreement, nor as supplemental hereto or amendatory hereof.

13.12 Business Days

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day. All actions to be made or taken by a particular Business Day must be made or taken by no later than 5:00 p.m. (Toronto time) on a Business Day and any action made or taken thereafter shall be deemed to have been made and received on the next Business Day.

13.13 Governing Law

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. The parties agree that the courts of the province of Ontario will have exclusive jurisdiction to determine all disputes and claims arising between the parties.

13.14 Severable Covenants

If any covenant, obligation or agreement set forth herein or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation and agreement to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each such covenant, obligation and agreement shall be separately valid and enforceable to the fullest extent permitted by law.

13.15 Entire Agreement

This Agreement constitutes the entire Agreement between the parties relating to the Joint Venture and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties with respect thereto.

13.16 Amendments

No amendment or modification of this Agreement shall be binding unless in writing and signed by the parties.

13.17 Waiver

No waiver by any Member of any breach of any of the provisions of this Agreement by the other Member shall take effect or be binding upon the Party unless in writing and signed by such Member. Unless otherwise provided therein, such waiver shall not limit or affect the rights of the Members with respect to any other breach.

13.18 Time of the Essence

Time shall be the essence of this Agreement.

13.19 Heirs, Successors and Assigns

Subject to the provisions of Article 8 hereof, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

13.20 Counterparts

This Agreement may be executed in any number of counterparts provided each party executes a counterpart and all of the counterparts taken together shall for all purposes constitute one agreement, binding on the parties notwithstanding that all parties are not signatory to the same counterpart.

13.21 Statute References

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section, and the regulations promulgated pursuant thereto or thereunder, as amended, restated or re-enacted from time to time.

13.22 One Voice

Each Member agrees that it will speak and act in respect of all Joint Venture matters with one voice through its Representative on the Management Committee. The other Members shall be entitled to require and to rely on decisions made by such representatives of a Member.

13.23 Non-Registration

The parties covenant and agree that this Agreement shall not be registered on title to the Lands and the covenant may be pleaded as an estoppel in any injunction proceedings resulting from a breach hereof.

13.24 Confidentiality

(a) Each Member shall keep in strict confidence and shall not disclose to any person who is not a party hereto except as necessary to discharge their obligations hereunder, this Agreement and any and all information obtained with respect to the Project, unless and until written approval of the other Member is obtained or such disclosure is, in connection with proceedings between the Member hereto or is otherwise required by law. All reports and other information referable to the Project received by the Member shall be considered to have been received on an absolutely confidential basis and accordingly shall, not be disclosed to any other person whatsoever other than as necessary to discharge its obligations hereunder.

(b) Nothing in this Section shall preclude disclosure by a Member of information referable to the Project (including projections), on a confidential basis, as aforesaid:

(i) to its officers, directors, employees, agents, shareholders, lenders or prospective lenders, and purchasers, or any of their respective advisors, and then only as and to the extent necessary and it shall instruct the aforesaid to comply with the applicable provisions of this section;

(ii) subject to reasonable notice to the other parties hereto, in pleadings or in evidence in the course of any legal or administrative proceedings under circumstances whereby such Member is obliged to disclose such information;

(iii) to contractors, consultants, suppliers and others in connection with the Project;

(iv) as may be required by law or by any governmental authority having jurisdiction over such Member and being entitled in law to receive such information, nor shall any Member be precluded from extracting from such information financial data necessary to report on the status of such Member's investment in the Project to its lenders, professional advisers and such other persons as a prudent Member of real estate would determine acting reasonably; or

(v) otherwise with the consent of the other parties hereto.

The obligations contained in this section shall survive the expiry or termination of this Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

13.25 Conditional

This agreement is conditional upon the successful completion of the Purchase Agreement.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto the day and year first above written.

2486976 ONTARIO INC.

By: _____
Name: Sandy Sussman
Title: President
I have authority to bind the Corporation

BALLYMORE DEVELOPMENT (INNISFIL) CORP.

By: _____
Name:
Title:

By: _____
Name:
Title:
I/We have authority to bind the Corporation

2499948 ONTARIO INC.

By: _____
Name: Sandy Sussman
Title: Secretary

By: _____
Name:
Title:
I/We have authority to bind the Corporation

13.25 Conditional

This agreement is conditional upon the successful completion of the Purchase Agreement.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto the day and year first above written.

2486976 ONTARIO INC.

By: _____
Name:
Title:
I have authority to bind the Corporation

BALLYMORE DEVELOPMENT (INNISFIL) CORP.

By: _____
Name: LOUIE MORRA
Title: PRESIDENT.

By: _____
Name:
Title:
I/We have authority to bind the Corporation

2499948 ONTARIO INC.

By: _____
Name: LOUIE MORRA
Title: PRESIDENT.

By: _____
Name:
Title:
I/We have authority to bind the Corporation

SCHEDULE "A"

LANDS

LEGAL DESCRIPTION:

1. PIN No. 58056-0089: Part Lt 22, Concession 3 Innisfil being Parts 1 & 2, Plan 51R-5794

2. PIN No. 58056-0092: Part Lot 22, Concession 3 Innisfil as in RO1093769

3. PIN No. 58056-0119: Part Lots 21 & 22, Concession 3 Innisfil being Part 2, Plan 51R36429, Part Lot 22, Concession 3 Innisfil Part 3, 51R36429, Innisfil

4. PIN No. 58056-0124: Part Lot 22, Con 3 Innisfil being Part 1, 51R37693, Town of Innisfil

5. PIN No. 58056-0127: Blocks A, B & C, Plan 973 and Part Lot 22 Concession 3 Innisfil being Part 1, 51R36429 except Part 3, 51R37693; Town of Innisfil

6. PIN No. 58065-0457: Part Lot 21 Con 4 Innisfil being Part 1, Plan 51R38206; Innisfil

7. PIN No. 58066-0222: Part of Lots 23 & 24, Concession 4 Innisfil being Part 1 on Plan 51R35702; Innisfil.

SCHEDULE "B"

DUE DILIGENCE COSTS

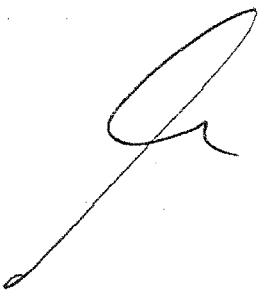
DATE	PAYABLE TO	AMOUNT
Oct. 28, 2015	Peter Campbell	$ 5,000.00
Nov. 23, 2015	Peter Campbell	$ 10,336.94
Dec. 2, 2015	Cole Engineering	$ 15,704.18
Dec. 2, 2015	Henry Kortekaas	$ 4,520.00
Dec. 9, 2015	Soil Engineers	$ 1,711.95
Dec. 11, 2015	Davies Howe/MMM	$ 23,934.00
Jan. 6, 2016	Peter Campbell	$ 9,901.69
Jan. 7, 2017	Emily Street (Phase 1 Report)	$ 3,000.00
TOTAL		**$ 74,108.76**

SCHEDULE "C"

INTEREST PAYMENTS

Oct. 1, 2015	KingSett	$ 46,581.66
Oct. 1, 2015	Pacific & Western	$ 26,394.31
Nov. 2, 2015	KingSett	$ 48,389.31
Nov. 2, 2015	Pacific & Western	$ 19,693.35
Dec. 1, 2015	KingSett	$ 46,898.93
Dec. 1, 2015	Pacific & Western	$ 19,052.49
Jan. 1, 2016	KingSett	$ 48,462.23
Jan. 1, 2016	Pacific & Western	$ 19,690.48
TOTAL		**$275,162.76**

Plus any further interest payments made prior to Closing



JOINT VENTURE AMENDING AGREEMENT

THIS AGREEMENT made as of the 31st day of March, 2016

AMONG:

2486976 ONTARIO INC.,
a corporation incorporated under the laws of the Province of Ontario,

("**Sussman**")

- and -

BALLYMORE DEVELOPMENT (INNISFIL) CORP.,

a corporation incorporated under the laws of the Province of Ontario,

("**Ballymore**")

- and -

BALLYMORE BUILDING (INNISFIL) CORP.,
(formerly 2499948 Ontario Inc.)
a corporation incorporated under the laws of the Province of Ontario,

(the "**Nominee**")

WHEREAS:

A. The parties hereto are parties to a joint venture agreement dated January 19, 2016 (the "**Joint Venture Agreement**");

B. The parties hereto wish to enter into this Agreement for the purpose of amending the Joint Venture Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of the sum of ONE DOLLAR ($1.00) now paid by each of the parties hereto to each of the other parties hereto, and of other good and valuable consideration (the receipt and sufficiency whereof by each of the parties hereto is hereby acknowledged), the parties hereto, for themselves, their heirs, executors, administrators, successors and assigns, covenant and agree to and with each other as follows:

ARTICLE 1.00 - AMENDMENT

1.1 **Amendment**

The Joint Venture Agreement is amended as follows:

(a) Delete the words "and which shall be discharged immediately after Closing" from the definition of "**VTB**".

(b) The following definition shall be added under Section 1.1 Definitions:

"**Construction Lender**" shall mean any Lender providing construction financing to the Project;

"**First Advance**" shall have the meaning set forth in Section 3.2(a)(i);

"**First Mortgagee**" shall mean Laurentian Bank of Canada;

"**Lien Discharge Costs**" means the costs to vacate or discharge the construction lien registered on title to the Lands in the amount of $125,000.00;

"**Remainder Amount**" shall have the meaning set forth in Section 3.4.2(a)(i);

"**Second Mortgagee**" shall mean Cameron Stephens Financial Corporation;

"**SMFI** " shall have the meaning set forth in Section 3.4.1(a);

"**SMFI Interest Rate**" shall have the meaning set forth in Section 3.4.1(b);

"**Sussman Third Mortgage**" shall have the meaning set out in Section 3.2(a)(v);

"**Sussman Mortgages**" shall mean collectively, the Sussman Third Mortgage and the VTB;

(c) by deleting Section 3.2(a)(i) in its entirety and inserting the following:

3.2(a)(i) up to an amount not to exceed the Deemed Value, the Joint Venture shall advance the amounts obtained from the First Mortgagee and the Second Mortgagee (collectively, the "**First Advance**").

(d) by deleting Section 3.2(a)(iv) and inserting the following:

3.2(a)(iv) The balance due on Closing, after credit for the First Advance and any deposits paid in accordance with the Purchase Agreement, required to be paid by Sussman for the aggregate of the following:

(A) the remaining amounts to discharge the mortgages held by Mortgagees on the Lands; plus

(B) the commission owing to CBRE Limited being 2% of the original purchase price under the Purchase Agreement of $21,000,000.00, but not to exceed $420,000.00 plus HST, in accordance with the Purchase Agreement; plus

(C) any realty taxes payable under the Purchase Agreement and not otherwise included in the amounts payable to the Mortgagees,

The sum of (A), (B) and (C) shall be the "**Sussman Purchase Funds**".

(e) by deleting Section 3.2(a)(v) and inserting the following:

3.2(a)(v) It is understood and agreed that Sussman may arrange private financing or financings or related party financings (the "**Sussman Third Mortgage**") which together with a portion of the VTB will secure repayment of a total principal amount (the "**Maximum Principal Amount**") equal to the sum of the Sussman Purchase Funds, any interest payments made to the Mortgagees from and including October 1, 2015 to the Closing in accordance with Schedule "C" (the "**Interest Payments**"), the Lien Discharge Costs and the amount SMFI paid to the Mortgagees to pay down their mortgages totalling $1,750,000 prior to Closing. The terms of repayment of the Maximum Principal Amount are set forth in Section 3.4.1.

It is further understood and agreed that the Sussman Third Mortgage shall be non-recourse against Ballymore or its principals and shall have recourse only against the Lands and Project assets. The Joint Venture shall consent to the registration of the Sussman Third Mortgage to secure the Sussman Purchase Funds, provided that the First Mortgagee and Second Mortgagee permit same and on such terms as they may require including, inter alia, execution

of postponement/standstill agreements in their favour and containing the usual development provisions.

(f) All other references in the Joint Venture Agreement to "**Second Mortgage**" shall be deleted and replaced with "Sussman Third Mortgage".

(g) by deleting Section 3.2(c) in its entirety and inserting:

"It is acknowledged that the First Mortgagee shall post a letter of credit in the sum of $367,000 to replace the Letter of Credit ("**PW LC**")presently lodged with the Town of Innisfil by Pacific and Western Bank of Canada, for pre-servicing of the Lands.

(h) by deleting Section 3.4 in its entirety and inserting the following:

3.4.1 Sussman Third Mortgage

On Closing, and in accordance with Section 3.2(a)(v), Sussman Mortgage Funding Inc. ("**SMFI**") shall be granted the Sussman Third Mortgage to secure a portion of the Maximum Principal Amount equal to the Sussman Purchase Funds.

The Sussman Third Mortgage shall bear interest at a rate of 200 basis points over the rate of interest payable by the Joint Venture to the First Mortgagee for the financing of the Land acquisition (the "**SMFI Interest Rate**") calculated and payable monthly and not in advance for a term of seven (7) years from Closing except for any principal amount securing the Deemed Equity.

3.4.2 Vendor/Take Back Mortgage

(a) On Closing, the fourth VTB (estimated to be $_____) shall be registered on title to the Lands and assigned, as per the Purchase Agreement, to SMFI, securing the following amounts:

(i) the Maximum Principal Amount less the amount secured under the Sussman Third Mortgage, and which amount shall accrue interest at the SMFI Interest Rate unless otherwise provided herein and be repayable as per the amounts secured under the Sussman Third Mortgage (the "**Remainder Amount**"); and

(ii) the Sussman Deemed Equity, which amount shall not bear interest and is repayable in accordance with the terms of the Joint Venture Agreement.

(b) Sussman shall cause SMFI on or before Closing, to provide an acknowledgement to the Members, confirming:

(i) the Priority of Distributions set out in Section 4.1 herein shall supersede any priority entitlement or recovery pursuant to the registration of the Sussman Mortgages;

(ii) it shall provide all postponements, standstill agreements, partial discharges and all other documents required by any Lender to the Joint Venture in regards to the Sussman Mortgages;

(iii) in the event of any transfer of the Sussman Mortgages, it shall require the transferee to execute all documents as required by the Members herein;

(iv) SMFI will forthwith upon request and within two (2) business days after request and without payment or charge, execute partial discharges that are necessary in order to complete sales of units in

the Project;

(v) SMFI shall only be entitled to repayment of its mortgages in accordance with the Priority of Distributions as and when Cash Flow is available for distribution to Sussman in accordance with priority of distributions set forth in Section 4.1;

(vi) SMFI will, provided Section 50 Planning Act is complied with and without charge, execute such documentation that may be required to grant easements to any governmental authority or private utility for walkways, utilities or any other purpose such authority or the Mortgagor may require.

(vii) SMFI will, forthwith upon request and within 2 days after request and payment by the Mortgagor, execute partial discharges of any lands provided Section 50 of the Planning Act (Ontario) is complied with which required for any governmental purposes (including conservation authorities) or as required in any conditions relating to draft plan approval or as contained in any subdivision agreement, including, inter alia, parks, schools, and road widening, or which are required to be conveyed to any abutting land owner for common use or benefit of owners in the area of the such lands to be discharged such as but no limited to storm water management ponds and bus stations;

(viii) SMFI shall from time to time, without charge, within 2 days after request, execute any and all plans and documents required to facilitate the registration of the lands or a part thereof as a plan of subdivision pursuant to the Planning Act, to rezone the lands or any part thereof herein and to do everything to facilitate same, including the execution of agreements with any governmental authority which may be required for such registration or rezoning and which agreements may include a provision that in the event the undersigned transfers the equity of redemption in the lands under the Sussman Third Mortgage or the VTB, the title thereto shall be subject to the terms thereof in the same manner as if the new Sussman Third Mortgage mortgagee or the new VTB mortgagee had executed the agreement with the governmental authority as a developer

(c) The VTB shall remain on title to the Lands as long as it is required by the First Mortgagee. It is anticipated that the VTB shall be discharged within sixty (60) days of the first advance by the Construction Lender of any Construction Finances to the Project at no cost to the Joint Venture.

(d) At the time the VTB is discharged pursuant to Section 3.4.2(c), the Sussman Third Mortgage will be amended so that the principal amount secured under the Sussman Third Mortgage shall be increased by the Remainder Amount to an amount equal to the Maximum Principal Amount.

(e) The total of the Sussman Third Mortgage, VTB and the First Advance shall not exceed the Deemed Value and it is understood that the total principal amount secured under the Sussman Mortgages shall not exceed the sum of Five Million and Five Hundred Thousand ($5,500,000.00) Dollars.

3.4.3 Costs re Financing to the Project

(a) The parties agree that the interest and principal of the First Mortgage, Second Mortgage, the Sussman Third Mortgage and the Remainder Amount secured under the VTB will be paid by the Joint Venture, save

and except that Sussman shall be responsible for all interest costs owing to the Second Mortgagee, the Sussman Third Mortgage and on the Remainder Amount, in excess of the SMFI Interest Rate.

4.1 **Priority**

By deleting Section 4.1 and inserting the following:

4.1 The cash surplus ("**Cash Surplus**") of the Joint Venture arising from the receipt of any Project Revenue (save for collateralization of any Letters of Credit, approved reserves for warranty claims, unpaid Project Costs or other reserves approved by the Joint Venture) shall be distributed to the Members, as and when funds become available for distribution, in the priority and manner as follows (the "**Priority of Distributions**"), without duplication, no distribution being made in any category set forth below unless and until the preceding category has been satisfied in full, unless the Members otherwise agree in writing:

(a) firstly, to SMFI in reduction of the Maximum Principal Amount owing under the Sussman Mortgages, any refund from Canada Revenue Agency with respect to the input tax credit to be earned with respect to the payment of the CBRE Limited commission payable under subsection 3.2(a)(iv)(B) which the Joint Venture expects to receive upon filing of the appropriate HST return with respect to this payment;

(b) secondly, to Lenders for the repayment of any financing or any other financing obtained by the Joint Venture for the Development of the Project;

(c) thirdly, to repay the Sussman Third Mortgage, as same may be increased as per Section 3.4 2(d) or if not so increased and, the Remainder Amount secured under the VTB;

(d) fourthly, any unpaid Project Costs including the Project Management Fee, as defined at Section 6;

(e) fifthly, the Sussman Deemed Equity secured by the VTB;

(f) sixthly, payment to the applicable Member any Excess Loans pro rata together with accrued interest;

(g) seventhly, payment of any equity owing to the Members pro rata in accordance with their Shares; and

(h) eighthly, to the Members pro rata in accordance with their Shares.

ARTICLE 2.00 - GENERAL

2.1 **Joint Venture Agreement Confirmed**

This Agreement shall be read together with the Joint Agreement and the parties confirm that, except as modified herein, all terms, agreements, covenants and conditions in the Joint Venture Agreement remain unchanged, unmodified and in full force and effect.

2.2 **Further Assurances**

The parties agree to do or cause to be done, from time to time, all such things, and shall execute and deliver all such documents, agreements and instruments reasonably requested by another party, as may be necessary or desirable to carry out the provisions and intention of this Agreement.

2.3 **Counterparts and Electronic Execution**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together will constitute one and the same instrument and an executed facsimile or electronic copy will be deemed for all purposes hereunder to be valid and executed original copy hereof.

2.4 **Enurement**

The provisions of this Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective personal representatives, heirs, successors and permitted assigns.

2.5 **Schedules**

Schedules "B" and "C" shall be replaced with the Schedules attached hereto.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto the day and year above first written.

2486976 ONTARIO INC.

By: _____
Name: Sandy Sussman
Title: A.S.O.
I have authority to bind the Corporation

BALLYMORE DEVELOPMENT (INNISFIL) CORP.

By: _____
Name:
Title:

I have authority to bind the Corporation

BALLYMORE BUILDING (INNISFIL) CORP.

By: _____
Name: Sandy Sussman
Title: A.S.O.

I have authority to bind the Corporation

By: _____
Name:
Title: A.S.O.

I have authority to bind the Corporation

2.3 **Counterparts and Electronic Execution**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together will constitute one and the same instrument and an executed facsimile or electronic copy will be deemed for all purposes hereunder to be valid and executed original copy hereof.

2.4 **Enurement**

The provisions of this Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective personal representatives, heirs, successors and permitted assigns.

2.5 **Schedules**

Schedules "B" and "C" shall be replaced with the Schedules attached hereto.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto the day and year above first written.

2486976 ONTARIO INC.

By: _____
Name: Sandy Sussman
Title: A.S.O.
I have authority to bind the Corporation

BALLYMORE DEVELOPMENT (INNISFIL) CORP.

By: _____
Name: Louie Morra
Title: President

I have authority to bind the Corporation

BALLYMORE BUILDING (INNISFIL) CORP.

By: _____
Name: Sandy Sussman
Title: A.S. O.

I have authority to bind the Corporation

By: _____
Name: Louie Morra
Title: A.S. O.

I have authority to bind the Corporation

SCHEDULE "B"

SUSSMAN OUT OF POCKET COSTS TO DATE		
DATE	**PAYABLE TO**	**AMOUNT**
OCT. 28,2015	PETER CAMPBELL	$5,000.00
NOV. 23, 2015	PETER CAMPBELL	$ 10,336.94
DEC.2, 2015	COLE ENGINEERING	$15,704.18
DEC.2, 2015	HENRY KORTEKAAS	$4,520.00
DEC.9, 2015	SOIL ENGINEERS	$1,711.95
DEC.11, 2015	DAVIES HOWE/MMM	$23,934.00
JAN.6, 2016	CARSWELL LEGAL	$ 47.12
JAN.6, 2016	PETER CAMPBELL	$9,901.69
JAN.7, 2016	EMILY STREET	$3,000.00
JAN. 20, 2016	TOWN OF INNISFIL	$3,613.43
FEB. 2, 2016	PINCHIN	$4,972.00
FEB. 2, 2016	MCCLYMONT & RAK	$3,390.00
FEB. 5, 2016	PETER CAMPBELL	$10,588.55
FEB. 10, 2016	LAURENTIAN BANK 1ST	$25,000.00
MAR. 7, 2016	CAMERON STEPHENS	$25,000.00
MAR. 9, 2016	PETER CAMPBELL	$9,931.66
MAR.10, 2016	LAURENTIAN BANK 2ND	$25,000.00
MAR. 11, 2016	TOWN OF INNISFIL	$644.11
	TOTAL	**$182,295.63**

SCHEDULE "C"

SUSSMAN MORTGAGE PAYMENTS TO DATE		
DATE	PAYABLE TO	AMOUNT
OCT. 1, 2015	KINGSETT	$46,581.66
OCT. 1, 2015	PACIFIC & WESTERN	$ 26,394.31
NOV. 2, 2015	KINGSETT	$48,389.31
NOV. 2, 2015	PACIFIC & WESTERN	$19,693.35
DEC.1, 2015	KINGSETT	$46,898.93
DEC.1, 2015	PACIFIC & WESTERN	$19,052.49
JAN.1, 2016	KINGSETT	$48,462.23
JAN.1, 2016	PACIFIC & WESTERN	$19,690.48
FEB. 1, 2016	KINGSETT	$46,280.64
FEB. 1, 2016	PACIFIC & WESTERN	$18,786.42
MAR. 1, 2016	PACIFIC & WESTERN	$14,689.58
MAR. 1, 2016	KINGSETT	$39,509.14
	TOTAL	$394,428.54

Appendix “I”
to the First Report of the Receiver

CO-TENANCY AGREEMENT

BETWEEN:

1981361 ONTARIO INC.

-and-

ALLIANCE COMPRO INC.

-and-

ALLIANCE HOMES INC.

-and-

2114568 ONTARIO INC.

Goldman Sloan Nash and Haber LLP
480 University Avenue, Suite 480
Toronto, Ontario
M5G 1V2

CO-TENANCY AGREEMENT

THIS AGREEMENT made as of the 5th day of April 2019.

BETWEEN:

1981361 Ontario Inc.
a corporation incorporated under the laws of the Province of Ontario,
(hereinafter called "Sussman Co")

OF THE FIRST PART;

-and-

Alliance Compro Inc.
a corporation incorporated under the laws of the Province of Ontario,
(hereinafter called "Compro")

OF THE SECOND PART;

-and-

Alliance Homes Inc.
a corporation incorporated under the laws of the Province of Ontario
(hereinafter called "Alliance Manager")

OF THE THIRD PARTY;

-and-

2114568 Ontario Inc.
a corporation incorporated under the laws of the Province of Ontario
(hereinafter called the "Nominee")

OF THE FOURTH PARTY;

WHEREAS:

Sussman Co, Compro, Alliance Manger and 2114568 Ontario Inc. wish to enter into this agreement for the purpose of setting forth the various terms, provisions and conditions governing their respective rights and interest in the Property and Project.

NOW THEREFORE, in consideration of the mutual covenants of the parties hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

1. ARTICLE 1-INTERPRETATION

1.1 Definitions

Unless the context otherwise requires, the terms defined in this Agreement shall for all purposes have the meanings set forth below:

(a) "Accredited Appraiser" means a Person dealing at arm's length with each Member who enjoys a fully accredited membership in the Appraisal Institute of Canada (or its successor organization or, failing either, another equivalent national Canadian real estate appraisal organization).

(b) "Affiliate" with respect to a Member means any corporation which directly or indirectly is controlled by or controls such Member or is controlled by the same Person or group of Persons which Controls such Member; or any trusts, the beneficiaries of which are the Person or group of Persons who Controls any Member or any spouse or issue of that Person; or any corporation, the sole shareholders of which are such trusts or any one of such trusts.

(c) "Agreement" means this agreement, including the schedules hereto, as amended from time to time.

(d) "Business Day" means any day except Saturday, Sunday or any statutory holiday in the City of Toronto;

(e) "Cash Surplus" has the meaning assigned thereto in Article 4 hereof.

(f) "Control" means:

I. when applied to the relationship between a Person (or group of Persons) and a corporation, the ownership by such Person (or group of Persons) (other than by way of security only) either directly or indirectly (including by means of the direct or indirect control of one or more intermediate corporations or other entities) of voting securities of such corporation carrying more than 50 per cent of the votes for the election of directors, if the votes carried by such securities are sufficient, if exercised, to elect a majority of the board of directors of such corporation; and

II. when applied to the relationship between a Person (or group of Persons) and a partnership, joint venture or other unincorporated entity, the ownership by such Person (or group of Persons) (other than by way of security only) either directly or indirectly (including by means of the direct or indirect control of one or more intermediate corporations or other entities) of more than 50 per cent of the ownership interests of such partnership, joint venture or other entity in circumstances where it can reasonably be expected that such Person (or group of Persons) directs the affairs of such partnership, joint venture or other entity;

and the words "Controlled by", "Controlling" and similar words have corresponding meanings;

(g) "Co-Tenancy" means the Co-Tenancy established by the Agreement.

(h) "Date of Closing" has the meaning assigned thereto in Articles 7, 8 and 9 hereof.

(i) "Develop" means the processing of all required and usual steps to register a plan or plans of Subdivision of the Property for residential uses, including and without limitation, requesting official plan amendments; prosecuting rezoning, applications, processing plan of subdivision applications, compliance with draft plan conditions and entering into subdivision and other similar agreements with municipal government, and other authorities or agencies and constructing, selling/leasing of the Project.

(j) "Event of Default" means, when used in relation to a Member, that:

(i) the Member has defaulted in its obligation to provide to the Co-Tenancy or the Nominee, when required, its Share of the funds required pursuant to the provisions of Section 3.2 hereof and shall have failed to cure such default:

(A) in the case of funds required for a cost or expense provided for in a budget approved by the Management Committee, within thirty (30) days after receipt by it of a notice from the Management Committee or from another Member asking it to cure such default, or

(B) in the case of funds required for a cost or expense not provided for in a budget approved by the Management Committee, within sixty (60) days after receipt by it of a notice from the Management Committee or from another Member asking it to cure such default,

(ii) if the Tenancy Interest of such Member has been transferred to an Affiliate, and such transferee ceases to be an Affiliate of such Member;

(iii) the Member shall have defaulted in the observance of its covenant in Subsection 7.l(b) hereof and does not cure such default within five (5) days (excluding Saturdays, Sundays and statutory holidays) after receipt by the Member of a notice from the Management Committee or from another Member asking it to cure such default;

(iv) the Member shall have defaulted in the observance of its covenant in Subsection 7.1(a) hereof;

(v) the Member shall have defaulted, for any reason other than Unavoidable Delay, in the observance or performance of any of its other covenants and obligations under or by virtue of this Agreement not otherwise referred to in this Section, and

(A) if such default can with due diligence be cured within fifteen (15) days, the Member does not cure such default within fifteen (15) days after receipt by the Member of a notice from the Management Committee or from another Member asking it to cure such default, or

(B) if such default cannot with due diligence be cured within fifteen (15) days, the Member (1) does not promptly commence and proceed with due diligence to cure such default after receipt by the Member of a notice from the Management Committee or from another Member asking it to cure such default, and (2) having promptly so commenced such rectification, does not cure such default within ninety (90) days after receipt of such notice.

(k) "Event of Insolvency" means, when used in relation to a Member, that:

(i) a resolution is passed or an order made for the winding-up, liquidation, revocation or cancellation of incorporation of the Member or a petition is filed for the winding-up, liquidation, revocation or cancellation of incorporation of the Member, unless the petition is being disputed in good faith by appropriate proceedings and such proceedings effectively postpone enforcement of the petition;

(ii) the Member makes an assignment for the benefit of its creditors;

(iii) the Member becomes bankrupt or, as an insolvent debtor, takes the benefit of any act now or hereafter in force for bankrupt or insolvent debtors; or

(iv) a receiver or other officer with like powers is appointed for the Member, for a substantial part of the assets of the Member or for the Member's Tenancy Interest, unless the appointment of such receiver or other officer with like powers is being disputed in good faith and such proceedings effectively postpone enforcement of such appointment.

(l) "Fair Market Value" means the value of the Property or any part or parts thereof or a Member's Interest as determined by appraisal pursuant to the provisions of Section 8.5 hereof;

(m) "Interest Rate" means a rate of interest of eighteen (18%) percent.

(n) "Management Committee" means the management committee established pursuant to the provisions of Article 5 hereof.

(o) "Member" means each of Sussman Co and Compro (collectively the "Members").

(p) "Operations" means the acquisition, development, improvement, operation, repair and maintenance of the Property and the construction, sale/lease of the Project.

(q) "Permitted Encumbrances" means, when used in relation to a Member's Tenancy Interest:

(i) mortgages, pledges, charges, assignments by way of security, easements, liens, leases, restrictions and other encumbrances and interests affecting the Property created or assumed by all of the Members in connection with the Operations;

(ii) encumbrances affecting the Property which are:

(A) title defects, encroachments or irregularities of a minor nature; or

(B) restrictions, easements, rights-of-way, servitudes or other similar rights in land (including, without restriction, rights of way and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved by other persons or entities and, in each case, such encumbrances will not materially interfere with the use or development of the Property by the Members; and

(iii) the reservations, limitations, provisos and conditions, if any, expressed in any original grants of real property from the Crown.

(r) "Person" means a natural person, firm, trust, partnership, association, corporation, government or governmental board, agency or instrumentality.

(s) "Prime Rate" means the prime commercial lending rate of interest which the Co-Tenancy's bankers establish as the reference rate of interest for the purpose of determining the rate of interest that it would charge to its customers for loans in Canadian funds, as the same is in effect from time to time.

(t) "Property" means those lands and premises as part of Lot of S1/2 of Lot 24 and Part Lot 25 Concession 10 Mara being PTs1 1,2 & 3 51R36608 Except PT 1 51R36628, S/T Mineral Rights as in R01372883; Subject to an Easement in Gross as in SC1021794; Township of Ramara, being P.I.N. Number: 58707-0038 as shown on the sketch attached hereto as Schedule "A";

(u) "Purchaser" has the meaning assigned thereto in Articles 7 and 8 hereof, as the case maybe.

(v) "Share" means, with respect to Sussman Co, fifty percent (50%), with respect to Compro, fifty (50%).

(w) "Units" means the residential dwelling units comprising the Project; and

(x) "Tenancy Interest" means, when used in relation to a Member, all such Member's right, title and interest in and to the Property and in all other property acquired by the Members in connection therewith.

(y) "Unavoidable Delay" means a delay in the performance of an act or compliance with a covenant caused by an act of God, fire, strike, lockout, inability to obtain or delay (which is not reasonably within the control of the Party obliged to perform or comply) in obtaining material, equipment or transport, inability to obtain or delay (which is not reasonably within the control of the Party obliged to perform or comply) in obtaining governmental approvals, permits, licences or allocations, restrictive laws or governmental regulations, or any other cause, whether of the kind specifically enumerated above or not, which is not reasonably within the control of the Party obliged to comply or perform, but does not mean a delay caused by lack of funds or other financial reasons of a Party;

(aa) "Unit" means the residential dwelling units comprising the Project; and

(bb) "Vendor" has the meaning assigned thereto in Articles 7,8 and 9, as the case maybe.

1.2 **Currency**

All payments contemplated herein shall be made in Canadian funds.

1.3 **Gender and Number**

Words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender and neuter gender, and words importing persons shall include firms and corporations, and vice versa.

1.4 **Articles and Section Numbers**

The division of this Agreement into Parts, Articles and Sections and the Table of Contents preceding are for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

1.5 **Table of Contents**

The table of contents preceding this Agreement but under the same cover is included for convenience of reference only and is not to be deemed or construed in any way as part of this Agreement, nor as supplemental hereto or amendatory hereof.

1.6 **Calculation of Time Periods**

When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference day in calculating such period shall be excluded. If the last day of such period is a non-business day, the period in question shall end on the next business day.

1. 7 **Governing & Law**

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. The parties agree that the courts of the province of Ontario will have exclusive jurisdiction to determine all disputes and claims arising between the parties.

1.8 **Severability**

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

1.9 **Entire Agreement**

This Agreement constitutes the entire Agreement between the parties relating to the Co-Tenancy and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties with respect thereto.

1.10 **Amendments**

No amendment or modification of this Agreement shall be binding unless in writing and signed by the parties.

1.11 **Waiver**

No waiver by the Members of any breach of any of the provisions of this Agreement by any other Member shall take effect or be binding upon the Party unless in writing and signed by such Members. Unless otherwise provided therein, such waiver shall not limit or affect the rights of the Members with respect to any other breach.

1.12 **Time of the Essence**

Time shall be the essence of this Agreement.

1.13 **Heirs, Successors and Assigns**

Subject to the provisions of Article 7 hereof, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

1.14 **Counterparts**

This Agreement may be executed in any number of counterparts provided each party executes a counterpart and all of these counterparts taken together shall for all purposes constitute one agreement, binding on the parties notwithstanding that all parties are not signatory to the same counterpart.

2. ARTICLE 2 - THE CO-TENANCY

2.1 **Interests in the Co-Tenancy**

The Members shall hold an undivided interest in the Property, assets and rights of the Co- Tenancy, both real and personal as tenants in common in the following proportions:

MEMBER	PERCENTAGE SHARE
Sussman Co	50%
Compro	50%

2.2 **Principal Office**

The principal office of the Co-Tenancy shall be located at 6048 Highway No. 9, Unit 7, Schomberg, ON, L0G 1T0 or such other place or places as shall be agreed upon by the Management Committee.

2.3 **Purpose and Scope**

(a) The purpose, and only purpose, of the Co-Tenancy is to develop, operate, construct and manage a land lease community including the construction of Homes and Land lease of approximately 300 Units in 3 phases, waste water treatment plant, water treatment plant and other required infrastructure, or such other uses as the Management Committee may decide, which purpose is hereinafter called the "Project" under the Co-Tenancy name of "Lakepoint Village Joint Venture" or such other name as may from time to time be agreed upon by the Members. The Project shall be limited strictly to the purpose hereinbefore set out and to the Property hereinbefore described.

(b) The Members agree to own, operate, maintain and develop the Property as tenants in common in accordance with the terms of this Agreement.

(c) The Members agree to diligently and in good faith take such steps as are commercially practical to develop the Property.

2.4 **Effective Date and Continuance**

(a) This Agreement is effective from and after the date first written above.

(b) This Agreement shall continue in full force and effect until the later of the date that the Property is sold by the Members to a third party purchaser or the date that the last residential dwelling unit has been sold to a third party purchaser and such sale has been completed and the date that final settlement has been made among the Members in accordance with Section 2.4(c).

(c) In the event that the Members sell the Property to a third party purchaser, the Members shall make a final settlement among themselves to the end that, subject to Sections 2.9 and 5.22 hereof, the Members shall share all of the rights and benefits and bear all of the liabilities and obligations of the Co-Tenancy in accordance with their respective Shares, provided that any distribution of funds shall be made only in accordance with Section 4.1.

2.5 **New Agreement**

In the event of any change in the ownership or size of any Tenancy Interest during the term hereof, the Members shall, upon the request of any one or more of them at any time and from time to time, enter into a new agreement superseding this Agreement. Such new agreement shall be the same as this Agreement in all respects, except that it shall be dated the date of its execution and shall reflect the then parties to this Agreement and their respective Shares and Tenancy Interests. In particular, such new agreement shall contain a provision to the same effect as this Section.

2.6 **Partnership Not Created**

Each Member expressly disclaims any intention to create a partnership. Nothing in this Agreement, or otherwise arising herefrom, shall be construed to constitute any of the Members nor the Nominee a partner, agent or representative of the others or any

commercial or other partnership. Each Members expressly declares its intention to rely upon:

a) the provisions of Section 3 of the Partnership Act (Ontario) as amended or re-enacted from time to time, to the effect, *inter alia*, that tenancy in common, common Lands or part ownership does not of itself create a partnership as to anything so held or owned, whether the tenants or owners do or do not share any profits made by the use thereof; and

b) the statutory and common law as it applies to tenants in common save only to the extent that the same is, by the express provisions of this Agreement, amended or varied.

2.7 **Apportionment of Profits and Losses**

Except as hereinafter otherwise specifically provided, all net profits derived from the ownership operation, development and sale of the Property shall belong to the Members in accordance with their respective Shares and all expenditures or losses incurred in connection with the Property shall be borne by the Members in accordance with their respective Shares.

2.8 **No Authority to Bind**

Except as expressly provided in this Agreement, a Member shall not have any authority to bind any of the other Members, or the Nominee.

2.9 **Indemnity**

Each Member (in this Section called the "Indemnitor") hereby irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other Members and the Nominee (in this Section called the "Indemnitees ") from and against any and all liability loss, harm, damage, cost or expense, including legal fees, which the Indemnitees may suffer, incur or sustain as a result of any act of the Indemnitor committed outside the scope of or in breach of this Agreement.

2. 10 **Liability**

Subject to Section 2.9 hereof, each Member shall be liable only for its Share of the liabilities and obligations of the Members under any agreements made by the Co-Tenancy with respect to the Property and shall not be liable for any other Member's Share of such liabilities and obligations. Each Member shall be entitled only to its Share of the rights and benefits of the Members under any such agreements.

2.11 **Legal and Beneficial Ownership**

The Members confirm and agree that title to the Property and to all property, whether real, personal or mixed, comprising, used or otherwise acquired in connection with the Property, shall be taken and held in the name of the Nominee, and that beneficial ownership shall be held by each of the Members as tenants in common in the same ratio as their respective Shares.

2.12 **Other Businesses, etc.**

Each Member shall have the free and unrestricted right independently to engage in other businesses or ventures for its own individual profit without any accountability to any other Member, even if such other businesses or ventures are similar to or compete with the Property. A Member shall not, by reason of this Agreement, have any interest in any other business or venture engaged in by any other Member, whether or not such other business or venture is similar to or competes with the Property. The legal doctrines of "corporate opportunity" or "business opportunity" sometimes applied to co-tenancies or to persons having a fiduciary relationship shall not apply to any other endeavor of any of the

Members. Any proceeds to which the Members are entitled, as provided, relate only to the Property, and not to any other business or venture carried on by the Members.

No Member or any officer, director or shareholder of a Member shall be required to devote any particular amount of time or attention to the Co-Tenancy, save as otherwise provided herein, but each Member shall cause its officers and/or employees to devote such time and attention thereto as shall be necessary to permit the effective ownership and holding of the Property.

2.13 **Capital Cost Allowance**

Each Member may claim such deductions for capital cost allowance in respect of its Tenancy Interest as it, in its sole discretion, deems advisable and as it may by law be allowed to claim.

2.14 **Covenants**

Each Member hereby represents and warrants that it has full power, authority and legal right to enter into and be bound by this Agreement, and covenants and agrees:

(a) promptly to notify the other Members of all matters coming to the attention of such Member concerning the Property;

(b) to perform and observe all the terms and conditions of this Agreement;

(c) to execute and deliver, or cause to be executed and delivered, such instruments as may from time to time be required in order to carry out the purposes of the Co-Tenancy; and

(d) to punctually pay and discharge its separate and several debts and liabilities due or incurred pursuant to this Agreement.

2.15 **No Partitioning**

No Member, and no person claiming through or under a Member shall partition or apply to the court or other authority having jurisdiction over the matter or commence or prosecute any proceeding for the partition or sale of the Property, or any part thereof.

In the event of breach of the provisions of this Section by a Member, the other Members shall in addition to all other rights and remedies at law or in equity to which they are otherwise entitled, be entitled to a decree or order perpetually restraining and enjoining such partition, application, action or other proceeding, and the first-mentioned Member(s) are hereby precluded from pleading in defense that there would be an adequate remedy at law (it being acknowledged by all the Members that the injury and damages flowing from any such breach would be impossible to measure monetarily).

2.16 **Waiver of Sale**

Each of the Members waives the benefit of all provisions of law, as now in effect or as hereinafter enacted, relating to actions for sale in lieu of partition of real and personal property including, without limiting the generality of the foregoing, the *Partition Act*, as amended, and each of the Members agrees that it will not resort to any action at law or in equity for a sale in lieu of partition in respect of the Property.

3. **ARTICLE 3 - FINANCING**

3.1 **General Provisions**

Save and except the Equity Advances set out in paragraph 3.8 below, any and all amounts required, from time to time, for the purposes of the Operations of the Property

and all amounts required for the development of the Property and construction of the Project pursuant to the Project, and for the payment of all debts, liabilities and obligations in connection therewith, including any payments required to discharge any mortgages that encumber the Property all as provided in a budget approved by the Management Committee, shall be obtained, to the maximum extent possible, by way of interim or long term mortgage financing of the Property so as to minimize, if possible, the funding requirements of the Members. The decision as to whether or not such funding are required, from whom the same shall be borrowed, and the terms and conditions of such borrowing shall be determined by the Management Committee in accordance with the provisions of this Agreement governing the decision-making authority of the Management Committee. The Members agree that they will actively pursue and work toward obtaining satisfactory bank credit and interim financing for the Project (the "Bank Loan"). If so required by the mortgagee for the Bank Loan, and if agreed to by the Members, each of the Members set forth below shall severally execute and deliver its guarantee to the bank of the Co-Tenancy concerning the Bank Loan as to the portion thereof hereinafter set forth:

MEMBER	PERCENTAGE SHARE
Sussman Co	50%
Compro	50%

For greater certainty, no Member shall be required to provide the personal guarantee of the principal of the Member. In addition, the Members agree to execute such further and other documentation required by such mortgagee of the Bank Loan, including without limitation, any required acknowledgments and consents from the beneficial owners of the Project.

Each of the Members hereby covenants and agrees to permit all the property and assets of the Co-Tenancy, or such of them as such banker or lender may reasonably require, to be mortgaged, charged or otherwise encumbered to or in favour of such banker or lender in order to obtain financing for the Co-Tenancy. Where, pursuant to the foregoing provisions of this section, the Members, or any of them, have, in respect of any of the debts, obligations or liabilities of the Co-Tenancy to its banker or any other lender, executed, on a several basis or on a joint and several basis, an agreement or covenant of surety or guarantee in favour of such banker or lender, then, notwithstanding the foregoing, the Members hereby covenant and agree that, as between and among themselves, each of them shall be responsible for a portion of such debts, obligations and liabilities which portion shall be a percentage thereof equal to the Members' Share in the Co-Tenancy.

3.2 **Indemnity**

In the event that any time hereafter any of the Members hereto shall become a surety or guarantor, or become indebted or liable for any monies borrowed by the Co-Tenancy or for any obligations entered into by the Co-Tenancy, or any of the parties expends any money on behalf of the Co-Tenancy, so long as such debt, liability, obligation or expenditure is incurred pursuant to the provisions of this Agreement, or in the event that any Member shall not receive repayment in full of the monies advanced by such Member to the Co-Tenancy pursuant to the provisions of this Agreement, then, in any such event, each of the Members hereto covenants and agrees to protect, indemnify and save the other Member or Members harmless against and from any such loss, damage, cost and liability whatsoever, arising in respect of the aforementioned debt, liability, obligation, expenditure, guarantee or loan, in their respective Shares.

3.3 **Advances by Members**

If the Co-Tenancy shall require funds in excess of those available from a lender, as contemplated in Section 3.1, then unless the Management Committee otherwise determines, such funds shall be advanced by the Members (the "Subsequent Advances"). The advances, if any, from time to time required of the Members hereunder shall be made in accordance with the following percentages:

MEMBER	PERCENTAGE SHARE
Sussman Co	100%

The determination as to whether any such funds are required and the date on or by which the same are to be advanced shall be made by the Management Committee acting in good faith and in the best interests of the Members.

3.4 **No Interest**

Unless otherwise determined by the Management Committee, amounts advanced by a Member from time to time pursuant to Section 3.3 the preceding Section shall bear no interest.

3.5 **Notice for Advance**

Whenever funds are required to meet any obligations arising out of the business and affairs of the Co-Tenancy, as contemplated in any budget approved by the Management Committee, any member of the Management Committee shall be entitled to notify the Members in writing, which notice shall set out the specific purposes for which and the amount of the contribution from each Member and the date upon which such funds are required. Each Member shall advance the amount required on or before the date set forth in such notice by depositing the monies required by such notice in the bank account for the time being of the Co-Tenancy.

3.6 **Default**

In the event that a Member fails to advance all the funds to the Co-Tenancy as required by the notice in writing to such Member from the Management Committee, then such failure shall constitute an Event of Default hereunder and the provisions of Article 8 hereof shall apply to such Member (the "Defaulting Member"). The aggregate advances of all Members who have advanced funds in proportion to their respective Share in the Co-Tenancy (the "Non-Defaulting Member") shall constitute the full amount required to be advanced to the Co-Tenancy and such Non-Defaulting Member shall not be required to advance any funds in excess of the amount advanced by it.

3.7 **Security for Funds Advanced**

The Members acknowledge and agree that if they are required to advance funds to the Co- Tenancy, the funds advanced by each Member until repaid shall be secured against the respective undivided interest of the other Members in the Property and Co-Tenancy it being the intent that a security interest. lien or other encumbrance is created or imposed on the Tenancy Interests of the embers and each Member shall have, in addition to such other rights and remedies at law, all right and remedies of a secured party under the *Personal Property Security Act* (Ontario) and any amendments thereto from time to time. For such purposes, each of the Members specifically acknowledges and agrees with each other that it is its intention that the security interest created pursuant to this Section shall attach upon the execution of this Agreement.

4. ARTICLE 4 - CASH SURPLUS; DISTRIBUTIONS

4.1 **Priority**

Subject as hereinafter provided, the Cash Surplus of the Co-Tenancy shall be distributed to the Members as and when funds become available for distribution. in the priority and manner as follows, no distribution being made in any category set forth below unless and until the preceding category has been satisfied in full, unless the Members otherwise agree in writing:

(a) firstly, in payment to the Members of the amount of Principal, if any, owing to the Member(s) in respect of any Subsequent Advances advanced pursuant

to Section 3.3, pro rata, in accordance with the proportion that the amount of the outstanding Subsequent Advance of such Member bears to the total amount of the outstanding Subsequent Advance of all of the Members;

(b) secondly, , to the Members pro rata in accordance with their share.

Provided, however, if any Member (the "Defaulter") shall be indebted to the other Members or any other Member in respect of any amounts expended by such Members or Member, as the case may be, to remedy an Event of Default by the Defaulter (including providing all or a portion of the Defaulter's share of any funds required pursuant to the preceding Article), any sums payable to the Defaulter pursuant to this Section shall be paid to the other Member or other Members, as the case may be, until the full amount of the indebtedness together with all accrued interest has been paid in full.

4.2 **Calculation of Cash Surplus**

For the purpose of Section 4.1 hereof, "Cash Surplus" of the Co-Tenancy for any period means all amounts received by the Co-Tenancy arising out of the Property or the sale or operation thereof ("Gross Receipts") for the period, including:

(a) the leasing or sale of any property of the Co-Tenancy, including without limitation, Units to third party purchasers;

(b) funds provided by the Members pursuant to the financing provisions in Article 3 hereof;

(c) the amount, if any, of any insurance proceeds received by the Co-Tenancy over the amount thereof necessary to repair the damage compensated for, or payable to any third party mortgagee having a mortgage on the Property or any part thereof; and

(d) the net proceeds, if any, received by the Co-Tenancy from any and all mortgage financings and re-financings, from partial or total expropriations (over the amount thereof necessary for restoration and less any amount thereof paid to any third party mortgagee having a mortgage on such property or any part thereof) from sales of easements, rights of way or similar interests in respect of the Property or from dispositions of an interest therein;

less the aggregate of:

(e) all expenses, charges and outlays actually paid by the Co-Tenancy during such period, including any sums paid on account of principal and/or interest to third party lenders in respect of any loans owing by the Co-Tenancy;

(f) the payment of the compensation to any development, construction or property manager, including the Management Fees set out in section 11.03;

(g) the Reserve set out in section 11.08; and

(h) such portion of the Gross Receipts for the period as the Management Committee determines is reasonably necessary to provide a reserve for contingencies and for anticipated future costs and expenses to Develop the Property,

provided that for greater certainty, in calculating the Cash Surplus for any period, no deduction shall be made for capital cost allowance in respect of the Property and no reserve shall be provided for the same.

5. ARTICLE 5 - MANAGEMENT COMMITTEE

5.1 General Provision

The Members hereby establish a Management Committee for the purposes of the management of the Co-Tenancy.

5.2 Composition

The Management Committee shall be composed of two (2) members, one (1) nominees of Sussman Co and one (1) Nominee of Compro. Each Member shall appoint at least one (1) alternate representative to serve on the Management Committee during the period or periods when the principal representative of such Member is not available.

The principal representative and alternate, until notice of change is given as herein required, for each Member shall be as follows:

MEMBER	PRIMARY NOMINEE	ALTERNATE
Sussman Co	Sandy Sussman	
Compro	Alex Troop	Alexander Robert Troop

A Member may change its principal representative or its alternate representative from time to time by giving notice of such change to the other Members and to the representative or alternate representative so replaced. All references in this Article to a representative of a Member shall include and refer to the alternate representative of such Member in the event that the representative is not present or is unable to act.

5.3 Vacating of Office

The office of a member of the Management Committee shall be vacated upon the occurrence of any of the following events:

(a) If a receiving order is made against him/her or if s/he makes an assignment under the *Bankruptcy and Insolvency Act* (Canada), as amended or re-enacted from time to time;

(b) If an order is made declaring him/her to be a mentally incompetent person or incapable of managing his/her affairs;

(c) If he shall be removed from office by a written notice from the Member that appointed him/her pursuant to this Article;

(d) If by notice in writing to the Members, s/he resigns his/her office and such resignation, if not effective immediately, becomes effective in accordance with its terms.

5.4 Vacancies

Any vacancy in the Management Committee shall be filled by the Member which appointed the former member of the Management Committee whose loss of office created the vacancy within ten days of the creation of the vacancy. Such Member shall fill the vacancy be written notice stating the name and address of the natural person whom it appoints to the Management Committee to fill the vacancy. Copies of such written notice shall be given to the other Members and the person so appointed a member of the Management Committee.

5.5 **Authority of Individual Representative**

The representative appointed by each Member has the power and authority to represent and bind each Member with respect to any matter within the competence of the Management Committee.

5.6 **Authority of Management Committee**

Subject to Sections 5.7 and 5.16 hereof and subject to the authority of the Managers (as hereinafter defined) as set out in Article 11 to manage the day to day construction and marketing activities of the Co-Tenancy the Management Committee has the power and authority, and the Members hereby direct the Management Committee to give any approvals and to make any decisions required or permitted to be given or made by the Members with respect to the Project and any matters arising under or out of any agreement made between the Co-Tenancy or the Nominee and any Person with respect to the Project, including the entering into of relevant agreements required in connection with the Project, including any development/ site plan agreement , or similar agreement in connection therewith or a registration of a plan of subdivision, and including the entering into of agreements of purchase and sale or leases or agreements to lease the Property or any part thereof, The decision of the Management Committee with respect to any matter within its competence shall be binding on the Members and the Nominee.

5.7 **Limit on Authority of Management Committee**

The Management Committee has no power or authority to give any of the approvals or make any of the decisions or determinations referred to in Articles 7, 8 and 9 hereof.

5.8 **Advisors**

A representative shall be entitled to invite advisors to attend meetings of the Management Committee, subject to such restrictions on their attendance at and their participation in meetings as the Management Committee may impose.

5.9 **Meetings**

The Management Committee shall meet from time to time, as required, to act on necessary matters pertaining to the Property. Provided, however, that no meeting of the Management Committee shall be held unless and until notice of same has been sent by prepaid registered mail, or delivered personally to the members of the Management Committee, at least seven (7) days (excluding Saturdays, Sundays and statutory holidays) before the date set for the holding of such meeting; provided further, however, that the time for such notice may be abridged or such notice may be waived with the consent in writing of all members of the Management Committee. Subject to the provisions hereof, a meeting of the Management Committee may be called by any representative at any time. Notice to a member of the Management Committee may be given to him/her at the address in each case of the Member whose appointee s/he is.

5.10 **Place of Meetings**

Meetings of the Management Committee shall be held at the offices of Compro, or at such other place as may be agreed upon by the Management Committee from time to time.

5.11 **Meetings by Conference Call**

The members of the Management Committee may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all Persons participating in a meeting can hear each other, and participation in a meeting by means of such communications device shall constitute attendance at such meeting.

5.12 **Voting Rights**

The representative of each Member shall have a voting interest equal to the Share of the Member that he represents.

5.13 **Quorum**

Subject to Section 5.21 a quorum for a meeting of the Management Committee shall be the one (l) representative of each Sussman Co and Compro present in person provided that if there shall be no quorum present at any properly convened meeting of the Management Committee, such meeting shall be adjourned at the request of any representative and reconvened on ten (10) days notice to all representatives and notwithstanding anything else contained herein, the representatives present at such reconvened meeting shall constitute a quorum for the transaction of business by the Management Committee.

5.14 **Chairman**

A chairman of the Management Committee shall be elected annually by the Management Committee. He/she shall be chairman of any of the meetings of the Management Committee at which s/he is present, failing which the members of the Management Committee shall choose one of their other members to be Chairman. The Chairman of a meeting shall not be entitled to cast a second or casting vote in the event that an equal number of votes is cast at any meeting of the Management Committee.

5.15 **Time Devoted to Management**

The members of the Management Committee shall not be required to devote their full time to Develop the Property and construct the Project but only such time as shall be reasonably necessary to perform their duties as enunciated in this Article,

5.16 **Decisions**

Subject to Section 5.21, any decision of the Management Committee shall require the approval of one (1) representative of Sussman Co and one (1) representative of Compro.

5.17 **Binding Nature of Resolutions**

Any resolution passed in accordance with this Agreement shall be binding on all the Members and their respective heirs, executors, administrators, successors and assigns, whether or not such Member was present in person or voted against any resolution so passed.

5.18 **Agreement in Writing**

Any matter within the competence of the Management Committee that is agreed to in writing by all representatives of the Members or, in the event that Section 5.21 is applicable, by the representatives of the Non-Defaulting Members shall be binding on all parties hereto.

5.19 **Decisions in Good Faith**

Any decision required to be made by the Management Committee shall be made in good faith and strictly upon the merits of the matter in respect of which its decision is required and shall not be unreasonably delayed.

5.20 **Agreement for Provision of Materials or Services**

The fact that a Member has entered into an agreement with the Co-Tenancy for the provision of materials or services for the Property shall not constitute a conflict of interest which would limit its rights or actions under this Agreement unless specifically provided in such agreement or in this Agreement.

5.21 **Where Defaulting Member**

The representative of a Defaulting Member shall be entitled to attend but not to vote (although s/he shall be entitled to continue receiving notices of meetings) at any meeting of the Management Committee. In such case, so long as any such default continues, a quorum for a meeting shall be constituted by the representative(s) of the Non-Defaulting Member(s), any decision of the Management Committee shall be made by such representatives of the Non-Defaulting Member and any decision so made shall be final and binding on all Members and on the Nominee,

5.22 **Indemnity**

Each Member hereby irrevocably and unconditionally undertakes and agrees to indemnify and save harmless each representative from and against any and all liability loss, harm damage, cost or expense, including legal fees, which the representative may suffer, incur or sustain as a result of any suit, claim or demand brought or commenced against the representative and arising out of any action properly taken by the Management Committee.

5.23 **Remuneration of Management Committee**

Unless approved by all Members, no fees, salaries, commissions or other compensation shall be paid by the Members to the members of the Management Committee in respect of their work related thereto. Such members shall, however, be entitled to reimbursement of all actual, reasonable and appropriate expenditures made by them on behalf of the Members and the Co-Tenancy and in accordance with the terms of this Agreement.

6. ARTICLE 6 – OTHER FINANCIAL AND ACCOUNTING MATTERS

6.1 **Fiscal Year**

Accounts for the Co-Tenancy shall be prepared and settled as of September 30 in each year, or such other date as the Members may agree upon.

6.2 **Books of Account**

Proper and complete books, records, reports and accounts of the Co-Tenancy shall be kept at the principal office of the Co-Tenancy and shall be open and available for inspection and copying by any one of the parties hereto or its authorized representative at any reasonable time during normal business hours. The said books and records shall fully and accurately reflect all transactions of the Co-Tenancy and shall be maintained in conformity with generally accepted accounting principles.

Compro confirms that is an HST registrant. The Compo and Sussman Co agree that Compro shall collect report and remit all HST on behalf of the Co-Tenancy.

6.3 **Accountants**

The accountants of the Co-Tenancy shall be Scarrow Yurman and Company or such firm of chartered accountants as shall be appointed by the Management Committee from time to time.

6.4 Financial Statements

Within ninety (90) days after the end of each accounting year of the Co-Tenancy, the Management Committee shall cause the accountants of the Co-Tenancy to furnish to each Member an annual report consisting of

(a) a Balance Sheet;

(b) Statement of Earnings;

(c) Statement of Members Capital;

(d) Statement of Changes in Financial Position;

(e) Applicable Notes and Tax Information;

(f) a profit and loss statement for such year;

(g) any additional information that the Members may require for the preparation of their individual federal and provincial tax returns.

Unless otherwise determined by the Management Committee, the said financial statements shall be audited and shall be accompanied by the report of the said firm of chartered accountants thereon.

6.5 **Banking**

A separate bank account shall be opened and maintained for the Co-Tenancy or in such other name or names as may from time to time be agreed upon by the Management Committee. The bank of the Co-Tenancy shall be such bank or banks as the Management Committee may from time to time determine. All monies from time to time received on account of the Co-Tenancy shall be paid immediately into the bank account of the Co-Tenancy in the same drafts, cheques, bills and cash in which they are received and all disbursements on account of the Co-Tenancy shall be made by cheque on such bank. All cheques, negotiable instruments and withdrawals from bank accounts shall require the signature of Alex Troop.

All other documents required to be executed in respect of matters including, but not limited to, the repayment to the Members of their respective advances to the Co-Tenancy under this Agreement, distribution of cash surplus to the Members, financing commitment, mortgages and sales of any part of the Property, shall be executed by one representative of Sussman Co or Compro.

The Management Committee may establish an imprest account for the payment of expenses incurred in connection with the Property which account shall be funded by transfers of funds from the general account as required. The amount of such account and the Person or Persons authorized to draw thereon shall be determined by the Management Committee from time to time.

6.6 **Payment for Services**

Except as may be hereafter approved by the Members, no payment will be made to any Member for its services or the services of its shareholders, directors, or employees.

7. **ARTICLE 7 – TRANSFER OF INTERESTS IN THE CO-TENANCY**

7.1 **General Prohibition**

Except as expressly provided in this Agreement, a Member shall not, without the prior written consent of all of the other Members:

(a) sell, transfer, assign, convey or otherwise dispose of (in this Article called "Transfer") all or any portion of its Tenancy Interest; or

(b) save and except for Permitted Encumbrances, create, assume, incur or consent to any lien, mortgage, charge or any other encumbrance upon all or any portion of its Tenancy Interest or its rights and interests in or under this Agreement.

7.2 **Transfer to Affiliates etc.**

(a) Each Member may at any time (provided that it is not a Defaulter) transfer all or any portion of its Tenancy Interest to:

(i) an Affiliate;

(ii) provided that the Control of such Member remains unchanged, any successor to such Member by reason of amalgamation, provided that such Member provide notice and complete disclosure in writing to the other Members of any and all such transactions within five (5) days of the completion of same;

(b) It shall be a condition of any such transfer, assignment or grant that the transferee, assignee or grantee execute and deliver to the other Members such documents and assurances as may be necessary to evidence that it shall be bound by this Agreement, including, without limitation, the restriction on transfer contained herein. The other Members and the Nominee hereby consent to any such grant, transfer or assignment and agree to execute any documents or assurances that may be necessary to give effect to such transfer, assignment or grant, provided, however, that no such transfer, assignment or grant shall relieve the transferor from its duties or obligations hereunder;

(c) Each Member may, at any time, (provided that it is not a Defaulter) assign its rights (the "Assignor") to receive its share of the Cash Surplus to a third party which provides financing to such Assignor subject to strict compliance with the following requirements:

(i) No assignment of an Assignor's right to receive its share of the Cash Surplus shall include the assignment of any other of the rights and obligations of such Assignor pursuant to this Agreement;

(ii) The Assignor shall forthwith provide written notice to the other Members of the assignment of its entitlement to its share of the Cash Surplus, which notice shall include the name and address of the third party assignee;

(iii) The Assignor shall acknowledge and agree to be bound by the terms and provisions of Article 4 of this Agreement; and

(iv) No such assignment shall be registered on title to the Property.

(c) For the purposes of this subsection each of the Members hereby represents and warrants to each of the other Members that it is controlled directly or indirectly by one or more of the following persons:

(i) in the case of Sussman Co:

(A) Sandy Sussman and/or any of his respective issue;

(B) a trust or trusts for the benefit of any one of Sandy Sussman and/or any of their respective issue; and

(C) a corporation or corporations Controlled by Sandy Sussman and/or any of their respective issue or any trust(s) described in the preceding paragraph (B) hereof;

Sandy Sussman shall not cause or permit Control of Sussman Co to change such that it ceases to be controlled directly or indirectly by one or more of the foregoing persons.

(ii) in the case of Compro:

(A) Alex Troop and/or any of his respective issue;

(B) a trust or trusts for the benefit of any one of Alex Troop and/or any of his respective issue; and

(C) a corporation or corporations controlled by any of Alex Troop and/or any of his respective issue or any trust(s) described in the preceding paragraph (B) hereof; and

Alex Troop shall not cause or permit Control of Compro to change such that it ceases to be controlled directly or indirectly by one or more of the foregoing persons.

7.3 **The Offer and Right of First Refusal**

(a) As used herein, "Offer" means a bona fide, arm's length, unconditional and irrevocable offer to purchase all but not less than all of a Member's Tenancy Interest free and clear of all claims, mortgages, charges, pledges, liens or other encumbrances whatsoever, other than those Permitted Encumbrances referred to in Section 1.1, from a Person (the "Offeror") for cash (or for any readily ascertainable cash equivalent only and for no other consideration and not as part of or in connection with another transaction) with the date for closing the sale and paying the purchase price being a date which is not earlier than ninety (90) days nor later than one hundred and twenty (120) days after the date of the acceptance of the offer by the Vendor.

(b) if, at any time or times **after the fourth anniversary of this Agreement**, a Member (in this Section referred to as the "Vendor") shall obtain an offer which the Vendor wishes to accept, the Vendor shall promptly give written notice thereof, together with a true copy of the offer, to the other Members (hereinafter in this Section sometimes referred to as the "Offerees" or individually as the "Offeree"). Upon receipt of such notice and offer, the Offerees shall have the option ("Option") of purchasing all, but not less than all, of the Tenancy Interest of the Vendor upon the same terms and conditions as those set out in the offer, except that there shall be deducted from the purchase price the amount of any commission or other similar fee that would otherwise have been payable to any broker, agent or other intermediary in connection with the sale of the Tenancy Interest to the Offeror.

(c) the Offerees may exercise the Option at any time within twenty-one (21) days of receipt of the said notice and offer by giving written notice to that effect to the Vendor. The failure by the Offerees to give such notice shall constitute an election by such Offerees not to exercise the Option.

(d) if the Offerees do not exercise the Option as aforesaid, the Vendor shall be at liberty to complete the transfer of the Tenancy Interest to the Offeror in accordance with the terms of the offer, provided that notwithstanding the terms of the offer such transaction shall be completed within one hundred and twenty (120) days of receipt by the Offerees of the said notice and offer and provided further that any such sale shall be conditional upon the purchaser executing the assumption agreement as contemplated in Section 7.4. The Offerees shall be entitled to require evidence of the date upon which and the price at which the Vendor has sold the Tenancy Interest, and evidence that such sale has been completed upon the terms and conditions contained in the offer.

(e) if the transaction of purchase and sale to such Offeror has not been completed within the said one hundred and twenty (120) day period, the foregoing provisions of this Article shall again apply in respect of the proposed transfer of the Tenancy Interest and so on from time to time.

(f) if the Vendor transfers the Tenancy Interest to the Offeror pursuant to and in compliance with the provisions hereof, the other Members and the Nominee shall do all such things and execute all such documents as may be reasonably necessary to effectuate such transfer.

(g) if there is more than one Offeree, then unless the Vendor and the Offerees otherwise agree, the Offerees shall purchase the Vendor's Tenancy Interest in the proportions that the Offerees' proportionate Share bears to the sum of the proportionate Shares of the Offerees exercising the Option.

(h) if the Offerees (hereinafter in this Article referred to as the "Purchasers" or "Purchaser") exercise the Option as aforesaid, the Vendor shall sell to the Purchaser or Purchasers, as the case may be, and the Purchaser or Purchasers shall purchase from the Vendor the Tenancy Interest in accordance with the terms of the offer as modified by the provisions of Subsection

(b) and by the provisions of Article 10.

For greater certainty, if only one Offeree exercises the Option, it shall purchase the entire Tenancy Interest of the Vendor.

7.4 Assumption Agreement

As a condition precedent to the Offeror acquiring the Tenancy Interest of the Vendor, the Offeror shall execute and deliver to the other Members its undertaking and agreement in favour of such Members (which shall be reasonably satisfactory to the Members and their counsel) agreeing to be bound by and to observe and perform the provisions of this Agreement in place of the transferor, to the extent of the Tenancy Interest to be transferred to the transferee, to the same extent as if the Offeror were already a party thereto or bound thereby; provided that the Vendor shall continue to be liable for and shall not be released or discharged from its obligations under or by virtue of this agreement unless the other Members so agree in writing.

8. ARTICLE 8- EVENTS OF DEFAULT AND INSOLVENCY

8.1 Remedies

If an Event of Default occurs in relation to a Member (the "Defaulter"), any other Member not also in default (the "Non Defaulter") shall have the following rights in addition to the rights that it may have as a secured party as set forth in the *Personal Property Security Act,* Ontario and any other rights contained herein:

(a) to bring any proceedings in the nature of specific performance, injunction or other equitable remedy, it being acknowledged by each of the Members that damages at law may be an inadequate remedy for the default or breach giving rise to the event of default; and/or

(b) to remedy the default giving rise to the Event of Default and bring any action at law or otherwise to be reimbursed by the Defaulter for any monies expended to remedy such default, including any expenses incurred by the Non-Defaulter in connection therewith, together with interest thereon at the Interest Rate; and/or

(c) to bring any action at law that may be necessary or advisable in order to receive damages; and/or

(d) to take such steps or bring any proceedings that may be necessary or desirable to enforce any security interest granted by the Defaulter to the Non-Defaulter; and/or

(e) to do such other acts and things as the Non-Defaulter may be authorized or entitled to do under this Agreement.

Provided that for the purposes of Subsection 8.1(b) above, the Non-Defaulter may elect by notice in writing to the Defaulter to have any funds advanced by it pursuant to Article 3 hereof treated as the total amount required by the Co-Tenancy and the Defaulter's Share of such advances as an advance on behalf of the Defaulter for the purposes of this Agreement.

8.2 Power of Attorney for Defaulting Member/Nominee

If the Defaulting Member is also the authorized signing officer for the Nominee, the Non-Defaulting Member or any one of them appointed by the others are hereby irrevocably authorized, instructed and directed for and on behalf of and as attorney for the Defaulting Member to execute any and all cheques, negotiable instruments and other documents as may be required by the Management Committee.

8.3 **Advance of Moneys**

If the Non-Defaulter expends money to remedy the Event of Default (including providing all or a portion of the Defaulter's share of funds required for the Operations in accordance with the provisions of section 33 above):

(a) the amount paid by the Non-Defaulter shall bear interest from the date of payment to the date of actual repayment at the Interest Rate, such interest to be calculated and payable monthly with interest on overdue interest at the Interest Rate, for greater certainty, any judgment obtained by the Non-Defaulter in respect of any such amount shall similarly bear interest at the Interest Rate;

(b) the amount paid by the Non-Defaulter, and any interest thereon shall be a debt owing by the Defaulter to the Non-Defaulter; and

(c) the Non-Defaulter shall have the right to receive the Defaulter's proportionate share of any Cash Surplus in accordance with Section 4.1 until such time as the Defaulter's default has been remedied hereof.

8.4 **Sale of Defaulter's Interest**

If an Event of Default or an Event of Insolvency occurs with respect to a Member (the "Defaulter") and continues to exist:

(a) one or more of the other Member(s), provided that such Member(s) is not a Defaulter, shall have the right to give notice (the "Applicable Notice") to the Defaulter (the "Vendor") that wish to purchase the Tenancy Interest of the Defaulter (the "Applicable Interest").

(b) the Applicable Notice shall constitute an irrevocable offer (subject to any statutory approvals that may be required) by the Purchaser to purchase all but not less than all of the applicable interest free and clear of any claims, mortgages, charges, pledges, liens or other encumbrances whatsoever, other than those Permitted Encumbrances, for a purchase price equal to seventy percent (70%) of the Fair Market Value or in an Event of Insolvency equal to one hundred (100%) per cent of the Fair Market Value of the applicable interest on the date that the applicable notice is received by the Defaulter (the "Applicable Date"), determined in the manner set out in Section 8.5 hereof and payable as hereinafter set forth.

The aggregate purchase price for the Applicable Interest shall be paid as follows:

(c) as to an amount equal to the Vendor's share of the Co-Tenancy's liabilities as at the Time of Closing by the assumption by the Purchaser(s) of such liabilities;

(d) the balance, if any, shall be payable as follows:

(i) as to twenty-five percent (25%) thereof in cash or by certified cheque at the Time of Closing;

(ii) the balance of the purchase price shall be paid in four (4) equal consecutive annual instalments together with interest on the principal balance from time to time outstanding, calculated annually, not in advance, at the rate hereinafter provided, both before and after default, as well after as before maturity, with interest on overdue interest at the aforesaid rate, such interest to be payable annually at the same time as payments of principal. The first of such instalments of principal and interest shall become due and payable one (1) year after the date of closing with interest at the aforesaid rate computed from the date of closing. In calculating the amount of interest payable on any particular payment date, the rate of interest to be applied shall be the Prime Rate in effect on such date less one percentage point and the rate so determined

shall be deemed to have been the rate in effect throughout the period since the last such payment of interest.

8.5 **Determination of Fair Market Value**

The Fair Market Value of the Defaulter's interest shall, unless determined in writing by the Vendor and Purchaser(s) within fifteen (15) days of the applicable date, be determined by appraisal as follows:

(a) the Purchaser(s) and the Vendor shall appoint a single Accredited Appraiser satisfactory to both (or all, as the case may be) such parties for the purpose of determining the fair market value of the Applicable Interest;

(b) if the Vendor and the Purchaser(s) fail to agree upon an Accredited Appraiser within such fifteen (15) day period, then within ten (10) days thereafter, the Vendor shall appoint one Accredited Appraiser and the Purchaser(s) shall appoint one Accredited Appraiser. The two appraisers so appointed shall, within ten (10) days of the date on which the last of such appraisers is appointed, appoint a third Accredited Appraiser. The three appraisers so appointed shall each determine the Fair Market Value of the Applicable Interest;

(c) if either the Vendor or the Purchaser(s) shall fail within the ten (10) day period limited hereby to appoint an Accredited Appraiser then the appraiser so appointed by the other of them shall be conclusively deemed to have been appointed by the Vendor and Purchaser(s) jointly pursuant to Subsection 8.5(a) hereof. If both the Vendor and the Purchaser(s) fail to appoint their respective Accredited Appraiser within such ten (10) day period, then a single Accredited Appraiser shall be appointed by a Judge of the Superior Court of Justice upon the application of either the Vendor or the Purchaser(s) for the purpose of determining the Fair Market Value of their applicable interest;

(d) if the two appraisers fail to appoint a third Accredited Appraiser within the time period prescribed in Subsection 8.5(b) hereof, an Accredited Appraiser shall be appointed by a Judge of the Superior Court of Justice upon the application of any of the Purchaser(s) or the Vendor;

(e) within thirty (30) days after the date that the single or third appraiser is appointed, each appraiser shall prepare and submit to the Vendor and the Purchaser(s) a written report setting forth the Fair Market Value of the applicable interest on the applicable date in his opinion.

In preparing their reports, the appraisers shall have access to all books of account and records and all vouchers, cheques, papers and documents of the Co-Tenancy. The Members shall co-operate with the appraiser(s) for such purpose and shall provide all information and documents requested by him or them.

(f) for the purposes hereof, the Fair Market Value of the applicable interest shall be the amount set forth in the single appraisal; or if there are three appraisals, the average of the fair market values set forth in the three appraisals;

(g) the determination of the Fair Market Value of the Applicable Interest pursuant to this Section shall, in the absence of fraud or clerical error, be final and binding on the Vendor and the Purchaser(s) and on all other persons affected thereby and there shall be no appeal therefrom;

(h) the Vendor shall bear not only the fees and expenses of the appraiser appointed by or for it, but also the fees and expenses of the single appraiser

or the third appraiser, as the case may be.

8.6 **Closing**

The date of closing of the transaction of purchase and sale herein contemplated (the "Date of Closing") shall be the date being thirty (30) days after the purchase price for the Tenancy Interest is finally determined as provided in Section 8.5 hereof or such earlier or later date as the Vendor and Purchaser(s) may mutually agree upon.

The closing of the transaction of purchase and sale herein contemplated shall take place at the offices of the solicitor for the Co-Tenancy at the Time of Closing on the Date of Closing or at such other time and place as the parties may mutually agree upon.

8.7 **Documents**

The Vendor and the Purchaser(s) shall each execute and deliver and cause to be executed and delivered all such documents and do and perform and cause to be done and performed all such acts and things as may be necessary or desirable in order to give effect to the provisions of this Article.

8.8 **Separate Rights**

The rights of any Member under this Article 8 hereof and at law or in equity are separate and are not dependent on one another and each such right is complete in itself and not by reference to any other such right. Any of such rights or any combination of such rights may be exercised by a Member from time to time and no such exercise shall exhaust such rights or preclude such Member from exercising any other rights or any combination of such rights from time to time thereafter or simultaneously.

9. ARTICLE 9 - GENERAL SALE PROVISIONS

9.1 **Application**

Except as may otherwise be provided in this agreement, the provisions of this Article shall apply to any sale of a Tenancy Interest pursuant to Articles 7 and 8 hereof in each case mutatis mutandis provided that in the event of any conflict between the provisions of this Article 9 and the provisions of any offer referred to in Article 7 hereof (Rights of First Refusal), the provisions of such offer shall prevail,

9.2 **Priorities**

The following respective provisions contained in this Agreement shall rank in the following order of priority:

(a) First Priority: the Sale of a Defaulter's Interest in the Co-Tenancy;

(b) Second Priority: the Right of First Refusal.

In the event that a Member(s) exercises one of the rights above-listed (the "Effective Right"), no other Member(s) may exercise any right of lesser priority until the completion of the exercise of that right and any purported exercise of any right of lesser priority shall be deemed null and void. However, the exercise of any right having a higher priority than the Effective Right prior to the completion of the exercise of the Effective Right, shall take priority and shall nullify the exercise of the Effective Right.

9.3 **Closing Requirements**

At the Time of Closing, the Vendor(s) shall:

(a) deliver to the Co-Tenancy and the Nominee signed resignations by all of its nominees, as employees, directors and officers thereof, as the case may be;

(b) assign and transfer to the Purchaser(s) the Tenancy Interest being sold to it

or them, as the case may be, and deliver all necessary instruments and conveyances for the purpose of effecting the assignment of such Tenancy Interest to the Purchaser(s);

(c) do all other things required in order to deliver good and marketable title to the Tenancy Interest to the Purchaser(s), free and clear of any claims, liens and encumbrances whatsoever, save and except for those Permitted Encumbrances referred to in Section 1.1 hereof. Provided that, if at the Time of Closing the Tenancy Interest is not free and clear of all other claims, liens and encumbrances whatsoever, the Purchaser (s) may, without prejudice to any other rights which it/they may have, purchase the Tenancy Interest subject to such claims, liens and encumbrances. In that event, the Purchaser(s) shall, at the Time of Closing, assume all obligations and liabilities with respect to such claims, liens and encumbrances and the purchase price payable by the Purchaser(s) for the Tenancy Interest shall be satisfied, in whole or in part, as the case may be, by such assumption. The amount so assumed shall reduce that portion of the purchase price payable at the Time of Closing and thereafter shall reduce payments on account of the said purchase price in the order of maturity;

(d) deliver to the Purchaser(s) a release by the Vendor(s) of all its/their claims against the Purchaser(s), its principal(s) and the Nominee and each of its directors and officers with respect to any matter or thing relating to the Co-Tenancy up to and including the Time of Closing but excluding any claims for payment of the balance, if any, of the purchase price for its Tenancy Interest and the indemnity referred to in Section 9.6 hereof;

(e) either provide the Purchaser(s) with evidence reasonably satisfactory to the Purchaser(s) that the Vendor(s) is/are not then a "non-resident" of Canada within the meaning of the Income Tax Act (Canada) or provide the Purchaser(s) with a certificate pursuant to Subsection 116(2) of the Income Tax Act (Canada) with a certificate limit in an amount not less than the purchase price for the Tenancy Interest; provided that if such evidence or certificate is not forthcoming, the Purchaser(s) shall be entitled to make the payment of tax required under Section 116 of the Income Tax Act (Canada) and to deduct such payment from the purchase price for the Tenancy Interest, the amount deducted to reduce that part of the purchase price payable at the Time of Closing and thereafter to reduce payments on account of the said purchase price in the order of maturity.

10. ARTICLE 10 -THE NOMINEE

10.1 General Provisions

The Nominee shall:

(a) The Members appoint the Nominee to acquire and hold title to the Property, and all other property, assets and rights of the Co-Tenancy as bare trustee for the Members in the proportions set out hereunder:

MEMBER	PERCENTAGE SHARE
Sussman Co	50%
Compro	50%

(b) The Nominee accepts such appointment and acknowledges and declares that it agrees to hold the Property and all other property, assets and rights of the Co- Tenancy as bare trustee for the Members in accordance with the provisions hereof and that the Nominee has no beneficial interest, right or title to or in the Property, or other property, assets or rights, or any part thereof of the Co-Tenancy.

(c) The Nominee also agrees that it will perform such activities and enter into such agreements in connection with the Property as the Management Committee may request from time to time.

10.2 **General Duties**

The Nominee shall:

(a) at all times comply with the provisions of this Agreement and follow the directions of the Management Committee;

(b) act solely on the directions of the Management Committee and not on the directions of an individual Member; and

(c) not acquire or hold any property, incur any liability, undertake any obligation or perform any activity except on the directions of the Management Committee and in connection with the Property.

10.3 **Duties re: the Property**

(a) The Nominee shall cause to be provided to each Member such information relating to the Property as the Member may reasonably request.

(b) The Nominee shall cause to be maintained appropriate and proper books of account and records with respect to the Property.

(c) Each Member shall have the right from time to time and at all reasonable times during usual business hours to audit, examine and make copies of or extracts from the records relating to the Property. Such right may be exercised through any Person designated by the Member. Each Member shall bear all expenses of any such examination.

10.4 **Organization of the Nominee**

The Nominee shall, be organized or re-organized, as the case may be, as follows:

(a) The business and affairs of the Nominee shall be managed by the Board of Directors of the Nominee. There shall be two Directors, being Alex Troop and Sandy Sussman. Should any vacancy occur on the Board of Directors for any reason, such vacancy shall forthwith be filled by the Member which is then not represented by the nominee to which it is entitled and until such vacancy is filled, the Board of Directors shall not transact any business or exercise any of the powers or functions except as may be necessary to qualify or elect any new director;

(b) At all times, the Members shall have the right to be represented on and have elected to the Board of Directors of the Nominee, the following nominees:

MEMBER	NAME OF NOMINEES
Sussman Co	Sandy Sussman
Compro	Alex Troop

Each of the Members expressly covenants and agrees to vote or cause to be voted, its respective shares at all meetings of the shareholders, or to consent to all resolutions of the shareholders, as the case may be, respecting the election or appointment of Directors, to give full effect to the provisions of this Section.

(c) Subject to the provisions herein in respect of an Event of Default, the Nominee shall have two (2) Officers, being the following respective nominees:

POSITION	NAME OF NOMINEES

President	Alex Troop
Secretary/ Treasurer	Sandy Sussman

(d) All documents, instruments or agreements having a legally binding effect on the Members in respect of the Property shall be signed by *one of Alex Troop or Sandy Sussman* or any one of on behalf of the Members at the direction of the Management Committee or, where applicable, at the direction of all the Members.

(e) Each Member shall subscribe for and there shall be issued to each of the Members common shares at the rate of ONE DOLLAR ($1.00) per share in the capital of the Nominee as follows:

MEMBER	**No. and Class of Shares**
Sussman Co	50 shares
Compro	50 shares

It is expressly understood and agreed that, without the unanimous consent of the Members, the Nominee shall not allot or issue any additional shares in the capital thereof.

(f) All share certificates issued or to be issued by the Nominee shall be endorsed with a memorandum as follows:

"This certificate is issued to and held by the party to whom it is issued, subject to the terms of an agreement made as of the _____ day of _____, _____, among _____as amended and restated by the Amended and Restated Co-Tenancy Agreement dated _____, 201 among _____.

(g) The Members hereby agree that this Section shall constitute a unanimous shareholders agreement and that, for so long as this Section is in force, the directors of the Nominee are hereby relieved of all of their rights, duties, powers, obligations and discretion as directors with respect to the management of the business and affairs of the Nominee including, without limitation, all of their rights, duties, powers, obligations and discretions as directors pursuant to the provisions of the *Business Corporations Act* (Ontario) and any amendments thereto, and all such rights, duties, obligations and discretions are hereby entrusted to the Co-Tenancy.

10.5 **Indemnity by Members**

Each Member hereby irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the directors and officers of the Nominee from and against any and all liability, loss, harm, damage, cost or expense, including legal fees, which they may suffer, incur or sustain as a result of any suit, claim or demand, brought or made against them and arising out of the due and proper performance by them of their duties as directors and officers of the Nominee

10.6 **Obligations of Members**

(a) The Members covenant and agree to and with each other that they shall cause their respective nominees on the Board of Directors of the Nominee to cause it to follow the directions of the Management Committee properly given pursuant to this Agreement and to comply with the provisions of this Agreement.

(b) The Members, in their capacity as shareholders of the Nominee, shall do, or cause to be done, all such acts and things as shall be necessary or desirable to give effect to the provisions of this Agreement including, without limiting the generality

of the foregoing, voting or causing to be voted the shares in the capital of the Nominee beneficially owned by them.

(c) The Members, in their capacity as shareholders of the Nominee, agree from time to time to transfer their interest in the shares in the capital of the Nominee whenever such transfer is required in connection with the transfer of a Tenancy Interest under or by virtue of this Agreement and to do all acts and things as may be necessary, desirable or useful for such purpose. In the event of the refusal or failure of a Member to transfer its shares in the Nominee as aforesaid, each of the other Members may, as attorney for the Member refusing or failing to transfer its shares, transfer such shares as required to comply with this agreement and to execute and deliver all necessary documents or writings and to do all such acts as are necessary to give effect to the foregoing and for such purpose only each Member is irrevocably constituted and appointed the attorney of each of the other Members.

10.7 **Fiscal Year**

The financial year of the Nominee shall be the same as the accounting period of the Co-Tenancy, as determined in Section 6.1 of this Agreement.

10.8 **By-Laws of the Nominee**

The by-laws of the Nominee shall give effect to the foregoing provisions of this Article and shall provide, among other things, as follows:

(a) subject to the provisions regarding defaulting Members, the presence of all directors shall be required to constitute a quorum at any meeting of the Board of Directors;

(b) any resolution of the Board of Directors shall require the affirmative votes of all directors;

(c) the presence of all shareholders of the Nominee shall be required to constitute a quorum at any meeting of the shareholders;

(d) any resolution of shareholders shall require the affirmative votes of all of the shareholders at the meeting at which such resolution is passed;

(e) any director shall have the right arty time and from time to time to call a meeting of the Board of Directors;

(f) any shareholder holding one (1) or more shares in the Nominee entitled to voting rights at such meeting shall have the right at any time or from time to time to call a meeting of the shareholders;

(g) the chairman presiding at directors' meetings shall have the right to vote in his/her capacity as a director in the first instance, but shall have no second or casting vote in case of an equality of votes;

(h) the chairman presiding at shareholders' meetings shall have the right to vote in the first instance in his/her capacity as a shareholder, and as a proxy if so appointed, but shall have no second or casting vote in case of an equality of votes.

10.9 **Restricted Activity**

The Nominee shall not carry on, nor be permitted to carry on, any business of any nature or kind whatsoever in its own right, and shall be restricted in all of its activities to the performance of its function as Nominee as herein set forth. Notwithstanding that the ownership of the Property may be registered in the name of the Nominee, the true and beneficial ownership thereof shall for all purposes be vested in the Members in their respective Shares.

11. ARTICLE 11 - MANAGEMENT AND SUPERVISION

11.01 Subject to section 5.6, the Members hereby covenant and agree to engage the "Alliance Manager" on behalf and for the benefit of the Co-Tenancy to manage and supervise on their behalf all aspects of the development of the Project, including without limitation:

(i) supervising draft plan of subdivision, and site plan approval for the Project;

(ii) supervising and processing all applications relating to the Operations of the Project, including, without limitation, registration of a plan or plans of subdivision, Local Planning Appeal Tribunal proceedings, official plan amendments, site plan agreements, and re-zoning required for the Project, and acquiring all approvals, other than licences and permits required to Develop the Project;

(iii) preparing and submitting the Development Budget setting forth in reasonable detail an estimated development budget and servicing budget for the Project;

(iv) holding meetings (as requested with the Management Committee to review and discuss the status of the development of the Project, or in lieu of any such meeting, the delivery to the Management Committee of a written report relating thereto and, in any event, a monthly written report relating thereto;

(v) constructing the civil site servicing for the Project, as determined by the Management Committee;

(vi) maintaining the servicing of the Project, until all letters of credit given to the Township of Ramara and any other governmental authority and/or utility relating to the Project, have been released by the aforementioned;

11.02 Subject to section 5.6, the Members hereby covenant and agree to engage Alliance Manager on behalf and for the benefit of the Co-Tenancy to manage and supervise on their behalf, all aspects of construction and marketing of the Leases and such Units residential dwelling units including without limitation the following obligations listed below (hereinafter referred to as the "Services").

The Services to be performed by Alliance Manager with respect to their respective Project include:

(i) supervising the sales and marketing operations of the Units, dealing with potential purchasers of the Units and with real estate agents and entering into, terminating and modifying agreements of purchase and sale of the Units provided such agreements are in accordance with the Construction Budgets and the sales program prepared by each of the Managers and approved by the Management Committee (the "Budget and Sales Program"). The Co-Tenancy shall not execute any agreement of purchase and sale of a Unit that contemplates the customization of a Unit without the written approval of the Managers. "Standard" finishes and "upgrade" finishes will be limited to pre-determined packages of materials and will be displayed on panel boards. Upgrades will be restricted to the selection of one or more upgrade panel boards displaying complete upgrade packages. For the purposes of this Agreement customization shall be any work to a Unit that is in addition to "standard" finishes and "packaged upgrade" finishes.

(ii) preparing and submitting an estimated Budget for the Sales Program;

(iii) the preparation and delivery to the Co-Tenants ofreports as requested to the status of the sales of the Units;

(iv) following the execution of an agreement of purchase and sale of a Unit, meeting with such purchaser to assist him/her in the selection of colours and packaged upgrades and attending to the execution of any documents relating thereto, and relaying all the information relating therefor to the consulting team and any other required person(s) to ensure such information is included in the drawings and /or sub-trades contracts of the sub-contractors;

(v) administrating (A) the sales of the Units to the extent that such administration is not provided by the realtor retained by the Co-Tenants, (B) service co-ordination with the purchasers of Units, (C) customer relations, (D) the selection of colours and other items relating to the finishing of the Units by purchasers of the Units, and (E) the customization, if necessary, of the Units; and

(vi) preparing and submitting the Construction Budgets setting forth in reasonable detail an estimated construction budget Project, (as the case may be);

(vii) holding meetings as requested with the Management Committee to review and discuss the status of the development of the Project or in lieu of any such meeting, the delivery to the Management Committee of a written report relating thereto and, in any event, a monthly written report relating thereto;

(viii) procuring competitive bids for and entering into and supervising the performance of all contracts relating to the construction of the Project including all contracts for the purchase of materials and leasing of all equipment, provided such contracts are in accordance with their respective Construction Budget. Each of the Managers shall not knowingly enter into any contract, agreement, lease or other arrangement for the furnishing to the Co-Tenancy of goods, materials and services with any party or entity not dealing at Arm's Length with it including, without limiting the generality of the foregoing, any property management by any party not dealing at Arm's Length with it unless such contract, agreement or arrangement has been approved by the Management
Committee;

(ix) approving the designs and specifications of the Units, the terms of all servicing and construction contracts and bonding requirements; The Co-Tenants acknowledge that all service and construction contracts shall be either in the name of the Nominee or the Managers, as determined solely by the Managers. Furthermore, each Manager shall have the absolute authority to select all contractors and suppliers with respect to the Project provided the contracts with the aforesaid are in accordance with their respective Construction Budget. Prior to the execution of any servicing and/or construction contracts, such contract shall be presented before the Management Committee;

(x) directing in its sole and absolute discretion all architects, designers, engineers and other consultants and professionals as may be necessary for the purpose of the construction of and for tendering contractors to the sub-contractors;

(xi) supervising the actual construction of the Project including those matters for which contracts and subcontracts have been let;

(xii) supervising the financial management and administration of the Project including the day-to-day dealings with suppliers, mortgagees and other lenders;

(xiii) managing and supervising the construction and other services after the completion of the construction of the Project including all after sales service, construction deficiencies, and disputes under and liasion with The Tarion Corporation ("Tarion"), formerly, the Ontario New Home Warranty Program;

(xiv) maintaining, engaging and terminating the requisite personnel, consultants and expertise to complete the Project in a competent, honest and efficient manner as would a prudent owner on its own account;

(xvi) preparing and delivering to the Co-Tenants quarterly (of periodic reports as to the financial status and as to the status of the construction of the Project including, particulars as to the progress of the construction and an analysis of the costs to date.

All such reports shall contain the following information: (a) a budget versus actual costs to date and balance to complete; (b) a cash flow budget.

(xvii) maintaining an office for the Co-Tenancy, including all of the necessary clerical staff, telephones, office equipment and office supplies at the sole cost of the Manager save and except the site office, site telephone and site staff, including without limitations, the service personnel, and the personnel described in subsection 11.06(b) if required;

(xviii) obtaining the required building permits for the Project and managing the obtaining of all other permits, licences and permissions relating to the construction of the Project;

(xix) preparing profit and loss statements as compared to the Construction Budget for the Project when reasonably requested and monthly trial balances for the Co-Tenancy;

(xx) selecting the property manager for the Project managing the relationship between the Members and the Unit owners.

11.03 Meetings of the Members will be held monthly to receive verbal reports from the Managers, failing which, reports shall be mailed to the Co-Tenants by the Managers setting forth pertinent information pertaining to the Co-Tenancy.

11.04 (a) In consideration of the performance of the AllianceManager's duties and responsibilities as outlined in section 11.01 and 11.02 above, the Members shall pay Alliance Manager the following fees:

(i) a development management fee in the amount of $5,000.00 plus H.S.T. per month (the "Development Management Fee") payable on the first day of every month, commencing one month after the date of this Agreement. In the event that this Agreement is terminated for any reason whatsoever prior to the payment in full of the Development Management Fee, the entire balance owing for the balance of the year in which this Agreement is terminated shall become due and payable forthwith; and

(ii) a construction management fee (" Construction Management Fee") of $5,00.00plus H.S.T. per Unit payable as follows:

(i) $2,500.00 plus H.S.T. per Unit upon entering into a binding agreement of purchase and sale for a Unit with a bona fide third-party purchaser; and

(ii) $2,500.00 plus H.S.T. per Unit upon the closing of each Unit; and

(b) the Development Management Fee, the Construction Management Fee, and the Upgrade Fee are sometimes collectively referred to as the "Management Fees".

11.05 The following matters, costs and expenses which may be incurred by the Managers, shall not be charged to the Co-Tenancy:

(a) provision by the Co-Tenancy of an office, rental charges thereof, office and administrative staff, telephone charges, postage, stationery, and all other matters incidental to the maintenance and operation of such Co-Tenancy office;

(b) personal gasoline and personal car maintenance and all other personal traveling expenses of non-site staff;

(c) all costs and expenses incidental to the performance of the Managers' duties as set out in Section 11.01 and 11.02, save and except only those matters hereinafter specifically set out in Section 11.06;

(d) all costs and expenses incurred on account of salary paid to employees, subject to Section 11.06, whether such employees provide managerial, administrative or clerical or other services, including Worker's Compensation contribution costs or deductions from such employees, unemployment insurance and Canada Pension Plan contributions, costs or deductions for such employees, insurance policies of any nature or kind whatsoever, including medical, dental, life, sickness, accident or liability policies, obtained with respect to such employees or with respect to the principals of the respective Manager;

11.06 The following costs and expenses which may be incurred by the Managers are hereby deemed to be expenses of the Co-Tenancy and shall be paid by the Co-Tenancy in the same manner as the other expenses thereof:

(a) monies actually expended to purchase incidental supplies and materials and equipment used in connection with the performance of their respective obligations listed in subsection 11.01 and 11.02 including the purchase of incidental supplies and materials used in connection with the servicing of the Property and the construction of the Units or used in connection with the supervision of such servicing and construction. Any such purchase over $10,000.00 shall require the approval of the Management Committee;

(b) salaries, benefits, and applicable bonuses (plus all applicable taxes) of casual laborers, field superintendents, field foremen, service/handymen, clerks, customer relations persons, and a full time project manager employed in the construction and post-sales servicing of the Project, excluding all head office staff employed by the Managers. The Managers will also be entitled to be reimbursed for the payment of benefits relating to the aforesaid persons, a cost currently estimated to be 36% of the salaries for union employees and 17% for non-union employees; and

(c) monies actually paid to third parties in connection with the performance of its obligations as provided in this Agreement.

11.07 (a) The costs of the Sales Program and the Leasing Program will be a cost relating to the Project until the completion of the sale of all of the Units and/or the leasing of all of the Units in the Project. Such costs will include the lease payments relating to the land on which the rental/sales center for the Project as the case may be, is situate and the costs relating to the construction of any sales centre.

(b) The Co-Tenants agree that the sales center will be utilized to the maximum extent possible for the marketing and sales of the Units.

11.08 During the course of the Project as the case may be, if the Units are enrolled under Tarion and if some or all of the Units are sold, a fund shall be established (the "Reserve") for the purpose of payment of all costs as may be reasonably anticipated for the repair, replacement, and correction of construction defects in the Units, the repair, replacement, and correction of subdivision services, completion of the obligations of the Co-Tenancy pursuant to any agreement of purchase and sale in respect of the Property, completion of any obligations incurred by the Co-Tenancy pursuant to any requirements of Tarion or regulations of Tarion, and, generally, the cost of completion of all follow-up work on the Property arising out of or associated with building operations undertaken by the Co-

Tenancy (hereinafter collectively referred to as the "subsequent building operations"). The Reserve shall be calculated on the basis of $1,000.00 per Unit for each of the Units constructed upon the Property and shall be released as determined by the Co-Tenants. The investment of the monies in the Reserve and all disbursements from the Reserve shall be within the exclusive control of the Management Committee.

11.09 (a) If a Co-Tenant has committed an Event of Insolvency or an Event of Default, such Co-Tenant shall not be entitled to any fee to which it is otherwise entitled.

(b) If the Alliance Manager has committed an Event of Default with respect to its obligations described in Section 11.01, any fees owing to the Manager shall be suspended until the Event of Default has been rectified and upon rectification thereof, such fees shall be paid to the Manager less any expenses, losses and damages incurred by the Co-Tenancy arising from such Event of Default.

12. TARION REGISTRATION AND LICENCE OF "Lakeview Village"

12.01 The parties hereto acknowledge and agree that when lots on a plan(s) of subdivision can be identified, the Members shall convene a meeting of the Management Committee to determine the lots/units to be constructed by Alliance Manager as its nominee. The parties further acknowledge and agree that Alliance Manager shall be named as the applicant(s) for the purposes of enrolment in Tarion and Alliance Manager shall appear as the vendor on all agreements of purchase and sale related to the Project. Alliance Manager will build and register with Tarion, subject to Management Committee Approval.

12.02 The Co-Tenants and/or their principals shall provide any guarantees which may be required by Tarion and St. Paul Guarantee Insurance Company in respect of any bonds issued in relation thereto, which may be required by Tarion to enroll the Units comprising the Project.

12.03 The Alliance Manager agrees to grant the Co-Tenancy a limited use licence to use the name "Lakeview Village" in connection with the marketing and sale of the Units relating to the project.

13. ARTICLE 13 - GENERAL PROVISIONS

13.01 Arbitration

(a) During the construction of the Project and until construction of the Project is completed or certified by the architect of the Project, the parties acknowledge and agree that any dispute concerning any matter relating to the construction of the Project:

(i) that is monetary; or

(ii) which if not resolved promptly would delay the Project,

shall be submitted to arbitration in accordance with the provisions of this Section 13.01 on 5 Business Days notice in writing by a Co-Tenant to the other. For the purposes of this Section 13.01, the arbitrator (the "Arbitrator") shall be David O'Keefe and in the event of the death, resignation, incapacity, neglect, failure or refusal of to act as such and such incapacity, neglect, failure or refusal continues for a period of 3 Business Days, then the Arbitrator shall be selected in accordance with Subsection 13.01(b).

(b) Subject to Section 13.01(a), any and all disputes with respect to all other matters which arise between the parties herein in connection with this Agreement, shall be determined by arbitration and the following shall apply:

Unless a single arbitrator is agreed upon, the party or parties desiring arbitration, on the one hand, and the party or parties adverse to the party desiring arbitration, on the other hand, shall each be entitled to appoint one arbitrator, and the third member of the arbitration panel shall be appointed by the arbitrators so appointed.

The party or parties desiring such arbitration shall give written notice to that effect to the other party or parties and shall in such notice appoint a disinterested person of recognized competence in the field involved as one of the arbitrators and within fifteen (15) days thereafter, the other party shall by written notice to the original party, appoint a second disinterested person of recognized competence in such field as an arbitrator. The arbitrators thus appointed shall as promptly as possible determine such matter, provided, however, that:

(i) If the second arbitrator shall not have been appointed as aforesaid, the first arbitrator shall proceed alone to determine such matter; and

(ii) If two arbitrators are appointed, they shall appoint a third arbitrator within fifteen (15) days after the appointment of the second arbitrator provided that if they are unable to agree on a third arbitrator within such fifteen (15) days, then the two (2) arbitrators shall give written notice of such failure to agree to the parties, and the parties shall select a third disinterested person of recognized competence in such field. lithe parties fail to agree upon the selection of such third arbitrator within fifteen (15) days after the arbitrators appointed give notice as aforesaid, then within five (5) days thereafter either of the parties upon written notice to the other party may apply for such appointment to the Superior Court of Justice of Ontario or to any other court having jurisdiction;

(iii) Each party shall be entitled to present evidence and argument to the arbitrators. The arbitrator or arbitrators shall have the right only to interpret and apply the terms, covenants, agreements, provisions, conditions and limitations of this Agreement, and may not change any terms, covenants, provisions, conditions or limitations, or deprive any party to this Agreement of any right or remedy expressly or impliedly provided in this Agreement. All evidence and submissions must be presented to the arbitrator(s) within fifteen (15) days after the arbitration panel is constituted;

(iv) The determination of the majority of the arbitrators or of the sole arbitrator, as the case may be, shall be conclusive upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrators shall give written notice to the parties stating their determination, and shall furnish to each party a copy of such determination signed by them;

(v) In the event of the failure, refusal or inability of any arbitrator to act, a new arbitrator shall be appointed in his stead, which appointment shall be made in the same manner as hereinbefore provided for the appointment of the arbitrator so failing, refusing or unable to act;

(vi) The expenses of arbitration shall be borne by the parties on such basis as is determined by the arbitrators.

13.02 **Notice**

All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery, by registered mail, postage prepaid, or by telecopies addressed to the other party or delivered to such other party as follows:

MEMBER	ADDRESS FOR SERVICE
Sussman Co	129 Dunlop Street East, Barrie., ON, L4M 1A6
Compro	6048 Highway No. 9, Unit 7, Schomberg, ON, L0G 1T0

or at such other address as may be given by any of them to the others in writing from time to time, not to exceed two at any particular time, and such notices, requests, demands, acceptances and other communications shall be deemed to have been received when delivered (if personally delivered), or if mailed, on the fifth (5th) business day after the mailing thereof or on the business day following transmission if sent by telecopier; provided that in the event of a strike or other interruption in the normal delivery of mail after the mailing of any notice, request, demand, acceptance or other communication hereunder but before the deemed receipt thereof as provided herein, such notice, request, demand, acceptance or other communication shall not be deemed to be received by the party for whom the same is intended unless the same is delivered to such party as contemplated herein.

13.03 **Additional Co-Tenancy Lands**

Subject to the unanimous consent of all of the Members, the Co-Tenancy may, through the Nominee, or otherwise, enter into such further agreements for the purchase and development of lands as may be deemed appropriate by the Management Committee, all of which further lands and projects in respect thereof, shall be governed by the provisions of this Agreement.

13.04 **Interest on Unpaid Amounts**

If any party should fail to pay any amount to any other party when such amount is due, interest shall accrue on such unpaid amount from the date of payment to the date of actual payment at the Interest Rate, such interest to be calculated and payable monthly with interest on overdue interest at the Interest Rate.

13.05 **Planning& Act**

Where applicable, the provisions of this Agreement requiring compliance with s. 50 of the *Planning Act*, R.S.O. 1990, C.P. 13, and any amendments thereto, are agreed to be subject to the condition that the provisions shall be effective only if the provisions of s. 50 of the *Planning Act* are complied with and the parties agree to use their best efforts to cause such compliance.

13.06 **Further Assurances**

Each of the parties shall from time to time and at all times do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

13.7 **Independent Legal Advice**

The parties hereto hereby acknowledge that the Firm is acting for the Nominee, Compro and the Manager only and that it has recommended to each of the other parties to this Agreement that they obtain independent legal advice concerning the advisability of entering into this Agreement before executing it.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

1981361 ONTARIO INC.
Per:

Name:
Title:

ALLIANCE COMPRO INC.
Per:

Name:
Title:

ALLIANCE HOMES INC.
Per:

Name:
Title:

2114568 ONTARIO INC.
Per:

Name:
Title:

Appendix “J”
to the First Report of the Receiver

CO-OWNERSHIP AND MANAGEMENT AGREEMENT

BETWEEN:

1981361 ONTARIO INC.

-and-

ALLIANCE COMPRO INC.

-and-

WATERWAYS OF MUSKOKA LTD.

-and-

ALLIANCE HOMES LTD.

Goldman Sloan Nash and Haber LLP
480 University Avenue, Suite 480
Toronto, Ontario
M5G 1V2

CO-OWNERSHIP AND MANAGEMENT AGREEMENT

THIS AGREEMENT dated the 30th day of January, 2020.

BETWEEN:

1981361 Ontario Inc.
a corporation incorporated under the laws of the Province of Ontario,
(hereinafter called "1981361")

OF THE FIRST PART;

-and-

Alliance Compro Inc.
a corporation incorporated under the laws of the Province of Ontario,
(hereinafter called "Compro")

OF THE SECOND PART;

-and-

Waterways of Muskoka Ltd.
a corporation incorporated under the laws of the Province of Ontario,
(hereinafter called "Nominee")

OF THE THIRD PARTY;

-and-

Alliance Homes Ltd.
a corporation incorporated under the laws of the Province of Ontario
(hereinafter called "Manager")

OF THE FOURTH PARTY;

WHEREAS:

1. Pursuant to an Option Agreement dated the 13th day of November, 2019 herein Chong Zhou and Alex Troop, in trust for companies to be formed, as buyer ("Buyer"), Lakewood Beach Properties Ltd, as seller ("Seller") the Buyer has the option to acquire some/or all of seven blocks containing 34 residential Parcels of Tied Lands in Muskoka Common Elements Condominium No. 71 more particularly described in Schedule "A" ("Option Agreement").

2. Alex Troop has assigned his interest in the Option Agreement to Compro.

3. 1981361 and Compro have agreed to create a co-ownership for the construction and sale of residential homes on the POTLs.

4. Waterways of Muskoka Ltd. has been Tarion registrant for the development and sale of the project and has agreed to continue to be the Tarion registrant for the POTLs and to be trustee on behalf of the Members.

5. Alliance Homes Inc. has agreed to be the Manager to build the homes on behalf of the Co-Tenancy.

6. 1981361, Compro, Waterways and Manager have agreed to enter into this Agreement for the purpose of setting forth the terms, provisions and conditions governing their respective rights, and responsibilities in the Project.

1. ARTICLE 1 -INTERPRETATION

1.1 Definitions

Unless the context otherwise requires, the terms defined in this Agreement shall for all purposes have the meanings set forth below:

(a) "Accredited Appraiser" means a Person dealing at arm's length with each Member who enjoys a fully accredited membership in the Appraisal Institute of Canada (or its successor organization or, failing either, another equivalent national Canadian real estate appraisal organization).

(b) "Affiliate" with respect to a Member means any corporation which directly or indirectly is controlled by or controls such Member or is controlled by the same Person or group of Persons which Controls such Member; or any trusts, the beneficiaries of which are the Person or group of Persons who Controls any Member or any spouse or issue of that Person; or any corporation, the sole shareholders of which are such trusts or any one of such trusts.

(c) "Agreement" means this agreement, including the schedules hereto, as amended from time to time.

(d) "Business Day" means any day except Saturday, Sunday or any statutory holiday in the City of Toronto;

(e) "Cash Surplus" has the meaning assigned thereto in Article 4 hereof.

(f) "Control" means:

I. when applied to the relationship between a Person (or group of Persons) and a corporation, the ownership by such Person (or group of Persons) (other than by way of security only) either directly or indirectly (including by means of the direct or indirect control of one or more intermediate corporations or other entities) of voting securities of such corporation carrying more than 50 per cent of the votes for the election of directors, if the votes carried by such securities

are sufficient, if exercised, to elect a majority of the board of directors of such corporation; and

II. when applied to the relationship between a Person (or group of Persons) and a partnership, joint venture or other unincorporated entity, the ownership by such Person (or group of Persons) (other than by way of security only) either directly or indirectly (including by means of the direct or indirect control of one or more intermediate corporations or other entities) of more than 50 per cent of the ownership interests of such partnership, joint venture or other entity in circumstances where it can reasonably be expected that such Person (or group of Persons) directs the affairs of such partnership, joint venture or other entity;

and the words "Controlled by", "Controlling" and similar words have corresponding meanings;

(g) "Co-Tenancy" means the Co-Tenancy established by the Agreement.

(h) "Date of Closing" has the meaning assigned thereto in Articles 7, 8 and 9 hereof.

(i) "Develop" means the processing of all required and usual steps to construct and sell the residential homes on POTLs.

(j) "Event of Default" means, when used in relation to a Member, that:

(i) the Member has defaulted in its obligation to provide to the Co-Tenancy or the Nominee, when required, its Share of the funds required pursuant to the provisions of Section 3.2 hereof and shall have failed to cure such default:

(A) in the case of funds required for a cost or expense provided for in a budget approved by the Management Committee, within thirty (30) days after receipt by it of a notice from the Management Committee or from another Member asking it to cure such default, or

(B) in the case of funds required for a cost or expense not provided for in a budget approved by the Management Committee, within sixty (60) days after receipt by it of a notice from the Management Committee or from another Member asking it to cure such default,

(ii) if the Tenancy Interest of such Member has been transferred to an Affiliate, and such transferee ceases to be an Affiliate of such Member;

(iii) the Member shall have defaulted in the observance of its covenant in Subsection 7.1(b) hereof and does not cure such default within five (5) days (excluding Saturdays, Sundays and statutory holidays) after receipt by the Member of a notice from the Management Committee or from another Member asking it to cure such default;

(iv) the Member shall have defaulted in the observance of its covenant in Subsection 7.1(a) hereof;

(v) the Member shall have defaulted, for any reason other than Unavoidable Delay, in the observance or performance of any of its other covenants and obligations under or by virtue of this Agreement not otherwise referred to in this Section, and

(A) if such default can with due diligence be cured within fifteen (15) days, the Member does not cure such default within fifteen (15) days after receipt by the Member of a notice from the Management Committee or from another Member asking it to cure such default, or

(B) if such default cannot with due diligence be cured within fifteen (15) days, the Member (1) does not promptly commence and proceed with due diligence to cure such default after receipt by the Member of a notice from the Management Committee or from another Member asking it to cure such default, and (2) having promptly so commenced such rectification, does not cure such default within ninety (90) days after receipt of such notice.

(k) "Event of Insolvency" means, when used in relation to a Member, that:

(i) a resolution is passed or an order made for the winding-up, liquidation, revocation or cancellation of incorporation of the Member or a petition is filed for the winding-up, liquidation, revocation or cancellation of incorporation of the Member, unless the petition is being disputed in good faith by appropriate proceedings and such proceedings effectively postpone enforcement of the petition;

(ii) the Member makes an assignment for the benefit of its creditors;

(iii) the Member becomes bankrupt or, as an insolvent debtor, takes the benefit of any act now or hereafter in force for bankrupt or insolvent debtors; or

(iv) a receiver or other officer with like powers is appointed for the Member, for a substantial part of the assets of the Member or for the Member's Tenancy Interest, unless the appointment of such receiver or other officer with like powers is being disputed in good faith and such proceedings effectively postpone enforcement of such appointment.

(l) "Fair Market Value" means the value of the Property or any part or parts thereof or a Member's Interest as determined by appraisal pursuant to the provisions of Section8.5 hereof;

(m) "Interest Rate" means a rate of interest of eighteen (18%) percent.

(n) "Management Committee" means the management committee established pursuant to the provisions of Article 5 hereof.

(o) "Member" means each of 1981361 and Compro (collectively the "Members").

(p) "Operations" means the acquisition, development, improvement, operation, repair and maintenance of the Property and the construction, sale/lease of the Project.

(q) "Permitted Encumbrances" means, when used in relation to a Member's Tenancy Interest:

(i) mortgages, pledges, charges, assignments by way of security, easements, liens, leases, restrictions and other encumbrances and interests affecting the Property created or assumed by all of the Members in connection with the Operations;

(ii) encumbrances affecting the Property which are:

(A) title defects, encroachments or irregularities of a minor nature; or

(B) restrictions, easements, rights-of-way, servitudes or other similar rights in land (including, without restriction, rights of way and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved by other persons or entities and, in each case, such encumbrances will not materially interfere with the use or development of the Property by the Members; and

(iii) the reservations, limitations, provisos and conditions, if any, expressed in any original grants of real property from the Crown.

(r) "Person" means a natural person, firm, trust, partnership, association, corporation, government or governmental board, agency or instrumentality.

(s) "Prime Rate" means the prime commercial lending rate of interest which the Co-Tenancy's bankers establish as the reference rate of interest for the purpose of determining the rate of interest that it would charge to its customers for loans in Canadian funds, as the same is in effect from time to time.

(t) "Property" means those lands and premises described in Schedule "A";

(u) "POTLs" means Parcel of Tied Lands (Units) in Muskoka Common Elements Condominium No. 71 as described in Schedule "A" each sometimes individually referred to as a POTL.

v) "Purchaser" has the meaning assigned thereto in Articles 7 and 8 hereof, as the case maybe.

w) "Share" means, with respect to 1981361 , fifty percent (50%), with respect to Compro, fifty (50%).

(x) "Tenancy Interest" means, when used in relation to a Member, all such Member's right, title and interest in and to the Property and in all other property acquired by the Members in connection therewith.

(y) "Unavoidable Delay" means a delay in the performance of an act or compliance with a covenant caused by an act of God, fire, strike, lockout, inability to obtain or delay (which is not reasonably within the control of the Party obliged to perform or comply) in obtaining material, equipment or transport, inability to obtain or delay (which is not reasonably within the control of the Party obliged to perform or comply) in obtaining governmental approvals, permits, licences or allocations, restrictive laws or governmental regulations, or any other cause, whether of the kind specifically enumerated above or not, which is not reasonably within the control of the Party obliged to comply or perform, but does not mean a delay caused by lack of funds or other financial reasons of a Party;

(aa) "Unit" means the POTLs comprising the Project; and

(bb) "Vendor" has the meaning assigned thereto in Articles 7,8 and 9, as the case maybe.

1.2 **Currency**

All payments contemplated herein shall be made in Canadian funds.

1.3 **Gender and Number**

Words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender and neuter gender, and words importing persons shall include firms and corporations, and vice versa.

1.4 **Articles and Section Numbers**

The division of this Agreement into Parts, Articles and Sections and the Table of Contents preceding are for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

1.5 **Table of Contents**

The table of contents preceding this Agreement but under the same cover is included for convenience of reference only and is not to be deemed or construed in any way as part of this Agreement, nor as supplemental hereto or amendatory hereof.

1.6 **Calculation of Time Periods**

When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference day in calculating such period shall be excluded. If the last day of such period is a non-business day, the period in question shall end on the next business day.

1. 7 **Governing & Law**

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. The parties agree that the courts of the province of Ontario will have exclusive jurisdiction to determine all disputes and claims arising between the parties.

1.8 **Severability**

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

1.9 **Entire Agreement**

This Agreement constitutes the entire Agreement between the parties relating to the Co-Tenancy and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties with respect thereto.

1.10 **Amendments**

No amendment or modification of this Agreement shall be binding unless in writing and signed by the parties.

1.11 **Waiver**

No waiver by the Members of any breach of any of the provisions of this Agreement by any other Member shall take effect or be binding upon the Party unless in writing and signed by such Members. Unless otherwise provided therein, such waiver shall not limit or affect the rights of the Members with respect to any other breach.

1.12 **Time of the Essence**

Time shall be the essence of this Agreement.

1.13 **Heirs, Successors and Assigns**

Subject to the provisions of Article 7 hereof, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

1.14 **Counterparts**

This Agreement may be executed in any number of counterparts provided each party executes a counterpart and all of these counterparts taken together shall for all purposes constitute one agreement, binding on the parties notwithstanding that all parties are not signatory to the same counterpart.

2. ARTICLE 2 - THE CO-TENANCY

2.1 Interests in the Co-Tenancy

The Members shall hold an undivided interest in the Property, assets and rights of the Co- Tenancy, both real and personal as tenants in common in the following proportions:

MEMBER	PERCENTAGE SHARE
1981361	50%
Compro	50%

2.2 Principal Office

The principal office of the Co-Tenancy shall be located at 6048 Highway No. 9, Unit 7, Schomberg, ON, L0G 1T0 or such other place or places as shall be agreed upon by the Management Committee.

2.3 Purpose and Scope

(a) The purpose, and only purpose, of the Co-Tenancy is to develop, build and sell residential homes on the POTLs which purpose is hereinafter called the "Project" under the Co-Tenancy name of "The Waterways of Muskoka Joint Venture" or such other name as may from time to time be agreed upon by the Members. The Project shall be limited strictly to the purpose hereinbefore set out and to the Property hereinbefore described.

(b) The Members agree to own, operate, maintain and develop the Project as tenants in common in accordance with the terms of this Agreement.

(c) The Members agree to diligently and in good faith take such steps as are commercially practical to develop the Project.

2.4 Effective Date and Continuance

(a) This Agreement is effective from and after the date first written above.

(b) This Agreement shall continue in full force and effect until the later of the date that the Property is sold by the Members to a third party purchaser or the date that the last residential dwelling unit has been sold to a third party purchaser and such sale has been completed and the date that final settlement has been made among the Members in accordance with Section 2.4(c).

(c) In the event that the Members sell the Property to a third party purchaser, the Members shall make a final settlement among themselves to the end that, subject to Sections 2.9 and 5.22 hereof, the Members shall share all of the rights and benefits and bear all of the liabilities and obligations of the Co-Tenancy in accordance with their respective Shares, provided that any distribution of funds shall be made only in accordance with Section 4.1.

2.5 New Agreement

In the event of any change in the ownership or size of any Tenancy Interest during the term hereof, the Members shall, upon the request of any one or more of them at any time and from time to time, enter into a new agreement superseding this Agreement. Such new agreement shall be the same as this Agreement in all respects, except that it shall be dated the date of its execution and shall reflect the then parties to this Agreement and their

respective Shares and Tenancy Interests. In particular, such new agreement shall contain a provision to the same effect as this Section.

2.6 **Partnership Not Created**

Each Member expressly disclaims any intention to create a partnership. Nothing in this Agreement, or otherwise arising herefrom, shall be construed to constitute any of the Members nor the Nominee a partner, agent or representative of the others or any commercial or other partnership. Each Members expressly declares its intention to rely upon:

a) the provisions of Section 3 of the Partnership Act (Ontario) as amended or re-enacted from time to time, to the effect, *inter alia,* that tenancy in common, common Lands or part ownership does not of itself create a partnership as to anything so held or owned, whether the tenants or owners do or do not share any profits made by the use thereof; and

b) the statutory and common law as it applies to tenants in common save only to the extent that the same is, by the express provisions of this Agreement, amended or varied.

2.7 **Apportionment of Profits and Losses**

Except as hereinafter otherwise specifically provided, all net profits derived from the ownership operation, development and sale of the Property shall belong to the Members in accordance with their respective Shares and all expenditures or losses incurred in connection with the Property shall be borne by the Members in accordance with their respective Shares.

2.8 **No Authority to Bind**

Except as expressly provided in this Agreement, a Member shall not have any authority to bind any of the other Members, or the Nominee.

2.9 **Indemnity**

Each Member (in this Section called the "Indemnitor") hereby irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other Members and the Nominee (in this Section called the "Indemnitees ") from and against any and all liability loss, harm, damage, cost or expense, including legal fees, which the Indemnitees may suffer, incur or sustain as a result of any act of the Indemnitor committed outside the scope of or in breach of this Agreement.

2. 10 **Liability**

Subject to Section 2.9 hereof, each Member shall be liable only for its Share of the liabilities and obligations of the Members under any agreements made by the Co-Tenancy with respect to the Property and shall not be liable for any other Member's Share of such liabilities and obligations. Each Member shall be entitled only to its Share of the rights and benefits of the Members under any such agreements.

2.11 **Legal and Beneficial Ownership**

The Members confirm and agree that title to the Property and to all property, whether real, personal or mixed, comprising, used or otherwise acquired in connection with the Property, shall be taken and held in the name of the Nominee, and that beneficial ownership shall be held by each of the Members as tenants in common in the same ratio as their respective Shares.

2.12 **Other Businesses, etc.**

Each Member shall have the free and unrestricted right independently to engage in other businesses or ventures for its own individual profit without any accountability to any other Member, even if such other businesses or ventures are similar to or compete with the Property. A Member shall not, by reason of this Agreement, have any interest in any other business or venture engaged in by any other Member, whether or not such other business or venture is similar to or competes with the Property. The legal doctrines of "corporate opportunity" or "business opportunity" sometimes applied to co-tenancies or to persons having a fiduciary relationship shall not apply to any other endeavor of any of the Members. Any proceeds to which the Members are entitled, as provided, relate only to the Property, and not to any other business or venture carried on by the Members.

No Member or any officer, director or shareholder of a Member shall be required to devote any particular amount of time or attention to the Co-Tenancy, save as otherwise provided herein, but each Member shall cause its officers and/or employees to devote such time and attention thereto as shall be necessary to permit the effective ownership and holding of the Property.

2.13 **Capital Cost Allowance**

Each Member may claim such deductions for capital cost allowance in respect of its Tenancy Interest as it, in its sole discretion, deems advisable and as it may by law be allowed to claim.

2.14 **Covenants**

Each Member hereby represents and warrants that it has full power, authority and legal right to enter into and be bound by this Agreement, and covenants and agrees:

(a) promptly to notify the other Members of all matters coming to the attention of such Member concerning the Property;

(b) to perform and observe all the terms and conditions of this Agreement;

(c) to execute and deliver, or cause to be executed and delivered, such instruments as may from time to time be required in order to carry out the purposes of the Co-Tenancy; and

(d) to punctually pay and discharge its separate and several debts and liabilities due or incurred pursuant to this Agreement.

2.15 **No Partitioning**

No Member, and no person claiming through or under a Member shall partition or apply to the court or other authority having jurisdiction over the matter or commence or prosecute any proceeding for the partition or sale of the Property, or any part thereof.

In the event of breach of the provisions of this Section by a Member, the other Members shall in addition to all other rights and remedies at law or in equity to which they are otherwise entitled, be entitled to a decree or order perpetually restraining and enjoining such partition, application, action or other proceeding, and the first-mentioned Member(s) are hereby precluded from pleading in defense that there would be an adequate remedy at law (it being acknowledged by all the Members that the injury and damages flowing from any such breach would be impossible to measure monetarily).

2.16 **Waiver of Sale**

Each of the Members waives the benefit of all provisions of law, as now in effect or as hereinafter enacted, relating to actions for sale in lieu of partition of real and personal

property including, without limiting the generality of the foregoing, the *Partition Act*, as amended, and each of the Members agrees that it will not resort to any action at law or in equity for a sale in lieu of partition in respect of the Property.

3. ARTICLE 3 - FINANCING

3.1 General Provisions

Save and except the Equity Advances set out in paragraph 3.8 below, any and all amounts required, from time to time, for the purposes of the Operations of the Property and all amounts required for the development of the Property and construction of the Project pursuant to the Project, and for the payment of all debts, liabilities and obligations in connection therewith, including any payments required to discharge any mortgages that encumber the Property all as provided in a budget approved by the Management Committee, shall be obtained, to the maximum extent possible, by way of interim or long term mortgage financing of the Property so as to minimize, if possible, the funding requirements of the Members. The decision as to whether or not such funding are required, from whom the same shall be borrowed, and the terms and conditions of such borrowing shall be determined by the Management Committee in accordance with the provisions of this Agreement governing the decision-making authority of the Management Committee. The Members agree that they will actively pursue and work toward obtaining satisfactory bank credit and interim financing for the Project (the "Bank Loan"). If so required by the mortgagee for the Bank Loan, and if agreed to by the Members, each of the Members set forth below shall severally execute and deliver its guarantee to the bank of the Co-Tenancy concerning the Bank Loan as to the portion thereof hereinafter set forth:

MEMBER	PERCENTAGE SHARE
1981361	50%
Compro	50%

For greater certainty, no Member shall be required to provide the personal guarantee of the principal of the Member. In addition, the Members agree to execute such further and other documentation required by such mortgagee of the Bank Loan, including without limitation, any required acknowledgments and consents from the beneficial owners of the Project.

Each of the Members hereby covenants and agrees to permit all the property and assets of the Co-Tenancy, or such of them as such banker or lender may reasonably require, to be mortgaged, charged or otherwise encumbered to or in favour of such banker or lender in order to obtain financing for the Co-Tenancy. Where, pursuant to the foregoing provisions of this section, the Members, or any of them, have, in respect of any of the debts, obligations or liabilities of the Co-Tenancy to its banker or any other lender, executed, on a several basis or on a joint and several basis, an agreement or covenant of surety or guarantee in favour of such banker or lender, then, notwithstanding the foregoing, the Members hereby covenant and agree that, as between and among themselves, each of them shall be responsible for a portion of such debts, obligations and liabilities which portion shall be a percentage thereof equal to the Members' Share in the Co-Tenancy.

3.2 Indemnity

In the event that any time hereafter any of the Members hereto shall become a surety or guarantor, or become indebted or liable for any monies borrowed by the Co-Tenancy or for any obligations entered into by the Co-Tenancy, or any of the parties expends any money on behalf of the Co-Tenancy, so long as such debt, liability, obligation or expenditure is incurred pursuant to the provisions of this Agreement, or in the event that any Member shall not receive repayment in full of the monies advanced by such Member to the Co-Tenancy pursuant to the provisions of this Agreement, then, in any such event, each of the Members hereto covenants and agrees to protect, indemnify and save the other Member or Members harmless against and from any such loss, damage, cost and liability whatsoever, arising in

respect of the aforementioned debt, liability, obligation, expenditure, guarantee or loan, in their respective Shares.

3.3 **Advances by Members**

If the Co-Tenancy shall require funds in excess of those available from a lender, as contemplated in Section 3.1, then unless the Management Committee otherwise determines, such funds shall be advanced by the Members (the "Subsequent Advances"). The advances, if any, from time to time required of the Members hereunder shall be made in accordance with the following percentages:

MEMBER	PERCENTAGE SHARE
1981361	50%
Compro	50%

The determination as to whether any such funds are required and the date on or by which the same are to be advanced shall be made by the Management Committee acting in good faith and in the best interests of the Members. Notwithstanding the foregoing 1981361 acknowledges that Compro has advanced $600,000.00 to the Co-Tenancy/Project and that Compro shall not be obligated to advance further funds until 1981361 has advanced $600,000,00 to the joint venture.

3.4 **No Interest**

Unless otherwise determined by the Management Committee, amounts advanced by a Member from time to time pursuant to Section 3.3 the preceding Section shall bear no interest.

3.5 **Notice for Advance**

Whenever funds are required to meet any obligations arising out of the business and affairs of the Co-Tenancy, as contemplated in any budget approved by the Management Committee, any member of the Management Committee shall be entitled to notify the Members in writing, which notice shall set out the specific purposes for which and the amount of the contribution from each Member and the date upon which such funds are required. Each Member shall advance the amount required on or before the date set forth in such notice by depositing the monies required by such notice in the bank account for the time being of the Co-Tenancy.

3.6 **Default**

In the event that a Member fails to advance all the funds to the Co-Tenancy as required by the notice in writing to such Member from the Management Committee, then such failure shall constitute an Event of Default hereunder and the provisions of Article 8 hereof shall apply to such Member (the "Defaulting Member"). The aggregate advances of all Members who have advanced funds in proportion to their respective Share in the Co-Tenancy (the "Non-Defaulting Member") shall constitute the full amount required to be advanced to the Co-Tenancy and such Non-Defaulting Member shall not be required to advance any funds in excess of the amount advanced by it.

3.7 **Security for Funds Advanced**

The Members acknowledge and agree that if they are required to advance funds to the Co- Tenancy, the funds advanced by each Member until repaid shall be secured against the respective undivided interest of the other Members in the Property and Co-Tenancy it being the intent that a security interest. lien or other encumbrance is created or imposed on the Tenancy Interests of the embers and each Member shall have, in addition to such other rights and remedies at law, all right and remedies of a secured party under the *Personal*

Property Security Act (Ontario) and any amendments thereto from time to time. For such purposes, each of the Members specifically acknowledges and agrees with each other that it is its intention that the security interest created pursuant to this Section shall attach upon the execution of this Agreement.

3.8. Equity Advances

The parties acknowledge and agree that Compro has advanced $600,000 that has been used for the Project ("Compro Advance").

1981361 acknowledges and agrees that when necessary it will advance to the Co-Tenancy up to $600,000 to be used for the Project as required (1981361 Advance). Requests for an advance shall be accompanied by a statement outlining the process use of the requested funds within 5 business days of receiving the statement and request.

4. ARTICLE 4 - CASH SURPLUS; DISTRIBUTIONS

4.1 Priority

Subject as hereinafter provided, the Cash Surplus of the Co-Tenancy shall be distributed to the Members as and when funds become available for distribution. in the priority and manner as follows, no distribution being made in any category set forth below unless and until the preceding category has been satisfied in full, unless the Members otherwise agree in writing:

(a) firstly, in payment to the Members of the amount of Principal, if any, owing to the Member(s) in respect of any Subsequent Advances advanced pursuant to Section 3.3, pro rata, in accordance with the proportion that the amount of the outstanding Subsequent Advance of such Member bears to the total amount of the outstanding Subsequent Advance of all of the Members;

(b) secondly, in payment to the Members equity advances advanced pursuant to the Section 3.8 pro rata in accordance with the proportion that the amount of the Compro Advance and 1981361 Advance bears to the total of the Compro Advance and 1981361 Advance.

(c) thirdly, to the Members pro rata in accordance with their share.

Provided, however, if any Member (the "Defaulter") shall be indebted to the other Members or any other Member in respect of any amounts expended by such Members or Member, as the case may be, to remedy an Event of Default by the Defaulter (including providing all or a portion of the Defaulter's share of any funds required pursuant to the preceding Article), any sums payable to the Defaulter pursuant to this Section shall be paid to the other Member or other Members, as the case may be, until the full amount of the indebtedness together with all accrued interest has been paid in full.

4.2 Calculation of Cash Surplus

For the purpose of Section 4.1 hereof, "Cash Surplus" of the Co-Tenancy for any period means all amounts received by the Co-Tenancy arising out of the Property or the sale or operation thereof ("Gross Receipts") for the period, including:

(a) the leasing or sale of any property of the Co-Tenancy, including without limitation, Units to third party purchasers;

(b) funds provided by the Members pursuant to the financing provisions in Article 3 hereof;

(c) the amount, if any, of any insurance proceeds received by the Co-Tenancy over the amount thereof necessary to repair the damage compensated for, or payable to any third-party mortgagee having a mortgage on the Property or any part thereof; and

(d) the net proceeds, if any, received by the Co-Tenancy from any and all mortgage financings and re-financings, from partial or total expropriations (over the amount thereof necessary for restoration and less any amount thereof paid to any third party mortgagee having a mortgage on such property or any part thereof) from sales of easements, rights of way or similar interests in respect of the Property or from dispositions of an interest therein;

less the aggregate of:

(e) all expenses, charges and outlays actually paid by the Co-Tenancy during such period, including without limitation of architect's fee, soft costs, construction costs, permit fee, levies, etc. any sums paid on account of principal and/or interest to third party lenders in respect of any loans owing by the Co-Tenancy and costs related to completing the Project and costs referred to in Section 11.06 and 11.07;

(f) the payment of the compensation to any development, construction or property manager, including the Management Fees set out in section 11.04;

(g) the Reserve set out in section 11.08; and

(h) such portion of the Gross Receipts for the period as the Management Committee determines is reasonably necessary to provide a reserve for contingencies and for anticipated future costs and expenses to Develop the Property,

provided that for greater certainty, in calculating the Cash Surplus for any period, no deduction shall be made for capital cost allowance in respect of the Property and no reserve shall be provided for the same.

5. ARTICLE 5 - MANAGEMENT COMMITTEE

5.1 General Provision

The Members hereby establish a Management Committee for the purposes of the management of the Co-Tenancy.

5.2 Composition

The Management Committee shall be composed of two (2) members, one (1) nominees of 1981361 and one (1) Nominee of Compro. Each Member shall appoint at least one (1) alternate representative to serve on the Management Committee during the period or periods when the principal representative of such Member is not available.

The principal representative and alternate, until notice of change is given as herein required, for each Member shall be as follows:

MEMBER	PRIMARY NOMINEE	ALTERNATE
1981361	Sandy Sussman	
Compro	Alex Troop	Alexander Robert Troop

A Member may change its principal representative or its alternate representative from time to time by giving notice of such change to the other Members and to the representative or alternate representative so replaced. All references in this Article to a representative of a

Member shall include and refer to the alternate representative of such Member in the event that the representative is not present or is unable to act.

5.3 **Vacating of Office**

The office of a member of the Management Committee shall be vacated upon the occurrence of any of the following events:

(a) If a receiving order is made against him/her or if s/he makes an assignment under the *Bankruptcy and Insolvency Act* (Canada), as amended or re-enacted from time to time;

(b) If an order is made declaring him/her to be a mentally incompetent person or incapable of managing his/her affairs;

(c) If he shall be removed from office by a written notice from the Member that appointed him/her pursuant to this Article;

(d) If by notice in writing to the Members, s/he resigns his/her office and such resignation, if not effective immediately, becomes effective in accordance with its terms.

5.4 **Vacancies**

Any vacancy in the Management Committee shall be filled by the Member which appointed the former member of the Management Committee whose loss of office created the vacancy within ten days of the creation of the vacancy. Such Member shall fill the vacancy be written notice stating the name and address of the natural person whom it appoints to the Management Committee to fill the vacancy. Copies of such written notice shall be given to the other Members and the person so appointed a member of the Management Committee.

5.5 **Authority of Individual Representative**

The representative appointed by each Member has the power and authority to represent and bind each Member with respect to any matter within the competence of the Management Committee.

5.6 **Authority of Management Committee**

Subject to Sections 5.7 and 5.16 hereof and subject to the authority of the Managers (as hereinafter defined) as set out in Article 11 to manage the day to day construction and marketing activities of the Co-Tenancy the Management Committee has the power and authority, and the Members hereby direct the Management Committee to give any approvals and to make any decisions required or permitted to be given or made by the Members with respect to the Project and any matters arising under or out of any agreement made between the Co-Tenancy or the Nominee and any Person with respect to the Project, including the entering into of relevant agreements required in connection with the Project, including any development/ site plan agreement , or similar agreement in connection therewith or a registration of a plan of subdivision, and including the entering into of agreements of purchase and sale or leases or agreements to lease the Property or any part thereof, The decision of the Management Committee with respect to any matter within its competence shall be binding on the Members and the Nominee.

5.7 **Limit on Authority of Management Committee**

The Management Committee has no power or authority to give any of the approvals or make any of the decisions or determinations referred to in Articles 7, 8 and 9 hereof.

5.8 **Advisors**

A representative shall be entitled to invite advisors to attend meetings of the Management Committee, subject to such restrictions on their attendance at and their participation in meetings as the Management Committee may impose.

5.9 **Meetings**

The Management Committee shall meet from time to time, as required, to act on necessary matters pertaining to the Property. Provided, however, that no meeting of the Management Committee shall be held unless and until notice of same has been sent by prepaid registered mail, or delivered personally to the members of the Management Committee, at least seven (7) days (excluding Saturdays, Sundays and statutory holidays) before the date set for the holding of such meeting; provided further, however, that the time for such notice may be abridged or such notice may be waived with the consent in writing of all members of the Management Committee. Subject to the provisions hereof, a meeting of the Management Committee may be called by any representative at any time. Notice to a member of the Management Committee may be given to him/her at the address in each case of the Member whose appointee s/he is.

5.10 **Place of Meetings**

Meetings of the Management Committee shall be held at the offices of Compro, or at such other place as may be agreed upon by the Management Committee from time to time.

5.11 **Meetings by Conference Call**

The members of the Management Committee may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all Persons participating in a meeting can hear each other, and participation in a meeting by means of such communications device shall constitute attendance at such meeting.

5.12 **Voting Rights**

The representative of each Member shall have a voting interest equal to the Share of the Member that he represents.

5.13 **Quorum**

Subject to Section 5.21 a quorum for a meeting of the Management Committee shall be the one (I) representative of each 1981361 and Compro present in person provided that if there shall be no quorum present at any properly convened meeting of the Management Committee, such meeting shall be adjourned at the request of any representative and reconvened on ten (10) days notice to all representatives and notwithstanding anything else contained herein, the representatives present at such reconvened meeting shall constitute a quorum for the transaction of business by the Management Committee.

5.14 **Chairman**

A chairman of the Management Committee shall be elected annually by the Management Committee. He/she shall be chairman of any of the meetings of the Management Committee at which s/he is present, failing which the members of the Management Committee shall choose one of their other members to be Chairman. The Chairman of a meeting shall not be entitled to cast a second or casting vote in the event that an equal number of votes is cast at any meeting of the Management Committee.

5.15 **Time Devoted to Management**

The members of the Management Committee shall not be required to devote their full time to Develop the Property and construct the Project but only such time as shall be reasonably necessary to perform their duties as enunciated in this Article.

5.16 **Decisions**

Subject to Section 5.21, any decision of the Management Committee shall require the approval of one (1) representative of 1981361 and one (1) representative of Compro.

5.17 **Binding Nature of Resolutions**

Any resolution passed in accordance with this Agreement shall be binding on all the Members and their respective heirs, executors, administrators, successors and assigns, whether or not such Member was present in person or voted against any resolution so passed.

5.18 **Agreement in Writing**

Any matter within the competence of the Management Committee that is agreed to in writing by all representatives of the Members or, in the event that Section 5.21 is applicable, by the representatives of the Non-Defaulting Members shall be binding on all parties hereto.

5.19 **Decisions in Good Faith**

Any decision required to be made by the Management Committee shall be made in good faith and strictly upon the merits of the matter in respect of which its decision is required and shall not be unreasonably delayed.

5.20 **Agreement for Provision of Materials or Services**

The fact that a Member has entered into an agreement with the Co-Tenancy for the provision of materials or services for the Property shall not constitute a conflict of interest which would limit its rights or actions under this Agreement unless specifically provided in such agreement or in this Agreement.

5.21 **Where Defaulting Member**

The representative of a Defaulting Member shall be entitled to attend but not to vote (although s/he shall be entitled to continue receiving notices of meetings) at any meeting of the Management Committee. In such case, so long as any such default continues, a quorum for a meeting shall be constituted by the representative(s) of the Non-Defaulting Member(s), any decision of the Management Committee shall be made by such representatives of the Non-Defaulting Member and any decision so made shall be final and binding on all Members and on the Nominee,

5.22 **Indemnity**

Each Member hereby irrevocably and unconditionally undertakes and agrees to indemnify and save harmless each representative from and against any and all liability loss, harm damage, cost or expense, including legal fees, which the representative may suffer, incur or sustain as a result of any suit, claim or demand brought or commenced against the representative and arising out of any action properly taken by the Management Committee.

5.23 **Remuneration of Management Committee**

Unless approved by all Members, no fees, salaries, commissions or other compensation shall be paid by the Members to the members of the Management Committee in respect of their work related thereto. Such members shall, however, be entitled to reimbursement of all actual, reasonable and appropriate expenditures made by them on behalf of the Members and the Co-Tenancy and in accordance with the terms of this Agreement.

5.24 **Quarterly Reports**

The Management Committee shall prepare and deliver to each Member quarterly financial reports containing such detail as requested by a Member acting reasonably.

6. ARTICLE 6 – OTHER FINANCIAL AND ACCOUNTING MATTERS

6.1 Fiscal Year

Accounts for the Co-Tenancy shall be prepared and settled as of September 30 in each year, or such other date as the Members may agree upon.

6.2 Books of Account

Proper and complete books, records, reports and accounts of the Co-Tenancy shall be kept at the principal office of the Co-Tenancy and shall be open and available for inspection and copying by any one of the parties hereto or its authorized representative at any reasonable time during normal business hours. The said books and records shall fully and accurately reflect all transactions of the Co-Tenancy and shall be maintained in conformity with generally accepted accounting principles.

Compro confirms that it is an HST registrant. The Compo and 1981361 agree that Compro shall collect report and remit all HST on behalf of the Co-Tenancy.

6.3 Accountants

The accountants of the Co-Tenancy shall be appointed by the Management Committee from time to time.

The accountants of the Co-Tenancy shall be Scarrow Yurman and Company or such firm of chartered accountants as shall be appointed by the Management Committee from time to time.

6.4 Financial Statements

Within ninety (90) days after the end of each accounting year of the Co-Tenancy, the Management Committee shall cause the accountants of the Co-Tenancy to furnish to each Member an annual report consisting of

(a) a Balance Sheet;

(b) Statement of Earnings;

(c) Statement of Members Capital;

(d) Statement of Changes in Financial Position;

(e) Applicable Notes and Tax Information;

(f) a profit and loss statement for such year;

(g) any additional information that the Members may require for the preparation of their individual federal and provincial tax returns.

Unless otherwise determined by the Management Committee, the said financial statements shall be audited and shall be accompanied by the report of the said firm of chartered accountants thereon.

6.5 Banking

A separate bank account shall be opened and maintained for the Co-Tenancy or in such other name or names as may from time to time be agreed upon by the Management

Committee. The bank of the Co-Tenancy shall be such bank or banks as the Management Committee may from time to time determine. All monies from time to time received on account of the Co-Tenancy shall be paid immediately into the bank account of the Co-Tenancy in the same drafts, cheques, bills and cash in which they are received and all disbursements on account of the Co-Tenancy shall be made by cheque on such bank. All cheques, negotiable instruments and withdrawals from bank accounts shall require the signature of Alex Troop and Sandy 1981361 .

All other documents required to be executed in respect of matters including, but not limited to, the repayment to the Members of their respective advances to the Co-Tenancy under this Agreement, distribution of cash surplus to the Members, financing commitment, mortgages and sales of any part of the Property, shall be executed by one representative of 1981361 or Compro.

The Management Committee may establish an imprest account for the payment of expenses incurred in connection with the Property which account shall be funded by transfers of funds from the general account as required. The amount of such account and the Person or Persons authorized to draw thereon shall be determined by the Management Committee from time to time.

6.6 **Payment for Services**

Except as may be hereafter approved by the Members, no payment will be made to any Member for its services or the services of its shareholders, directors, or employees.

7. ARTICLE 7 – TRANSFER OF INTERESTS IN THE CO-TENANCY

7.1 General Prohibition

Except as expressly provided in this Agreement, a Member shall not, without the prior written consent of all of the other Members:

(a) sell, transfer, assign, convey or otherwise dispose of (in this Article called "Transfer") all or any portion of its Tenancy Interest; or

(b) save and except for Permitted Encumbrances, create, assume, incur or consent to any lien, mortgage, charge or any other encumbrance upon all or any portion of its Tenancy Interest or its rights and interests in or under this Agreement.

7.2 Transfer to Affiliates etc. by Compro

Each Member may at any time (provided that it is not a Defaulter) transfer all or any portion of its Tenancy Interest to:

(i) an Affiliate;

(ii) provided that the Control of such Member remains unchanged, any successor to such Member by reason of amalgamation, provided that such Member provides notice and complete disclosure in writing to the other Members of any and all such transactions within five (5) days of the completion of same;

(b) It shall be a condition of any such transfer, assignment or grant that the transferee, assignee or grantee execute and deliver to the other Members such documents and assurances as may be necessary to evidence that it shall be bound by this Agreement, including, without limitation, the restriction on transfer contained herein. The other Members and the Nominee hereby consent to any such grant, transfer or assignment and agree to execute any documents or assurances that may be necessary to give effect to such transfer, assignment or grant, provided, however, that no such transfer, assignment or grant shall relieve the transferor from its duties or obligations hereunder;

(c) Each Member may, at any time, (provided that it is not a Defaulter) assign its rights (the "Assignor") to receive its share of the Cash Surplus to a third party which provides financing to such Assignor subject to strict compliance with the following requirements:

(i) No assignment of an Assignor's right to receive its share of the Cash Surplus shall include the assignment of any other of the rights and obligations of such Assignor pursuant to this Agreement;

ii) The Assignor shall forthwith provide written notice to the other Members of the assignment of its entitlement to its share of the Cash Surplus, which notice shall include the name and address of the third-party assignee;

(iii) The Assignor shall acknowledge and agree to be bound by the terms and provisions of Article 4 of this Agreement; and

(iv) No such assignment shall be registered on title to the Property.

(d) For the purposes of this subsection each of the Members hereby represents and warrants to each of the other Members that it is controlled directly or indirectly by one or more of the following persons:

(i) in the case of 1981361 :

(A) Sandy 1981361 and/or any of his respective issue;

(B) a trust or trusts for the benefit of any one of Sandy 1981361 and/or any of their respective issue; and

(C) a corporation or corporations Controlled by Sandy 1981361 and/or any of their respective issue or any trust(s) described in the preceding paragraph (B) hereof;

Sandy 1981361 shall not cause or permit Control of 1981361 to change such that it ceases to be controlled directly or indirectly by one or more of the foregoing persons.

(ii) in the case of Compro:

(A) Alex Troop and/or any of his respective issue;
(B) a trust or trusts for the benefit of any one of Alex Troop and/or any of his respective issue; and
(C) a corporation or corporations controlled by any of Alex Troop and/or any of his respective issue or any trust(s) described in the preceding paragraph (B) hereof; and

Alex Troop shall not cause or permit Control of Compro to change such that it ceases to be controlled directly or indirectly by one or more of the foregoing persons.

7.3 Transfer by 1981361

1981361 may not sell, transfer, assign, convey or otherwise dispose of all or any portion of its Tenancy Interests to any other party unless (i) 1981361 notify Compro their intention of transfer no sooner than ten days before they enter into the agreement for the transfer or assignment, and (ii) the Transferee or Assignee agree to assume this Co-Ownership and management Agreement.

Compro covenants that it will, if and whenever reasonably required by 1981361 at the Compro's expense, consent and become a party to any reasonable instrument relating to this Agreement, including the delivery of a statement as to the status of this Agreement,

which may be required by or on behalf of any Transferee or Assignee or other person, firm or corporation which may have or acquires the Tenancy Interest of 1981361 and in addition the Compro shall execute such documents as may be necessary to cause the transfer and/or assignment to be completed.

7.4 Frozen Period

Notwithstanding the above, both parties agree that no party shall transfer their interests in the agreement and/or assign the agreement within twenty-four months from the valid date of this agreement unless both the other party give consent or agree with the transfer or the assignment.

8. ARTICLE 8- EVENTS OF DEFAULT AND INSOLVENCY

8.1 Remedies

If an Event of Default occurs in relation to a Member (the "Defaulter"), any other Member not also in default (the "Non Defaulter") shall have the following rights in addition to the rights that it may have as a secured party as set forth in the *Personal Property Security Act*, Ontario and any other rights contained herein:

(a) to bring any proceedings in the nature of specific performance, injunction or other equitable remedy, it being acknowledged by each of the Members that damages at law may be an inadequate remedy for the default or breach giving rise to the event of default; and/or

(b) to remedy the default giving rise to the Event of Default and bring any action at law or otherwise to be reimbursed by the Defaulter for any monies expended to remedy such default, including any expenses incurred by the Non-Defaulter in connection therewith, together with interest thereon at the Interest Rate; and/or

(c) to bring any action at law that may be necessary or advisable in order to receive damages; and/or

(d) to take such steps or bring any proceedings that may be necessary or desirable to enforce any security interest granted by the Defaulter to the Non-Defaulter; and/or

(e) to do such other acts and things as the Non-Defaulter may be authorized or entitled to do under this Agreement.

Provided that for the purposes of Subsection 8.1(b) above, the Non-Defaulter may elect by notice in writing to the Defaulter to have any funds advanced by it pursuant to Article 3 hereof treated as the total amount required by the Co-Tenancy and the Defaulter's Share of such advances as an advance on behalf of the Defaulter for the purposes of this Agreement.

8.2 Power of Attorney for Defaulting Member/Nominee

If the Defaulting Member is also the authorized signing officer for the Nominee, the Non-Defaulting Member or any one of them appointed by the others are hereby irrevocably authorized, instructed and directed for and on behalf of and as attorney for the Defaulting Member to execute any and all cheques, negotiable instruments and other documents as may be required by the Management Committee.

8.3 Advance of Moneys

If the Non-Defaulter expends money to remedy the Event of Default (including providing all or a portion of the Defaulter's share of funds required for the Operations in accordance with the provisions of section 33 above):

(a) the amount paid by the Non-Defaulter shall bear interest from the date of payment to the date of actual repayment at the Interest Rate, such interest to be calculated and payable monthly with interest on overdue interest at the Interest Rate, for greater certainty, any judgment obtained by the Non-Defaulter in respect of any such amount shall similarly bear interest at the Interest Rate;

(b) the amount paid by the Non-Defaulter, and any interest thereon shall be a debt owing by the Defaulter to the Non-Defaulter; and

(c) the Non-Defaulter shall have the right to receive the Defaulter's proportionate share of any Cash Surplus in accordance with Section 4.1 until such time as the Defaulter's default has been remedied hereof.

8.4 **Sale of Defaulter's Interest**

If an Event of Default or an Event of Insolvency occurs with respect to a Member (the "Defaulter") and continues to exist:

(a) one or more of the other Member(s), provided that such Member(s) is not a Defaulter, shall have the right to give notice (the "Applicable Notice") to the Defaulter (the "Vendor") that wish to purchase the Tenancy Interest of the Defaulter (the "Applicable Interest").

(b) the Applicable Notice shall constitute an irrevocable offer (subject to any statutory approvals that may be required) by the Purchaser to purchase all but not less than all of the applicable interest free and clear of any claims, mortgages, charges, pledges, liens or other encumbrances whatsoever, other than those Permitted Encumbrances, for a purchase price equal to seventy percent (70%) of the Fair Market Value or in an Event of Insolvency equal to one hundred (100%) per cent of the Fair Market Value of the applicable interest on the date that the applicable notice is received by the Defaulter (the "Applicable Date"), determined in the manner set out in Section 8.5 hereof and payable as hereinafter set forth.

The aggregate purchase price for the Applicable Interest shall be paid as follows:

(c) as to an amount equal to the Vendor's share of the Co-Tenancy's liabilities as at the Time of Closing by the assumption by the Purchaser(s) of such liabilities;

(d) the balance, if any, shall be payable as follows:

(i) as to twenty-five percent (25%) thereof in cash or by certified cheque at the Time of Closing;

(ii) the balance of the purchase price shall be paid in four (4) equal consecutive annual instalments together with interest on the principal balance from time to time outstanding, calculated annually, not in advance, at the rate hereinafter provided, both before and after default, as well after as before maturity, with interest on overdue interest at the aforesaid rate, such interest to be payable annually at the same time as payments of principal. The first of such instalments of principal and interest shall become due and payable one (1) year after the date of closing with interest at the aforesaid rate computed from the date of closing. In calculating the amount of interest payable on any particular payment date, the rate of interest to be applied shall be the Prime Rate in effect on such date less one percentage point and the rate so determined shall be deemed to have been the rate in effect throughout the period since the last such payment of interest.

8.5 **Determination of Fair Market Value**

The Fair Market Value of the Defaulter's interest shall, unless determined in writing by the Vendor and Purchaser(s) within fifteen (15) days of the applicable date, be determined by appraisal as follows:

(a) the Purchaser(s) and the Vendor shall appoint a single Accredited Appraiser satisfactory to both (or all, as the case may be) such parties for the purpose of determining the fair market value of the Applicable Interest;

(b) if the Vendor and the Purchaser(s) fail to agree upon an Accredited Appraiser within such fifteen (15) day period, then within ten (10) days thereafter, the Vendor shall appoint one Accredited Appraiser and the Purchaser(s) shall appoint one Accredited Appraiser. The two appraisers so appointed shall, within ten (10) days of the date on which the last of such appraisers is appointed, appoint a third Accredited Appraiser. The three appraisers so appointed shall each determine the Fair Market Value of the Applicable Interest;

(c) if either the Vendor or the Purchaser(s) shall fail within the ten (10) day period limited hereby to appoint an Accredited Appraiser then the appraiser so appointed by the other of them shall be conclusively deemed to have been appointed by the Vendor and Purchaser(s) jointly pursuant to Subsection 8.5(a) hereof. If both the Vendor and the Purchaser(s) fail to appoint their respective Accredited Appraiser within such ten (10) day period, then a single Accredited Appraiser shall be appointed by a Judge of the Superior Court of Justice upon the application of either the Vendor or the Purchaser(s) for the purpose of determining the Fair Market Value of their applicable interest;

(d) if the two appraisers fail to appoint a third Accredited Appraiser within the time period prescribed in Subsection 8.5(b) hereof, an Accredited Appraiser shall be appointed by a Judge of the Superior Court of Justice upon the application of any of the Purchaser(s) or the Vendor;

(e) within thirty (30) days after the date that the single or third appraiser is appointed, each appraiser shall prepare and submit to the Vendor and the Purchaser(s) a written report setting forth the Fair Market Value of the applicable interest on the applicable date in his opinion.

In preparing their reports, the appraisers shall have access to all books of account and records and all vouchers, cheques, papers and documents of the Co-Tenancy. The Members shall co-operate with the appraiser(s) for such purpose and shall provide all information and documents requested by him or them.

(f) for the purposes hereof, the Fair Market Value of the applicable interest shall be the amount set forth in the single appraisal; or if there are three appraisals, the average of the fair market values set forth in the three appraisals;

(g) the determination of the Fair Market Value of the Applicable Interest pursuant to this Section shall, in the absence of fraud or clerical error, be final and binding on the Vendor and the Purchaser(s) and on all other persons affected thereby and there shall be no appeal therefrom;

(h) the Vendor shall bear not only the fees and expenses of the appraiser appointed by or for it, but also the fees and expenses of the single appraiser or the third appraiser, as the case may be.

8.6 Closing

The date of closing of the transaction of purchase and sale herein contemplated (the "Date of Closing") shall be the date being thirty (30) days after the purchase price for the Tenancy Interest is finally determined as provided in Section 8.5 hereof or such earlier or later date as the Vendor and Purchaser(s) may mutually agree upon.

The closing of the transaction of purchase and sale herein contemplated shall take place at the offices of the solicitor for the Co-Tenancy at the Time of Closing on the Date of Closing or at such other time and place as the parties may mutually agree upon.

8.7 **Documents**

The Vendor and the Purchaser(s) shall each execute and deliver and cause to be executed and delivered all such documents and do and perform and cause to be done and performed all such acts and things as may be necessary or desirable in order to give effect to the provisions of this Article.

8.8 **Separate Rights**

The rights of any Member under this Article 8 hereof and at law or in equity are separate and are not dependent on one another and each such right is complete in itself and not by reference to any other such right. Any of such rights or any combination of such rights may be exercised by a Member from time to time and no such exercise shall exhaust such rights or preclude such Member from exercising any other rights or any combination of such rights from time to time thereafter or simultaneously.

9. ARTICLE 9 - GENERAL SALE PROVISIONS

9.1 **Application**

Except as may otherwise be provided in this agreement, the provisions of this Article shall apply to any sale of a Tenancy Interest pursuant to Articles 7 and 8 hereof in each case mutatis mutandis provided that in the event of any conflict between the provisions of this Article 9 and the provisions of any offer referred to in Article 7 hereof (Rights of First Refusal), the provisions of such offer shall prevail.

9.2 **Priorities**

The following respective provisions contained in this Agreement shall rank in the following order of priority:

(a) First Priority: the Sale of a Defaulter's Interest in the Co-Tenancy;

(b) Second Priority: the Right of First Refusal.

In the event that a Member(s) exercises one of the rights above-listed (the "Effective Right"), no other Member(s) may exercise any right of lesser priority until the completion of the exercise of that right and any purported exercise of any right of lesser priority shall be deemed null and void. However, the exercise of any right having a higher priority than the Effective Right prior to the completion of the exercise of the Effective Right, shall take priority and shall nullify the exercise of the Effective Right.

9.3 **Closing Requirements**

At the Time of Closing, the Vendor(s) shall:

(a) deliver to the Co-Tenancy and the Nominee signed resignations by all of its nominees, as employees, directors and officers thereof, as the case may be;

(b) assign and transfer to the Purchaser(s) the Tenancy Interest being sold to it or them, as the case may be, and deliver all necessary instruments and conveyances for the purpose of effecting the assignment of such Tenancy Interest to the Purchaser(s);

(c) do all other things required in order to deliver good and marketable title to the Tenancy Interest to the Purchaser(s), free and clear of any claims, liens and encumbrances whatsoever, save and except for those Permitted Encumbrances referred to in Section 1.1 hereof. Provided that, if at the Time of Closing the Tenancy Interest is not free and clear of all other claims, liens

and encumbrances whatsoever, the Purchaser (s) may, without prejudice to any other rights which it/they may have, purchase the Tenancy Interest subject to such claims, liens and encumbrances. In that event, the Purchaser(s) shall, at the Time of Closing, assume all obligations and liabilities with respect to such claims, liens and encumbrances and the purchase price payable by the Purchaser(s) for the Tenancy Interest shall be satisfied, in whole or in part, as the case may be, by such assumption. The amount so assumed shall reduce that portion of the purchase price payable at the Time of Closing and thereafter shall reduce payments on account of the said purchase price in the order of maturity;

(d) deliver to the Purchaser(s) a release by the Vendor(s) of all its/their claims against the Purchaser(s), its principal(s) and the Nominee and each of its directors and officers with respect to any matter or thing relating to the Co-Tenancy up to and including the Time of Closing but excluding any claims for payment of the balance, if any, of the purchase price for its Tenancy Interest and the indemnity referred to in Section 9.6 hereof;

(e) either provide the Purchaser(s) with evidence reasonably satisfactory to the Purchaser(s) that the Vendor(s) is/are not then a "non-resident" of Canada within the meaning of the Income Tax Act (Canada) or provide the Purchaser(s) with a certificate pursuant to Subsection 116(2) of the Income Tax Act (Canada) with a certificate limit in an amount not less than the purchase price for the Tenancy Interest; provided that if such evidence or certificate is not forthcoming, the Purchaser(s) shall be entitled to make the payment of tax required under Section 116 of the Income Tax Act (Canada) and to deduct such payment from the purchase price for the Tenancy Interest, the amount deducted to reduce that part of the purchase price payable at the Time of Closing and thereafter to reduce payments on account of the said purchase price in the order of maturity.

10. ARTICLE 10 -THE NOMINEE

10.1 General Provisions

The Nominee shall:

(a) The Members appoint the Nominee to acquire and hold title to the Property, and all other property, assets and rights of the Co-Tenancy as bare trustee for the Members in the proportions set out hereunder:

MEMBER	PERCENTAGE SHARE
1981361	50%
Compro	50%

(b) The Nominee accepts such appointment and acknowledges and declares that it agrees to hold the Property and all other property, assets and rights of the Co- Tenancy as bare trustee for the Members in accordance with the provisions hereof and that the Nominee has no beneficial interest, right or title to or in the Property, or other property, assets or rights, or any part thereof of the Co-Tenancy.

(c) The Nominee also agrees that it will perform such activities and enter into such agreements in connection with the Property as the Management Committee may request from time to time.

10.2 General Duties

The Nominee shall:

(a) at all times comply with the provisions of this Agreement and follow the directions of the Management Committee;

(b) act solely on the directions of the Management Committee and not on the directions of an individual Member; and

(c) not acquire or hold any property, incur any liability, undertake any obligation or perform any activity except on the directions of the Management Committee and in connection with the Property.

10.3 **Duties re: the Property**

(a) The Nominee shall cause to be provided to each Member such information relating to the Property as the Member may reasonably request.

(b) The Nominee shall cause to be maintained appropriate and proper books of account and records with respect to the Property.

(c) Each Member shall have the right from time to time and at all reasonable times during usual business hours to audit, examine and make copies of or extracts from the records relating to the Property. Such right may be exercised through any Person designated by the Member. Each Member shall bear all expenses of any such examination.

10.3 A Tarion Registration and License

(a) The parties further acknowledge and agree that Nominee shall be named as the applicant(s) for the purposes of enrolment in Tarion and Nominee shall appear as the vendor on all agreements of purchase and sale related to the Project, subject to Management Committee Approval.

(b) The Co-Tenants and/or their principals shall provide any guarantees which may be required by Tarion and St. Paul Guarantee Insurance Company in respect of any bonds issued in relation thereto, which may be required by Tarion to enroll the Units comprising the Project.

(c) The Nominee agrees to grant the Co-Tenancy a limited use licence to use the name "The Waterways of Muskoka" in connection with the marketing and sale of the Units relating to the project.

10.4 **Organization of the Nominee**

The Nominee shall, be organized or re-organized, as the case may be, as follows:

(a) The business and affairs of the Nominee shall be managed by the Board of Directors of the Nominee. There shall be two Directors, being Alex Troop and Sandy Sussman. Should any vacancy occur on the Board of Directors for any reason, such vacancy shall forthwith be filled by the Member which is then not represented by the nominee to which it is entitled and until such vacancy is filled, the Board of Directors shall not transact any business or exercise any of the powers or functions except as may be necessary to qualify or elect any new director;

(b) At all times, the Members shall have the right to be represented on and have elected to the Board of Directors of the Nominee, the following nominees:

MEMBER	NAME OF NOMINEES
1981361	Sandy Sussman
Compro	Alex Troop

Each of the Members expressly covenants and agrees to vote or cause to be voted, its respective shares at all meetings of the shareholders, or to consent to all resolutions of the shareholders, as the case may be, respecting the election or appointment of Directors, to give full effect to the provisions of this Section.

(c) Subject to the provisions herein in respect of an Event of Default, the Nominee shall have two (2) Officers, being the following respective nominees:

POSITION	NAME OF NOMINEES
President	Alex Troop
Secretary/ Treasurer	Sandy Sussman

(d) All documents, instruments or agreements having a legally binding effect on the Members in respect of the Property shall be signed by *one of Alex Troop or Sandy Sussman or* any one of on behalf of the Members at the direction of the Management Committee or, where applicable, at the direction of all the Members.

(e) Each Member shall subscribe for and there shall be issued to each of the Members common shares at the rate of ONE DOLLAR ($1.00) per share in the capital of the Nominee as follows:

MEMBER	No. and Class of Shares
1981361	50 shares
Compro	50 shares

It is expressly understood and agreed that, without the unanimous consent of the Members, the Nominee shall not allot or issue any additional shares in the capital thereof.

(f) All share certificates issued or to be issued by the Nominee shall be endorsed with a memorandum as follows:

"This certificate is issued to and held by the party to whom it is issued, subject to the terms of an agreement made as of the _____ day of _____, _____, among _____as amended and restated by the Amended and Restated Co-Tenancy Agreement dated _____, 201 among _____.

(g) The Members hereby agree that this Section shall constitute a unanimous shareholders agreement and that, for so long as this Section is in force, the directors of the Nominee are hereby relieved of all of their rights, duties, powers, obligations and discretion as directors with respect to the management of the business and affairs of the Nominee including, without limitation, all of their rights, duties, powers, obligations and discretions as directors pursuant to the provisions of the *Business Corporations Act* (Ontario) and any amendments thereto, and all such rights, duties, obligations and discretions are hereby entrusted to the Co-Tenancy.

10.5 **Indemnity by Members**

Each Member hereby irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the directors and officers of the Nominee from and against any and all liability, loss, harm, damage, cost or expense, including legal fees, which they may suffer, incur or sustain as a result of any suit, claim or demand, brought or made against them and arising out of the due and proper performance by them of their duties as directors and officers of the Nominee

10.6 **Obligations of Members**

(a) The Members covenant and agree to and with each other that they shall cause their respective nominees on the Board of Directors of the Nominee to cause it to

follow the directions of the Management Committee properly given pursuant to this Agreement and to comply with the provisions of this Agreement.

(b) The Members, in their capacity as shareholders of the Nominee, shall do, or cause to be done, all such acts and things as shall be necessary or desirable to give effect to the provisions of this Agreement including, without limiting the generality of the foregoing, voting or causing to be voted the shares in the capital of the Nominee beneficially owned by them.

(c) The Members, in their capacity as shareholders of the Nominee, agree from time to time to transfer their interest in the shares in the capital of the Nominee whenever such transfer is required in connection with the transfer of a Tenancy Interest under or by virtue of this Agreement and to do all acts and things as may be necessary, desirable or useful for such purpose. In the event of the refusal or failure of a Member to transfer its shares in the Nominee as aforesaid, each of the other Members may, as attorney for the Member refusing or failing to transfer its shares, transfer such shares as required to comply with this agreement and to execute and deliver all necessary documents or writings and to do all such acts as are necessary to give effect to the foregoing and for such purpose only each Member is irrevocably constituted and appointed the attorney of each of the other Members.

10.7 **Fiscal Year**

The financial year of the Nominee shall be the same as the accounting period of the Co-Tenancy, as determined in Section 6.1 of this Agreement.

10.8 **By-Laws of the Nominee**

The by-laws of the Nominee shall give effect to the foregoing provisions of this Article and shall provide, among other things, as follows:

(a) subject to the provisions regarding defaulting Members, the presence of all directors shall be required to constitute a quorum at any meeting of the Board of Directors;

(b) any resolution of the Board of Directors shall require the affirmative votes of all directors;

(c) the presence of all shareholders of the Nominee shall be required to constitute a quorum at any meeting of the shareholders;

(d) any resolution of shareholders shall require the affirmative votes of all of the shareholders at the meeting at which such resolution is passed;

(e) any director shall have the right arty time and from time to time to call a meeting of the Board of Directors;

(f) any shareholder holding one (1) or more shares in the Nominee entitled to voting rights at such meeting shall have the right at any time or from time to time to call a meeting of the shareholders;

(g) the chairman presiding at directors' meetings shall have the right to vote in his/her capacity as a director in the first instance, but shall have no second or casting vote in case of an equality of votes;

(h) the chairman presiding at shareholders' meetings shall have the right to vote in the first instance in his/her capacity as a shareholder, and as a proxy if so appointed, but shall have no second or casting vote in case of an equality of votes.

10.9 **Restricted Activity**

The Nominee shall not carry on, nor be permitted to carry on, any business of any nature or kind whatsoever in its own right and shall be restricted in all of its activities to the performance of its function as Nominee as herein set forth. Notwithstanding that the ownership of the Property may be registered in the name of the Nominee, the true and beneficial ownership thereof shall for all purposes be vested in the Members in their respective Shares.

11. ARTICLE 11 - MANAGEMENT AND SUPERVISION

11.01 Subject to section 5.6, the Members hereby covenant and agree to engage the "Manager" on behalf and for the benefit of the Co-Tenancy to manage and supervise on their behalf all aspects of the development of the Project, including without limitation:

(i) Liaise with developer/landowner with respect to the purchase of the POTL's and co-ordinate and co-operate as required with the developer/landowner as required to complete the Project.

11.02 Subject to section 5.6, the Members hereby covenant and agree to engage Alliance Manager on behalf and for the benefit of the Co-Tenancy to manage and supervise on their behalf, all aspects of construction and marketing of the Leases and such Units residential dwelling units including without limitation the following obligations listed below (hereinafter referred to as the "Services").

The Services to be performed by Manager with respect to their respective Project include:

(i) supervising the sales and marketing operations of the Units, dealing with potential purchasers of the Units and with real estate agents and entering into, terminating and modifying agreements of purchase and sale of the Units provided such agreements are in accordance with the Construction Budgets and the sales program prepared by each of the Managers and approved by the Management Committee (the "Budget and Sales Program"). The Co-Tenancy shall not execute any agreement of purchase and sale of a Unit that contemplates the customization of a Unit without the written approval of the Managers. "Standard" finishes and "upgrade" finishes will be limited to pre-determined packages of materials and will be displayed on panel boards. Upgrades will be restricted to the selection of one or more upgrade panel boards displaying complete upgrade packages. For the purposes of this Agreement customization shall be any work to a Unit that is in addition to "standard" finishes and "packaged upgrade" finishes.

(ii) preparing and submitting an estimated Budget for the Sales Program;

(iii) the preparation and delivery to the Co-Tenants of reports as requested to the status of the sales of the Units;

(iv) following the execution of an agreement of purchase and sale of a Unit, meeting with such purchaser to assist him/her in the selection of colours and packaged upgrades and attending to the execution of any documents relating thereto, and relaying all the information relating therefor to the consulting team and any other required person(s) to ensure such information is included in the drawings and /or sub-trades contracts of the sub-contractors;

(v) administrating (A) the sales of the Units to the extent that such administration is not provided by the realtor retained by the Co-Tenants, (B) service co-ordination with the purchasers of Units, (C) customer relations, (D) the selection of colours and other items relating to the finishing of the Units by purchasers of the Units, and (E) the customization, if necessary, of the Units; and

(vi) preparing and submitting the Construction Budgets setting forth in reasonable detail an estimated construction budget Project, (as the case may be);

(vii) holding meetings as requested with the Management Committee to review and discuss the status of the development of the Project or in lieu of any such meeting, the delivery to the Management Committee of a written report relating thereto and, in any event, a monthly written report relating thereto;

(viii) procuring competitive bids for and entering into and supervising the performance of all contracts relating to the construction of the Project including all contracts for the purchase of materials and leasing of all equipment, provided such contracts are in accordance with their respective Construction Budget. Each of the Managers shall not knowingly enter into any contract, agreement, lease or other arrangement for the furnishing to the Co-Tenancy of goods, materials and services with any party or entity not dealing at Arm's Length with it including, without limiting the generality of the foregoing, any property management by any party not dealing at Arm's Length with it unless such contract, agreement or arrangement has been approved by the Management Committee;

(ix) approving the designs and specifications of the Units, the terms of all servicing and construction contracts and bonding requirements; The Co-Tenants acknowledge that all service and construction contracts shall be either in the name of the Nominee or the Managers, as determined solely by the Managers. Furthermore, each Manager shall have the absolute authority to select all contractors and suppliers with respect to the Project provided the contracts with the aforesaid are in accordance with their respective Construction Budget. Prior to the execution of any servicing and/or construction contracts, such contract shall be presented before the Management Committee;

(x) directing in its sole and absolute discretion all architects, designers, engineers and other consultants and professionals as may be necessary for the purpose of the construction of and for tendering contractors to the sub-contractors;

(xi) supervising the actual construction of the Project including those matters for which contracts and subcontracts have been let;

(xii) supervising the financial management and administration of the Project including the day-to-day dealings with suppliers, mortgagees and other lenders;

(xiii) managing and supervising the construction and other services after the completion of the construction of the Project including all after sales service, construction deficiencies, and disputes under and liasion with The Tarion Corporation ("Tarion"), formerly, the Ontario New Home Warranty Program;

(xiv) maintaining, engaging and terminating the requisite personnel, consultants and expertise to complete the Project in a competent, honest and efficient manner as would a prudent owner on its own account;

(xvi) preparing and delivering to the Co-Tenants quarterly (of periodic reports as to the financial status and as to the status of the construction of the Project including, particulars as to the progress of the construction and an analysis of the costs to date.

All such reports shall contain the following information: (a) a budget versus actual costs to date and balance to complete; (b) a cash flow budget.

(xvii) maintaining an office for the Co-Tenancy, including all of the necessary clerical staff, telephones, office equipment and office supplies at the sole cost of the Manager save and except the site office, site telephone and site staff, including without limitations, the service personnel, and the personnel described in subsection 11.06(b) if required;

(xviii) obtaining the required building permits for the Project and managing the obtaining of all other permits, licences and permissions relating to the construction of the Project;

(xix) preparing profit and loss statements as compared to the Construction Budget for the Project when reasonably requested and monthly trial balances for the Co-Tenancy;

(xx) selecting the property manager for the Project managing the relationship between the Members and the Unit owners.

11.03 Meetings of the Members will be held monthly to receive verbal reports from the Managers, failing which, reports shall be mailed to the Co-Tenants by the Managers setting forth pertinent information pertaining to the Co-Tenancy.

11.04 (a) In consideration of the performance of the Manager's duties and responsibilities as outlined in section 11.01 and 11.02 above, the Members shall pay Manager the following fees:

(i) a construction management fee (" Construction Management Fee") of $10,00.00plus H.S.T. per Unit payable as follows:

i) $3,333.00 plus H.S.T. per Unit upon pouring the foundation for each residence; and

(ii) $3,333.00 plus H.S.T. per Unit upon installation of drywall in each residence; and

(iii) $3,334.00 plus H.S.T. per Unit upon the issuance of an occupancy permit.

11.05 The following matters, costs and expenses which may be incurred by the Managers, shall not be charged to the Co-Tenancy:

(a) provision by the Co-Tenancy of an office, rental charges thereof, office and administrative staff, telephone charges, postage, stationery, and all other matters incidental to the maintenance and operation of such Co-Tenancy office;

(b) personal gasoline and personal car maintenance and all other personal traveling expenses of non-site staff;

(c) all costs and expenses incidental to the performance of the Managers' duties as set out in Section 11.01 and 11.02, save and except only those matters hereinafter specifically set out in Section 11.06;

(d) all costs and expenses incurred on account of salary paid to employees, subject to Section 11.06, whether such employees provide managerial, administrative or clerical or other services, including Worker's Compensation contribution costs or deductions from such employees, unemployment insurance and Canada Pension Plan contributions, costs or deductions for such employees, insurance policies of any nature or kind whatsoever, including medical, dental, life, sickness, accident or liability policies, obtained with respect to such employees or with respect to the principals of the respective Manager;

11.06 The following costs and expenses which may be incurred by the Managers are hereby deemed to be expenses of the Co-Tenancy and shall be paid by the Co-Tenancy in the same manner as the other expenses thereof:

(a) monies actually expended to purchase incidental supplies and materials and equipment used in connection with the performance of their respective obligations listed in subsection 11.01 and 11.02 including the purchase of incidental supplies and materials used in connection with the servicing of the Property and the construction of the Units or used in connection with the supervision of such servicing and construction. Any such purchase over $10,000.00 shall require the approval of the Management Committee;

(b) salaries, benefits, and applicable bonuses (plus all applicable taxes) of casual laborers, field superintendents, field foremen, service/handymen, clerks, customer relations persons, and a full time project manager employed in the construction and post-sales servicing of the Project, excluding all head office staff employed by the Managers. The Managers will also be entitled to be reimbursed for the payment of benefits relating to the aforesaid persons, a cost currently estimated to be 36% of the salaries for union employees and 17% for non-union employees; and

(d) monies actually paid to third parties in connection with the performance of its obligations as provided in this Agreement.

11.07 (a) The costs of the Sales Program and the Leasing Program will be a cost relating to the Project until the completion of the sale of all of the Units and/or the leasing of all of the Units in the Project. Such costs will include the lease payments relating to the land on which the rental/sales center for the Project as the case may be, is situate and the costs relating to the construction of any sales centre.

(b) The Co-Tenants agree that the sales center will be utilized to the maximum extent possible for the marketing and sales of the Units.

11.08 During the course of the Project as the case may be, if the Units are enrolled under Tarion and if some or all of the Units are sold, a fund shall be established (the "Reserve") for the purpose of payment of all costs as may be reasonably anticipated for the repair, replacement, and correction of construction defects in the Units, the repair, replacement, and correction of subdivision services, completion of the obligations of the Co-Tenancy pursuant to any agreement of purchase and sale in respect of the Property, completion of any obligations incurred by the Co-Tenancy pursuant to any requirements of Tarion or regulations of Tarion, and, generally, the cost of completion of all follow-up work on the Property arising out of or associated with building operations undertaken by the Co-Tenancy (hereinafter collectively referred to as the "subsequent building operations"). The Reserve shall be calculated on the basis of $1,000.00 per Unit for each of the Units constructed upon the Property and shall be released as determined by the Co-Tenants. The investment of the monies in the Reserve and all disbursements from the Reserve shall be within the exclusive control of the Management Committee.

11.09 (a) If a Co-Tenant has committed an Event of Insolvency or an Event of Default, such Co-Tenant shall not be entitled to any fee to which it is otherwise entitled.

c) If the Manager has committed an Event of Default with respect to its obligations described in Section 11.01, any fees owing to the Manager shall be suspended until the Event of Default has been rectified and upon rectification thereof, such fees shall be paid to the Manager less any expenses, losses and damages incurred by the Co-Tenancy arising from such Event of Default.

12. ARTICLE 12 - GENERAL PROVISIONS

12.01 Arbitration

(a) During the construction of the Project and until construction of the Project is completed or certified by the architect of the Project, the parties acknowledge and

agree that any dispute concerning any matter relating to the construction of the Project:

(i) that is monetary; or

(ii) which if not resolved promptly would delay the Project,

shall be submitted to arbitration in accordance with the provisions of this Section 13.01 on 5 Business Days' notice in writing by a Co-Tenant to the other. For the purposes of this Section 13.01, the arbitrator (the "Arbitrator") shall be David O'Keefe and in the event of the death, resignation, incapacity, neglect, failure or refusal of to act as such and such incapacity, neglect, failure or refusal continues for a period of 3 Business Days, then the Arbitrator shall be selected in accordance with Subsection 13.01(b).

(b) Subject to Section 13.01(a), any and all disputes with respect to all other matters which arise between the parties herein in connection with this Agreement, shall be determined by arbitration and the following shall apply:

Unless a single arbitrator is agreed upon, the party or parties desiring arbitration, on the one hand, and the party or parties adverse to the party desiring arbitration, on the other hand, shall each be entitled to appoint one arbitrator, and the third member of the arbitration panel shall be appointed by the arbitrators so appointed.

The party or parties desiring such arbitration shall give written notice to that effect to the other party or parties and shall in such notice appoint a disinterested person of recognized competence in the field involved as one of the arbitrators and within fifteen (15) days thereafter, the other party shall by written notice to the original party, appoint a second disinterested person of recognized competence in such field as an arbitrator. The arbitrators thus appointed shall as promptly as possible determine such matter, provided, however, that:

(i) If the second arbitrator shall not have been appointed as aforesaid, the first arbitrator shall proceed alone to determine such matter; and

(ii) If two arbitrators are appointed, they shall appoint a third arbitrator within fifteen (15) days after the appointment of the second arbitrator provided that if they are unable to agree on a third arbitrator within such fifteen (15) days, then the two (2) arbitrators shall give written notice of such failure to agree to the parties, and the parties shall select a third disinterested person of recognized competence in such field. Iithe parties fail to agree upon the selection of such third arbitrator within fifteen (15) days after the arbitrators appointed give notice as aforesaid, then within five (5) days thereafter either of the parties upon written notice to the other party may apply for such appointment to the Superior Court of Justice of Ontario or to any other court having jurisdiction;

(iii) Each party shall be entitled to present evidence and argument to the arbitrators. The arbitrator or arbitrators shall have the right only to interpret and apply the terms, covenants, agreements, provisions, conditions and limitations of this Agreement, and may not change any terms, covenants, provisions, conditions or limitations, or deprive any party to this Agreement of any right or remedy expressly or impliedly provided in this Agreement. All evidence and submissions must be presented to the arbitrator(s) within fifteen (15) days after the arbitration panel is constituted;

(iv) The determination of the majority of the arbitrators or of the sole arbitrator, as the case may be, shall be conclusive upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrators shall give written notice to the parties stating their determination, and shall furnish to each party a copy of such determination signed by them;

(v) In the event of the failure, refusal or inability of any arbitrator to act, a new

arbitrator shall be appointed in his stead, which appointment shall be made in the same manner as hereinbefore provided for the appointment of the arbitrator so failing, refusing or unable to act;

(vi) The expenses of arbitration shall be borne by the parties on such basis as is determined by the arbitrators.

12.02 **Notice**

All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery, by registered mail, postage prepaid, or by telecopies addressed to the other party or delivered to such other party as follows:

MEMBER	ADDRESS FOR SERVICE
1981361	129 Dunlop St. East, Barrie, Ontario, L4M 1A6
Compro	6048 Highway No. 9, Unit 7, Schomberg, ON, L0G 1T0.

or at such other address as may be given by any of them to the others in writing from time to time, not to exceed two at any particular time, and such notices, requests, demands, acceptances and other communications shall be deemed to have been received when delivered (if personally delivered), or if mailed, on the fifth (5th) business day after the mailing thereof or on the business day following transmission if sent by telecopier; provided that in the event of a strike or other interruption in the normal delivery of mail after the mailing of any notice, request, demand, acceptance or other communication hereunder but before the deemed receipt thereof as provided herein, such notice, request, demand, acceptance or other communication shall not be deemed to be received by the party for whom the same is intended unless the same is delivered to such party as contemplated herein.

12.03 **Additional Co-Tenancy Lands**

Subject to the unanimous consent of all of the Members, the Co-Tenancy may, through the Nominee, or otherwise, enter into such further agreements for the purchase and development of lands as may be deemed appropriate by the Management Committee, all of which further lands and projects in respect thereof, shall be governed by the provisions of this Agreement.

12.04 **Interest on Unpaid Amounts**

If any party should fail to pay any amount to any other party when such amount is due, interest shall accrue on such unpaid amount from the date of payment to the date of actual payment at the Interest Rate, such interest to be calculated and payable monthly with interest on overdue interest at the Interest Rate.

12.05 **Planning& Act**

Where applicable, the provisions of this Agreement requiring compliance with s. 50 of the *Planning Act*, R.S.O. 1990, C.P. 13, and any amendments thereto, are agreed to be subject to the condition that the provisions shall be effective only if the provisions of s. 50 of the *Planning Act* are complied with and the parties agree to use their best efforts to cause such compliance.

12.06 **Further Assurances**

Each of the parties shall from time to time and at all times do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

12.7 **Independent Legal Advice**

The parties hereto hereby acknowledge that the Firm is acting for the Nominee, Compro and the Manager only and that it has recommended to each of the other parties to this Agreement that they obtain independent legal advice concerning the advisability of entering into this Agreement before executing it.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of:

1981361 ONTARIO INC.
Per:

Name: Sandy Sussman
Title: President

ALLIANCE COMPRO INC.
Per:

Name: Alex Troop
Title: President

ALLIANCE HOMES LTD.
Per:

Name: Alex Troop
Title: President

WATERWAYS OF MUSKOKA LTD.
Per:

Name: Alex Troop
Title: President

Appendix “K”
to the First Report of the Receiver

INVESTOR AGREEMENT

This agreement is entered into between Sussman Mortgage Funding Inc. in Trust and ●:

1. **This mortgage shall be registered in the name of Sussman Mortgage Funding Inc. in Trust.**
2. **Sussman Mortgage Funding Inc. in Trust hereby acknowledges that the mortgage which we hold as mortgagees is held for and solely on behalf of the investor who gives Sussman Mortgage Funding Inc. in Trust $● to participate in the ● Mortgage Investment bearing interest at ●% maturing in ● repayable in monthly payments of Principal and Interest.**
3. **Sussman Mortgage Funding Inc. in Trust shall pay the investor their portion of the monthly mortgage payment including any bonuses and penalties that may be paid on this mortgage transaction.**
4. **In event of default under the mortgage, Sussman Mortgage Funding Inc. in Trust shall contact investors to inform them of the same.**
5. **The investor shall pay on a pro rate basis any additional sums of money which we require to be paid in the event of the mortgagors default, and all benefits arising out of the pay out of the mortgage shall be shared by the investors to the extent of their respective interest.**
6. **In event of Power of Sale Sussman Mortgage Funding Inc. in Trust shall retain counsel to exercise Power of Sale and shall retain a real-estate broker to list said property for sale. The Mortgagee shall maintain the property until the sale is complete.**
7. **Sussman Mortgage Funding Inc. in Trust shall inform the investor in writing in the event that the mortgage broker becomes aware of any subsequent encumbrance on title or any other significant change in circumstances affecting the mortgage.**
8. **Sussman Mortgage Funding Inc. in Trust shall receive remuneration in the amount of ●% of the interest received by the investor. This shall be deducted from the monthly mortgage payment.**
9. **Should an investor request an early payout prior to maturity, this will be completed provided that Sussman Mortgage Funding Inc. in Trust is able to find another investor to take their position.**

Signed and Dated on this day of , ●.

A C K N O W L E D G E M E N T

I/We hereby acknowledge of being in receipt of all documents listed as Part E on Investor/Lender Disclosure Statement.

Signed and dated this day of , •

_____

Appendix “L”
to the First Report of the Receiver

INVESTOR AGREEMENT

This agreement is entered into between Sussman Mortgage Funding Inc. in Trust and ●:

1. **This mortgage shall be registered in the name of Sussman Mortgage Funding Inc. in Trust.**
2. **Sussman Mortgage Funding Inc. in Trust hereby acknowledges that the mortgage which we hold as mortgagees is held for and solely on behalf of the investor who gives Sussman Mortgage Funding Inc. in Trust $● to participate in the ● Equity Position of ●% Investment bearing interest at ●% maturing in ● repayable in monthly payments of Interest only.**
3. **Sussman Mortgage Funding Inc. in Trust shall pay the investor their portion of the monthly investment payment including any bonuses and penalties that may be paid on this investment transaction.**
4. **In event of default under the investment, Sussman Mortgage Funding Inc. in Trust shall contact investors to inform them of the same.**
5. **Sussman Mortgage Funding Inc. in Trust shall inform the investor in writing in the event that the mortgage broker becomes aware of any subsequent encumbrance on title or any other significant change in circumstances affecting the mortgage.**
6. **Sussman Mortgage Funding Inc. in Trust shall receive remuneration in the amount of ●% of the interest received by the investor. This shall be deducted from the monthly mortgage payment.**
7. **Should an investor request an early payout prior to maturity, this will be completed provided that Sussman Mortgage Funding Inc. in Trust is able to find another investor to take their position.**

Signed and Dated on this day of , ●.

A C K N O W L E D G E M E N T

I/We hereby acknowledge of being in receipt of all documents listed as Part E on Investor/Lender Disclosure Statement.

Signed and dated this day of , •

_____

Appendix “M”
to the First Report of the Receiver

Investor Code	SML Count	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
CO01	5	500,000	500,000	not provided
AP01	4	1,135,180	1,135,180	not provided
ON01	1	100,000	100,000	100,000
VT01	2	560,000	560,000	560,000
PI02	4	525,000	525,000	not provided
AD01	2	839,000	839,000	839,000
SB01	1	195,000	195,000	250,000
LB01	2	110,000	110,000	110,000
BA01	11	1,590,000	1,590,000	1,590,000
GR05	5	700,000	700,000	700,000
EL01	2	20,000	20,000	20,000
BR01	13	1,715,000	1,715,000	1,790,000
BR02	8	1,304,485	1,304,485	1,459,615
GB01	5	475,000	475,000	575,000
CA01	3	500,000	500,000	500,000
CA02	2	150,000	150,000	150,000
CS01	1	25,000	25,000	not provided
JC01	1	100,000	100,000	not provided
CI01	1	280,000	280,000	28,000
CO02	1	300,000	300,000	not provided
ED01	1	200,000	200,000	200,000
WD01	2	253,000	253,000	253,000
RD01	1	20,000	20,000	not provided
FF01	3	100,000	100,000	100,000
EF01	6	1,156,500	1,156,500	1,156,500
GO02	9	9,856,665	9,856,665	9,856,665
GO05	2	350,000	350,000	350,000
GO04	5	1,040,000	1,040,000	1,040,000
GO03	6	1,050,000	1,050,000	850,000
GO06	3	230,000	230,000	180,000
GR02	8	1,200,000	1,200,000	1,200,000
GR08	2	200,000	200,000	200,000
GS02	3	300,000	300,000	not provided
GS01	3	850,000	850,000	not provided
VG01	1	30,000	30,000	30,000
SV02	2	125,000	125,000	125,000
TP01	13	1,917,000	1,917,000	2,092,000
CH01	1	200,000	200,000	200,000
GU02	3	200,000	200,000	not provided
GR06	4	430,921	443,804	461,538
JO02	1	8,000	8,000	not provided
JO01	5	750,000	750,000	790,000
MK01	1	40,000	40,000	40,000
PA01	2	300,000	300,000	300,000

Investor Code	SML Count	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
GO01	25	30,695,671	30,850,671	31,000,450
LO04	1	10,000	10,000	10,000
LO03	2	30,000	30,000	30,000
LO02	1	70,000	70,000	70,000
LO01	3	180,000	180,000	180,000
PA04	1	25,000	25,000	25,000
SV01	21	3,513,715	3,513,715	3,515,142
MH01	9	1,000,000	1,000,000	1,000,000
YM01	1	706,335	706,335	706,335
MC01	4	168,000	168,000	158,000
SF02	1	798,000	798,000	798,000
MI01	5	400,000	400,000	400,000
MO01	1	100,000	100,000	not provided
TE04	2	100,000	100,000	100,000
TE06	2	40,000	40,000	not provided
TE05	1	45,000	45,000	45,000
PA03	1	50,000	50,000	50,000
PA02	1	75,000	75,000	75,000
PR01	1	50,000	50,000	50,000
PR02	1	50,000	50,000	50,000
PY04	1	200,000	200,000	not provided
PY05	3	154,681	154,681	not provided
PY06	1	100,000	100,000	not provided
PY11	2	20,000	20,000	not provided
PY07	1	100,000	100,000	not provided
PY01	6	1,668,088	1,668,088	not provided
PY02	1	406,457	406,457	not provided
PY08	1	100,000	100,000	not provided
PY09	1	100,000	100,000	not provided
PY12	1	20,000	20,000	not provided
PY03	2	315,000	315,000	not provided
PY10	1	75,000	75,000	not provided
PE02	5	290,000	290,000	not provided
PE01	5	340,000	340,000	not provided
PE04	6	240,000	240,000	240,000
PE05	1	50,000	50,000	50,000
PE03	7	290,000	290,000	290,000
PI02	4	400,000	400,000	400,000
PI01	1	150,000	150,000	150,000
SH01	10	575,000	575,000	575,000
RI01	5	560,000	560,000	560,000
GR07	2	350,000	350,000	350,000
RO02	6	353,214	353,214	not provided
RO01	1	146,250	146,082	not provided

Investor Code	SML Count	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
GR04	5	750,000	750,000	750,000
GR03	7	1,190,000	1,190,000	1,190,000
GR01	10	1,585,000	1,607,583	1,785,000
SO02	1	250,000	250,000	not provided
SH01	10	571,604	571,604	640,000
SH03	1	302,400	302,400	302,400
SH02	2	340,000	340,000	340,000
GU01	2	220,000	220,000	not provided
VA01	8	2,100,000	2,100,000	2,100,000
SF01	1	1,228,586	1,228,586	1,228,586
SO01	4	1,515,000	1,515,000	not provided
JS01	2	106,000	106,000	106,000
ST02	7	340,000	340,000	not provided
ST01	7	920,297	920,297	928,476
SN02	2	258,169	258,053	not provided
SN03	1	90,550	90,446	not provided
SS01	3	43,000	43,000	not provided
SC01	17	4,271,663	4,271,663	4,374,411
VA02	6	1,499,000	1,499,000	1,499,000
SV03	1	75,000	75,000	75,000
TE03	3	198,335	198,335	323,335
TN02	3	628,585	628,412	632,600
TN03	1	71,935	71,935	72,900
TN01	8	1,587,000	1,587,000	1,587,000
TE02	1	205,000	205,000	not provided
TE01	3	285,000	285,000	not provided
TP02	4	1,050,000	1,050,000	1,300,000
TP04	1	200,000	200,000	200,000
TP03	5	655,000	655,000	405,000
VT04	1	30,000	30,000	not provided
VA03	1	75,000	75,000	75,000
VT02	1	95,000	95,000	95,000
SN01	6	674,000	674,000	not provided
VT03	1	95,000	95,000	not provided
SF03	2	453,387	453,387	not provided

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
CO01	A-18	100,000	100,000	not provided
CO01	B-90	100,000	100,000	not provided
CO01	B-93	100,000	100,000	not provided
CO01	K-19	100,000	100,000	not provided
CO01	R-66	100,000	100,000	not provided
Total		**500,000**	**500,000**	**not provided**
AP01	A-18	273,000	273,000	not provided
AP01	B-83	632,180	632,180	not provided
AP01	L-16	100,000	100,000	not provided
AP01	R-66	130,000	130,000	not provided
Total		**1,135,180**	**1,135,180**	**not provided**
ON01	L-16	100,000	100,000	100,000
Total		**100,000**	**100,000**	**100,000**
VT01	B-73	250,000	250,000	250,000
VT01	H-26	310,000	310,000	310,000
Total		**560,000**	**560,000**	**560,000**
PI02	A-18	275,000	275,000	not provided
PI02	B-86	250,000	250,000	not provided
Total		**525,000**	**525,000**	**not provided**
AD01	A-18	309,000	309,000	309,000
AD01	B-83	530,000	530,000	530,000
Total		**839,000**	**839,000**	**839,000**
SB01	A-18	195,000	195,000	250,000
Total		**195,000**	**195,000**	**250,000**
LB01	B-73	30,000	30,000	30,000
LB01	B-90	80,000	80,000	80,000
Total		**110,000**	**110,000**	**110,000**
BA01	A-18	100,000	100,000	100,000
BA01	B-73	100,000	100,000	100,000
BA01	B-83	200,000	200,000	200,000
BA01	B-86	150,000	150,000	150,000
BA01	B-90	240,000	240,000	240,000
BA01	M-35	100,000	100,000	100,000
BA01	R-66	150,000	150,000	150,000
BA01	R-68	200,000	200,000	200,000
BA01	T-14	150,000	150,000	150,000

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
BA01	T-20	90,000	90,000	90,000
BA01	W-21	110,000	110,000	110,000
Total		**1,590,000**	**1,590,000**	**1,590,000**
GR05	B-86	200,000	200,000	200,000
GR05	K-19	100,000	100,000	100,000
GR05	L-16	125,000	125,000	125,000
GR05	M-27	150,000	150,000	150,000
GR05	W-29	125,000	125,000	125,000
Total		**700,000**	**700,000**	**700,000**
EL01	P-12	10,000	10,000	10,000
EL01	S-18	10,000	10,000	10,000
Total		**20,000**	**20,000**	**20,000**
BR01	B-73	40,000	40,000	40,000
BR01	B-86	200,000	200,000	200,000
BR01	H-26	100,000	100,000	100,000
BR01	H-27	500,000	500,000	500,000
BR01	L-16	175,000	175,000	175,000
BR01	M-35	200,000	200,000	200,000
BR01	R-61	55,000	55,000	55,000
BR01	R-66	120,000	120,000	120,000
BR01	R-68	125,000	125,000	125,000
BR01	S-18	100,000	100,000	100,000
BR01	T-14	100,000	100,000	100,000
BR01	T-10	-	-	50,000
BR01	C-64	-	-	25,000
Total		**1,715,000**	**1,715,000**	**1,790,000**
BR02	A-14	200,000	200,000	200,000
BR02	B-93	-	-	155,000
BR02	H-26	160,000	160,000	160,000
BR02	L-16	220,000	220,000	220,000
BR02	M-37	175,000	175,000	175,000
BR02	R-68	299,485	299,485	299,615
BR02	T-14	200,000	200,000	200,000
BR02	W-21	50,000	50,000	50,000
Total		**1,304,485**	**1,304,485**	**1,459,615**
GB01	A-18	175,000	175,000	175,000
GB01	B-82	-	-	100,000
GB01	B-83	75,000	75,000	75,000
GB01	R-66	150,000	150,000	150,000

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
GB01	S-18	75,000	75,000	75,000
Total		**475,000**	**475,000**	**575,000**
CA01	B-83	200,000	200,000	200,000
CA01	B-86	200,000	200,000	200,000
CA01	S-18	100,000	100,000	100,000
Total		**500,000**	**500,000**	**500,000**
CA02	B-83	50,000	50,000	100,000
CA02	R-68	100,000	100,000	50,000
Total		**150,000**	**150,000**	**150,000**
CS01	B-90	25,000	25,000	not provided
Total		**25,000**	**25,000**	**not provided**
JC01	T-14	100,000	100,000	not provided
Total		**100,000**	**100,000**	**not provided**
CI01	B-73	280,000	280,000	280,000
Total		**280,000**	**280,000**	**280,000**
CO02	B-83	300,000	300,000	not provided
Total		**300,000**	**300,000**	**not provided**
ED01	B-95	200,000	200,000	200,000
Total		**200,000**	**200,000**	**200,000**
WD01	B-95	120,000	120,000	120,000
WD01	P-12	133,000	133,000	133,000
Total		**253,000**	**253,000**	**253,000**
RD01	P-12	20,000	20,000	not provided
Total		**20,000**	**20,000**	**not provided**
FF01	I-24	50,000	50,000	50,000
FF01	W-21	50,000	50,000	-
FF01	S-27	-	-	50,000
Total		**100,000**	**100,000**	**100,000**
EF01	A-14	153,500	153,500	153,500
EF01	A-18	533,000	463,000	533,000
EF01	B-83	345,000	345,000	345,000
EF01	B-90	75,000	75,000	75,000
EF01	Y-20	-	70,000	-

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
EF01	L-16	50,000	50,000	50,000
Total		**1,156,500**	**1,156,500**	**1,156,500**
GO02	A-18	2,000,000	2,000,000	2,000,000
GO02	B-83	2,366,666	2,366,666	2,366,666
GO02	B-86	1,433,333	1,433,333	1,433,333
GO02	J-17	566,667	566,667	566,667
GO02	L-16	416,667	416,667	416,667
GO02	M-27	706,666	706,666	706,666
GO02	R-66	966,666	966,666	966,666
GO02	T-14	1,000,000	1,000,000	1,000,000
GO02	W-21	400,000	400,000	400,000
Total		**9,856,665**	**9,856,665**	**9,856,665**
GO05	B-83	150,000	150,000	150,000
GO05	B-86	200,000	200,000	200,000
Total		**350,000**	**350,000**	**350,000**
GO04	B-83	350,000	350,000	350,000
GO04	B-86	250,000	250,000	250,000
GO04	H-27	120,000	120,000	120,000
GO04	R-66	70,000	70,000	70,000
GO04	T-14	250,000	250,000	250,000
Total		**1,040,000**	**1,040,000**	**1,040,000**
GO03	A-18	300,000	300,000	150,000
GO03	B-83	200,000	200,000	200,000
GO03	H-27	200,000	200,000	200,000
GO03	M-37	100,000	100,000	100,000
GO03	R-66	150,000	150,000	100,000
GO03	W-30	100,000	100,000	100,000
Total		**1,050,000**	**1,050,000**	**850,000**
GO06	A-18	50,000	50,000	50,000
GO06	B-83	130,000	130,000	80,000
GO06	R-66	50,000	50,000	50,000
Total		**230,000**	**230,000**	**180,000**
GR02	A-18	100,000	100,000	100,000
GR02	B-83	150,000	150,000	150,000
GR02	B-86	125,000	125,000	125,000
GR02	C-13	350,000	350,000	350,000
GR02	J-17	150,000	150,000	150,000
GR02	T-14	100,000	100,000	100,000

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
GR02	W-27	100,000	100,000	100,000
GR02	W-29	125,000	125,000	125,000
Total		**1,200,000**	**1,200,000**	**1,200,000**
GR08	H-27	100,000	100,000	100,000
GR08	W-21	100,000	100,000	100,000
Total		**200,000**	**200,000**	**200,000**
GS02	A-18	200,000	200,000	not provided
GS02	B-83	50,000	50,000	not provided
GS02	L-16	50,000	50,000	not provided
Total		**300,000**	**300,000**	**not provided**
GS01	A-18	300,000	300,000	not provided
GS01	B-83	450,000	450,000	not provided
GS01	B-86	100,000	100,000	not provided
Total		**850,000**	**850,000**	**not provided**
VG01	M-35	30,000	30,000	30,000
Total		**30,000**	**30,000**	**30,000**
SV02	B-83	75,000	75,000	75,000
SV02	H-26	50,000	50,000	50,000
Total		**125,000**	**125,000**	**125,000**
TP01	A-14	150,000	150,000	150,000
TP01	A-18	100,000	100,000	100,000
TP01	B-73	110,000	110,000	150,000
TP01	B-83	160,000	160,000	160,000
TP01	B-86	35,000	35,000	35,000
TP01	H-27	102,000	102,000	102,000
TP01	J-17	320,000	320,000	320,000
TP01	L-16	600,000	600,000	600,000
TP01	R-61	90,000	90,000	90,000
TP01	S-18	150,000	150,000	150,000
TP01	S-25	-	-	110,000
TP01	T-14	100,000	100,000	100,000
TP01	unknown	-	-	25,000
Total		**1,917,000**	**1,917,000**	**2,092,000**
CH01	B-94	200,000	200,000	200,000
Total		**200,000**	**200,000**	**200,000**
GU02	A-14	50,000	50,000	not provided

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
GU02	A-18	50,000	50,000	not provided
GU02	B-83	100,000	100,000	not provided
Total		**200,000**	**200,000**	**not provided**
GR06	A-18	100,000	101,332	100,000
GR06	B-90	200,000	203,212	200,000
GR06	I-24	30,921	37,694	61,538
GR06	R-66	100,000	101,567	100,000
Total		**430,921**	**443,804**	**461,538**
JO02	P-12	8,000	8,000	not provided
Total		**8,000**	**8,000**	**not provided**
JO01	A-18	390,000	390,000	390,000
JO01	B-73	40,000	40,000	40,000
JO01	B-83	280,000	280,000	280,000
JO01	H-26	40,000	40,000	40,000
JO01	unknown	-	-	40,000
Total		**750,000**	**750,000**	**790,000**
MK01	B-73	40,000	40,000	40,000
Total		**40,000**	**40,000**	**40,000**
PA01	B-83	200,000	200,000	200,000
PA01	S-18	100,000	100,000	100,000
Total		**300,000**	**300,000**	**300,000**
GO01	A-14	1,550,000	1,600,000	1,550,000
GO01	A-18	3,450,000	3,400,000	3,450,000
GO01	B-73	380,000	380,000	380,000
GO01	B-83	4,708,334	4,708,334	4,708,334
GO01	B-86	2,516,667	2,516,667	2,516,667
GO01	B-90	600,000	600,000	600,000
GO01	C-64	540,000	540,000	540,000
GO01	H-20	600,000	600,000	600,000
GO01	H-26	420,000	420,000	420,000
GO01	H-27	1,150,000	1,150,000	1,150,000
GO01	I-24	567,336	567,336	717,114
GO01	J-17	283,333	283,333	283,333
GO01	K-19	800,000	800,000	800,000
GO01	L-16	2,488,333	2,488,333	2,488,333
GO01	M-27	353,334	228,334	353,334
GO01	M-35	500,000	500,000	500,000
GO01	M-37	1,420,000	1,700,000	1,575,000

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
GO01	R-61	350,000	350,000	350,000
GO01	R-66	1,338,334	1,338,334	1,338,334
GO01	S-18	985,000	985,000	985,000
GO01	T-14	1,945,000	1,945,000	1,945,000
GO01	T-18	2,000,000	2,000,000	2,000,000
GO01	W-21	200,000	200,000	200,000
GO01	W-29	500,000	500,000	500,000
GO01	W-30	1,050,000	1,050,000	1,050,000
Total		**30,695,671**	**30,850,671**	**31,000,450**
LO04	B-92	10,000	10,000	10,000
Total		**10,000**	**10,000**	**10,000**
LO03	B-92	10,000	10,000	10,000
LO03	P-12	20,000	20,000	20,000
Total		**30,000**	**30,000**	**30,000**
LO02	I-24	70,000	70,000	70,000
Total		**70,000**	**70,000**	**70,000**
LO01	B-92	50,000	50,000	50,000
LO01	I-24	50,000	50,000	50,000
LO01	P-12	80,000	80,000	80,000
Total		**180,000**	**180,000**	**180,000**
PA04	M-35	25,000	25,000	25,000
Total		**25,000**	**25,000**	**25,000**
SV01	A-14	225,000	225,000	225,000
SV01	A-18	250,000	250,000	250,000
SV01	B-73	125,000	125,000	125,000
SV01	B-83	380,000	380,000	380,000
SV01	B-86	200,000	200,000	200,000
SV01	B-92	50,000	50,000	-
SV01	B-93	75,000	75,000	75,000
SV01	B-95	100,000	100,000	100,000
SV01	H-26	100,000	100,000	100,000
SV01	H-27	125,000	125,000	125,000
SV01	I-24	53,715	53,715	55,142
SV01	K-19	100,000	100,000	100,000
SV01	L-16	625,000	625,000	625,000
SV01	L-17	-	-	25,000
SV01	M-35	25,000	25,000	50,000
SV01	R-61	150,000	150,000	150,000

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
SV01	R-66	225,000	225,000	225,000
SV01	R-68	400,000	400,000	400,000
SV01	S-18	100,000	100,000	100,000
SV01	T-14	175,000	175,000	175,000
SV01	T-18	30,000	30,000	30,000
Total		**3,513,715**	**3,513,715**	**3,515,142**
MH01	B-86	110,000	110,000	110,000
MH01	B-93	100,000	100,000	100,000
MH01	B-95	125,000	125,000	125,000
MH01	H-27	150,000	150,000	150,000
MH01	I-24	50,000	50,000	50,000
MH01	M-27	50,000	50,000	50,000
MH01	M-35	200,000	200,000	200,000
MH01	P-12	100,000	100,000	100,000
MH01	S-18	115,000	115,000	115,000
Total		**1,000,000**	**1,000,000**	**1,000,000**
YM01	A-14	706,335	706,335	706,335
Total		**706,335**	**706,335**	**706,335**
MC01	B-73	65,000	65,000	65,000
MC01	B-92	10,000	10,000	-
MC01	J-17	15,000	15,000	15,000
MC01	S-24	78,000	78,000	78,000
Total		**168,000**	**168,000**	**158,000**
SF02	B-83	798,000	798,000	798,000
Total		**798,000**	**798,000**	**798,000**
MI01	B-73	50,000	50,000	50,000
MI01	B-90	100,000	100,000	100,000
MI01	H-26	100,000	100,000	100,000
MI01	P-11	80,000	80,000	80,000
MI01	S-24	70,000	70,000	70,000
Total		**400,000**	**400,000**	**400,000**
MO01	B-73	100,000	100,000	not provided
Total		**100,000**	**100,000**	**not provided**
TE04	B-90	75,000	75,000	75,000
TE04	B-92	25,000	25,000	25,000
Total		**100,000**	**100,000**	**100,000**

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
TE06	B-73	28,000	28,000	not provided
TE06	P-12	12,000	12,000	not provided
Total		**40,000**	**40,000**	**not provided**
TE05	M-35	45,000	45,000	45,000
Total		**45,000**	**45,000**	**45,000**
PA03	P-11	50,000	50,000	50,000
Total		**50,000**	**50,000**	**50,000**
PA02	B-83	75,000	75,000	75,000
Total		**75,000**	**75,000**	**75,000**
		-	-	-
PR01	B-73	50,000	50,000	50,000
Total		**50,000**	**50,000**	**50,000**
PR02	B-73	50,000	50,000	50,000
Total		**50,000**	**50,000**	**50,000**
PY04	B-83	200,000	200,000	not provided
Total		**200,000**	**200,000**	**not provided**
PY05	B-83	59,681	59,681	not provided
PY05	L-16	50,000	50,000	not provided
PY05	S-18	45,000	45,000	not provided
Total		**154,681**	**154,681**	**not provided**
PY06	B-83	100,000	100,000	not provided
Total		**100,000**	**100,000**	**not provided**
PY11	A-18	10,000	10,000	not provided
PY11	B-83	10,000	10,000	not provided
Total		**20,000**	**20,000**	**not provided**
PY07	B-83	100,000	100,000	not provided
Total		**100,000**	**100,000**	**not provided**
PY01	A-14	100,000	100,000	not provided
PY01	A-18	490,000	490,000	not provided
PY01	B-73	20,000	20,000	not provided
PY01	B-83	913,088	888,088	not provided
PY01	B-86	120,000	145,000	not provided
PY01	S-18	25,000	25,000	not provided
Total		**1,668,088**	**1,668,088**	**not provided**

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
PY02	A-14	406,457	406,457	not provided
Total		**406,457**	**406,457**	**not provided**
PY08	B-83	100,000	100,000	not provided
Total		**100,000**	**100,000**	**not provided**
PY09	B-83	100,000	100,000	not provided
Total		**100,000**	**100,000**	**not provided**
PY12	B-83	20,000	20,000	not provided
Total		**20,000**	**20,000**	**not provided**
PY03	B-83	295,000	295,000	not provided
PY03	L-16	20,000	20,000	not provided
Total		**315,000**	**315,000**	**not provided**
PY10	B-83	75,000	75,000	not provided
Total		**75,000**	**75,000**	**not provided**
PE02	B-86	40,000	40,000	not provided
PE02	H-27	100,000	100,000	not provided
PE02	L-16	50,000	50,000	not provided
PE02	S-18	50,000	50,000	not provided
PE02	T-14	50,000	50,000	not provided
Total		**290,000**	**290,000**	**not provided**
PE01	B-86	40,000	40,000	not provided
PE01	H-27	150,000	150,000	not provided
PE01	L-16	50,000	50,000	not provided
PE01	S-18	50,000	50,000	not provided
PE01	T-14	50,000	50,000	not provided
Total		**340,000**	**340,000**	**not provided**
PE04	B-83	-	-	50,000
PE04	B-86	40,000	40,000	40,000
PE04	C-13	-	-	100,000
PE04	H-27	100,000	100,000	-
PE04	S-18	50,000	50,000	50,000
PE04	T-14	50,000	50,000	-
Total		**240,000**	**240,000**	**240,000**
PE05	L-16	50,000	50,000	50,000
Total		**50,000**	**50,000**	**50,000**

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
PE03	B-83	-	-	50,000
PE03	B-86	40,000	40,000	40,000
PE03	C-13	-	-	100,000
PE03	H-27	100,000	100,000	-
PE03	L-16	50,000	50,000	50,000
PE03	S-18	50,000	50,000	50,000
PE03	T-14	50,000	50,000	-
Total		**290,000**	**290,000**	**290,000**
PI01	B-83	150,000	150,000	150,000
Total		**150,000**	**150,000**	**150,000**
		-	-	-
PI02	R-66	200,000	200,000	200,000
PI02	S-18	200,000	200,000	200,000
Total		**400,000**	**400,000**	**400,000**
SH01	A-14	100,000	100,000	100,000
SH01	A-18	135,000	135,000	135,000
SH01	B-83	170,000	170,000	170,000
SH01	H-26	40,000	40,000	40,000
SH01	L-16	100,000	100,000	100,000
SH01	P-11	30,000	30,000	30,000
Total		**575,000**	**575,000**	**575,000**
RI01	A-18	100,000	100,000	100,000
RI01	B-83	130,000	130,000	130,000
RI01	B-86	100,000	100,000	100,000
RI01	L-16	100,000	100,000	100,000
RI01	R-66	130,000	130,000	130,000
Total		**560,000**	**560,000**	**560,000**
GR07	B-83	150,000	150,000	150,000
GR07	B-86	200,000	200,000	200,000
Total		**350,000**	**350,000**	**350,000**
RO02	A-18	40,000	40,000	not provided
RO02	B-73	79,214	79,214	not provided
RO02	B-92	102,000	102,000	not provided
RO02	H-26	20,000	20,000	not provided
RO02	R-68	65,000	65,000	not provided
RO02	S-24	47,000	47,000	not provided
Total		**353,214**	**353,214**	**not provided**

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
RO01	S-26	146,250	146,082	not provided
Total		**146,250**	**146,082**	**not provided**
GR04	C-13	100,000	100,000	100,000
GR04	H-27	200,000	200,000	200,000
GR04	M-37	150,000	150,000	150,000
GR04	S-18	150,000	150,000	150,000
GR04	T-14	150,000	150,000	150,000
Total		**750,000**	**750,000**	**750,000**
GR03	A-14	200,000	200,000	200,000
GR03	B-83	100,000	100,000	100,000
GR03	B-86	200,000	200,000	200,000
GR03	C-13	200,000	-	200,000
GR03	W-30	-	200,000	-
GR03	R-61	200,000	200,000	200,000
GR03	R-66	290,000	290,000	290,000
Total		**1,190,000**	**1,190,000**	**1,190,000**
GR01	A-14	200,000	202,663	200,000
GR01	A-18	200,000	202,663	200,000
GR01	B-73	125,000	126,763	125,000
GR01	B-86	200,000	202,820	200,000
GR01	L-16	100,000	101,410	100,000
GR01	R-68	175,000	178,153	375,000
GR01	S-18	150,000	152,585	150,000
GR01	W-21	110,000	111,293	110,000
GR01	W-27	125,000	126,567	125,000
GR01	W-30	200,000	202,667	200,000
Total		**1,585,000**	**1,607,583**	**1,785,000**
SO02	T-14	250,000	250,000	not provided
Total		**250,000**	**250,000**	**not provided**
SH01	A-18	200,000	200,000	200,000
SH01	L-16	211,604	211,604	211,604
SH01	T-14	160,000	160,000	160,000
SH01	B-86	-	-	68,396
Total		**571,604**	**571,604**	**640,000**
SH03	A-14	302,400	302,400	302,400
Total		**302,400**	**302,400**	**302,400**
SH02	B-83	200,000	200,000	200,000

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
SH02	R-66	140,000	140,000	140,000
Total		**340,000**	**340,000**	**340,000**
GU01	A-18	120,000	120,000	not provided
GU01	B-83	100,000	100,000	not provided
Total		**220,000**	**220,000**	**not provided**
VA01	A-18	77,000	77,000	77,000
VA01	B-73	600,000	600,000	600,000
VA01	B-94	93,000	93,000	93,000
VA01	L-16	140,000	140,000	140,000
VA01	R-61	300,000	300,000	300,000
VA01	R-66	250,000	250,000	250,000
VA01	S-18	250,000	250,000	250,000
VA01	T-14	390,000	390,000	390,000
Total		**2,100,000**	**2,100,000**	**2,100,000**
SF01	A-18	1,228,586	1,228,586	1,228,586
Total		**1,228,586**	**1,228,586**	**1,228,586**
SO01	A-18	295,000	295,000	not provided
SO01	B-83	470,000	470,000	not provided
SO01	L-16	450,000	450,000	not provided
SO01	T-14	300,000	300,000	not provided
		1,515,000	**1,515,000**	**not provided**
JS01	B-73	60,000	60,000	60,000
JS01	B-90	46,000	46,000	46,000
Total		**106,000**	**106,000**	**106,000**
ST02	A-18	105,000	105,000	not provided
ST02	B-73	15,000	15,000	not provided
ST02	B-83	105,000	105,000	not provided
ST02	K-19	30,000	30,000	not provided
ST02	M-35	7,000	7,000	not provided
ST02	S-18	8,000	8,000	not provided
ST02	T-14	70,000	70,000	not provided
Total		**340,000**	**340,000**	**not provided**
ST01	A-18	100,000	100,000	100,000
ST01	B-83	200,000	200,000	200,000
ST01	B-86	300,000	300,000	300,000
ST01	I-24	35,297	35,297	43,476
ST01	L-16	100,000	100,000	100,000

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
ST01	R-66	100,000	100,000	100,000
ST01	T-14	85,000	85,000	85,000
Total		**920,297**	**920,297**	**928,476**
SN02	S-26	100,286	99,951	not provided
SN02	S-27	157,882	158,102	not provided
Total		**258,169**	**258,053**	**not provided**
SN03	S-26	90,550	90,446	not provided
Total		**90,550**	**90,446**	**not provided**
SS01	M-35	13,000	13,000	not provided
SS01	P-12	15,000	15,000	not provided
SS01	S-18	15,000	15,000	not provided
Total		**43,000**	**43,000**	**not provided**
SC01	A-14	500,000	500,000	500,000
SC01	A-18	600,000	600,000	600,000
SC01	B-83	350,000	350,000	350,000
SC01	B-86	125,000	125,000	125,000
SC01	B-90	225,000	225,000	225,000
SC01	C-13	150,000	150,000	150,000
SC01	H-27	150,000	150,000	150,000
SC01	I-24	76,663	76,663	104,411
SC01	K-19	100,000	100,000	100,000
SC01	L-16	575,000	575,000	575,000
SC01	M-27	200,000	200,000	200,000
SC01	M-35	250,000	250,000	250,000
SC01	M-37	175,000	175,000	175,000
SC01	M-41	-	-	75,000
SC01	R-66	150,000	150,000	150,000
SC01	T-14	350,000	350,000	350,000
SC01	T-18	295,000	295,000	295,000
Total		**4,271,663**	**4,271,663**	**4,374,411**
VA02	A-14	250,000	250,000	250,000
VA02	A-18	170,000	170,000	170,000
VA02	B-83	324,000	324,000	324,000
VA02	B-86	555,000	305,000	555,000
VA02	R-68	-	250,000	-
VA02	L-16	200,000	200,000	200,000
Total		**1,499,000**	**1,499,000**	**1,499,000**
SV03	A-14	75,000	75,000	75,000

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
Total		**75,000**	**75,000**	**75,000**
TE03	A-18	79,335	79,335	79,335
TE03	G-32	-	-	125,000
TE03	B-90	119,000	119,000	119,000
Total		**198,335**	**198,335**	**323,335**
TN02	B-95	422,500	422,500	422,500
TN02	S-26	149,740	149,489	153,000
TN02	S-27	56,344	56,423	57,100
Total		**628,585**	**628,412**	**632,600**
TN03	S-27	71,935	71,935	72,900
Total		**71,935**	**71,935**	**72,900**
TN01	B-93	155,000	155,000	155,000
TN01	B-95	77,000	77,000	77,000
TN01	H-26	130,000	130,000	130,000
TN01	H-27	345,000	345,000	345,000
TN01	M-37	240,000	240,000	240,000
TN01	P-12	50,000	50,000	50,000
TN01	T-14	400,000	400,000	400,000
TN01	T-20	190,000	190,000	190,000
Total		**1,587,000**	**1,587,000**	**1,587,000**
TE02	B-83	205,000	205,000	not provided
		205,000	**205,000**	**not provided**
TE01	B-83	55,000	55,000	not provided
TE01	B-90	150,000	150,000	not provided
TE01	W-21	80,000	80,000	not provided
Total		**285,000**	**285,000**	**not provided**
TP02	A-18	-	-	250,000
TP02	B-83	600,000	600,000	600,000
TP02	L-16	150,000	150,000	150,000
TP02	M-37	300,000	300,000	300,000
Total		**1,050,000**	**1,050,000**	**1,300,000**
TP04	M-35	200,000	200,000	200,000
Total		**200,000**	**200,000**	**200,000**
TP03	A-18	250,000	250,000	-
TP03	B-86	65,000	65,000	65,000

Investor Code	Mortgage	Principal Balance per PxPlus	Principal Balance per Sage	Principal Balance per Investor
TP03	B-92	100,000	100,000	100,000
TP03	I-24	125,000	125,000	125,000
TP03	J-17	115,000	115,000	115,000
Total		**655,000**	**655,000**	**405,000**
VT04	B-92	30,000	30,000	not provided
Total		**30,000**	**30,000**	**not provided**
VA03	R-66	75,000	75,000	75,000
Total		**75,000**	**75,000**	**75,000**
VT02	B-73	95,000	95,000	95,000
Total		**95,000**	**95,000**	**95,000**
SN01	B-73	75,000	75,000	not provided
SN01	B-86	110,000	110,000	not provided
SN01	H-27	259,000	259,000	not provided
SN01	L-16	100,000	100,000	not provided
SN01	P-12	100,000	100,000	not provided
SN01	W-21	30,000	30,000	not provided
Total		**674,000**	**674,000**	**not provided**
VT03	B-73	95,000	95,000	not provided
Total		**95,000**	**95,000**	**not provided**
SF03	A-18	262,100	262,100	not provided
SF03	J-17	191,287	191,287	not provided
Total		**453,387**	**453,387**	**not provided**

Appendix “N”
to the First Report of the Receiver

Investor Code	2020	2021	2022	2023	2024	Total Principal Repayments (2020-2024)
CO01	-	-	-	-	-	**-**
AP01	-	-	-	-	-	**-**
ON01	-	-	-	-	-	**-**
VT01	-	-	-	-	-	**-**
PI02	-	150,000	-	-	-	**150,000**
AD01	-	-	-	-	-	**-**
SB01	-	-	100,000	-	-	**100,000**
LB01	-	60,000	-	29,845	-	**89,845**
BA01	-	-	-	-	-	**-**
GR05	-	-	-	-	50,000	**50,000**
EL01	-	-	-	-	-	**-**
BR01	-	-	50,000	-	25,000	**75,000**
BR02	-	-	-	100,000	302,531	**402,531**
GB01	-	-	100,000	-	-	**100,000**
CA01	-	-	-	-	-	**-**
CA02	-	-	-	-	-	**-**
CS01	-	-	55,000	-	20,000	**75,000**
JC01	-	150,000	-	100,000	-	**250,000**
CI01	-	-	-	450,000	-	**450,000**
CO02	-	-	-	-	-	**-**
ED01	-	-	-	-	200,000	**200,000**
WD01	-	-	-	133,310	240,000	**373,310**
RD01	-	20,000	-	-	-	**20,000**
FF01	-	-	-	-	50,000	**50,000**
EF01	-	-	-	-	-	**-**
GO02	-	-	-	250,000	-	**250,000**
GO05	-	-	-	-	-	**-**
GO04	-	100,000	200,000	80,000	250,000	**630,000**
GO03	-	-	350,000	-	-	**350,000**
GO06	-	-	-	-	-	**-**
GR02	-	-	-	-	-	**-**
GR08	-	-	-	-	-	**-**
GS02	-	-	-	-	-	**-**
GS01	-	-	-	-	-	**-**
VG01	-	-	-	-	-	**-**
SV02	-	-	-	-	-	**-**
TP01	-	-	23,000	320,000	-	**343,000**
CH01	-	31,000	-	-	-	**31,000**
GU02	-	-	-	-	-	**-**
GR06	-	-	-	-	-	**-**
JO02	-	-	-	-	-	**-**
JO01	80,000	-	-	-	40,000	**120,000**

Investor Code	2020	2021	2022	2023	2024	Total Principal Repayments (2020-2024)
MK01	-	-	-	-	-	**-**
PA01	-	-	-	-	-	**-**
GO01	-	-	600,000	350,000	125,000	**1,075,000**
LO04	-	-	-	-	-	**-**
LO03	-	-	-	-	-	**-**
LO02	-	-	-	-	-	**-**
LO01	-	-	-	-	-	**-**
PA04	-	-	-	-	-	**-**
SV01	-	-	325,000	75,000	75,000	**475,000**
MH01	-	100,000	100,000	-	50,000	**250,000**
YM01	-	-	-	-	-	**-**
MC01	-	26,600	78,400	-	-	**105,000**
SF02	-	-	-	-	111,800	**111,800**
MI01	-	-	-	-	-	**-**
MO01	-	-	-	-	-	**-**
TE04	-	-	-	-	-	**-**
TE06	-	30,000	-	40,000	-	**70,000**
TE05	-	-	-	-	-	**-**
PA03	-	-	50,000	-	-	**50,000**
PA02	-	-	-	-	-	**-**
PR01	-	-	50,000	80,000	50,000	**180,000**
PR02	-	-	-	-	50,000	**50,000**
PY04	-	-	-	-	-	**-**
PY05	-	-	-	-	20,000	**20,000**
PY06	-	10,000	-	-	-	**10,000**
PY11	-	-	-	-	-	**-**
PY07	-	-	-	-	-	**-**
PY01	-	-	-	-	-	**-**
PY02	-	-	-	-	-	**-**
PY08	-	-	-	-	-	**-**
PY09	-	-	-	-	-	**-**
PY12	-	-	-	-	-	**-**
PY03	-	-	-	-	-	**-**
PY10	-	-	50,000	-	-	**50,000**
PE02	-	-	150,000	-	-	**150,000**
PE01	-	-	150,000	-	-	**150,000**
PE04	-	-	150,000	-	-	**150,000**
PE05	-	-	-	-	-	**-**
PE03	-	-	150,000	-	-	**150,000**
PI02	75,000	75,000	-	-	-	**150,000**
PI01	-	-	-	-	-	**-**
SH01	-	30,000	-	-	-	**30,000**

Investor Code	2020	2021	2022	2023	2024	Total Principal Repayments (2020-2024)
RI01	-	-	-	-	-	**-**
GR07	-	-	-	-	-	**-**
RO02	-	-	-	-	-	**-**
RO01	-	159,170	-	-	-	**159,170**
GR04	-	175,000	-	100,000	-	**275,000**
GR03	-	-	-	-	-	**-**
GR01	-	-	-	-	200,000	**200,000**
SO02	-	-	-	-	-	**-**
SH01	-	-	150,000	-	63,396	**213,396**
SH03	80,000	629,000	953,000	364,624	47,028	**2,073,652**
SH02	-	-	200,000	-	-	**200,000**
GU01	-	-	-	-	-	**-**
VA01	-	-	-	-	77,000	**77,000**
SF01	-	-	320,000	405,000	75,300	**800,300**
SO01	-	250,000	350,000	250,000	175,000	**1,025,000**
JS01	-	-	-	70,000	4,000	**74,000**
ST02	-	-	-	-	-	**-**
ST01	-	-	-	-	-	**-**
SN02	-	-	-	-	-	**-**
SN03	-	-	-	-	-	**-**
SS01	-	-	-	-	-	**-**
SC01	-	-	-	-	68,655	**68,655**
VA02	-	-	1,380,000	400,000	-	**1,780,000**
SV03	-	50,000	-	-	-	**50,000**
TE03	12,000	98,000	54,835	40,000	55,000	**259,835**
TN02	190,000	277,000	-	-	-	**467,000**
TN03	-	-	-	-	-	**-**
TN01	-	503,000	400,000	740,391	120,000	**1,763,391**
TE02	-	-	-	-	-	**-**
TE01	-	-	-	-	-	**-**
TP02	250,000	-	-	-	-	**250,000**
TP04	-	-	-	-	-	**-**
TP03	-	-	-	100,000	-	**100,000**
VT04	-	-	-	-	-	**-**
VA03	-	-	-	-	-	**-**
VT02	-	-	-	-	-	**-**
SN01	80,000	60,000	285,000	176,000	-	**601,000**
VT03	-	-	-	-	-	**-**
SF03	-	-	165,000	-	-	**165,000**

Appendix “O”
to the First Report of the Receiver

Loan ID	Status	Maturity Date	Borrower(s)	Registration Date[1]	Discharge Date[2]	Advances	Repayments
A-14	Active	9-Jun-2024	2114568 Ontario Limited, Alliance Homes Inc. & Alex Troop	15-May-2007	N/A - Active	Undetermined	Undetermined
A-18	Active	3-Mar-2025	2114568 Ontario Limited, Alliance Homes Inc. & Alex Troop	15-May-2007	N/A - Active	Undetermined	Undetermined
B-73	Discharged	17-Mar-2019	Lyle Blain & Blainhampton Properties Inc.	19-Mar-2008	22-Jul-2009	Undetermined	Undetermined
B-83	Discharged	24-Feb-2025	Ballymore Building Innisfil Corp.	1-Apr-2016	13-Jan-2024	Undetermined	Undetermined
B-86	Discharged	30-Mar-2024	Ballymore Building Innisfil Corp.	1-Apr-2016	13-Jan-2024	Undetermined	Undetermined
B-90	Discharged	16-Dec-2023	Elgin Bolton, Guarantor Walters Falls Wood Products Inc.	18-Jan-2015	20-Dec-2023	970,000.00	1,068,190.50
B-92	Discharged	6-Jun-2023	Gregory Scott Bowen & Krystyna Stanislawa-Bowen	8-Jun-2021	28-Feb-2025	19,887.46	37,992.79
B-93	Discharged	30-Jun-2024	Gregory Scott Bowen & Krystyna Stanislawa-Bowen	8-Jun-2021	28-Feb-2025	Undetermined	Undetermined
B-94	Discharged	10-Jul-2024	Colin Franklin Bidmead	23-Jul-2020	Unknown	603,750.00	-
B-95	Active	25-Jun-2025	Colin Franklin Bidmead	10-Jul-2023	N/A - Active	60,000.00	Undetermined
C-13	Discharged	26-Feb-2021	Alliance Heritage Village Inc. & Alex Troop	19-Jul-2019	3-Feb-2022	4,992,648.91	5,514,674.33
C-64	Discharged	13-Nov-2018	Ballymore Building Innisfil Corp.	1-Apr-2016	14-Mar-2018	Undetermined	Undetermined
H-20	Discharged	1-Mar-2020	Paul Hallman & David Calford (Guarantors), Willard G. Hallman Lumber Limited	15-Jan-2018	20-Dec-2023	Undetermined	Undetermined
H-26	Discharged	13-Aug-2024	Allan Howarth	1-Jan-2022	22-Aug-2024	407,000.00	421,491.38
H-27	Active	1-Feb-2024	Alliance Heritage Village Inc. & Alex Troop	9-Jul-2019	N/A - Active	275,000.00	Undetermined
I-24	Discharged	2-Feb-2024	Joey Kazutas, Tayna Kazutas, Peter Kazutas, Lorenza Kazutas	Unknown	Unknown	Undetermined	Undetermined
J-17	Discharged	28-Sep-2018	Dave Joyce, Sam Raseta, Jim Lewis, 2062777 Ontario Ltd., 2067041 Ontario Ltd., & 1004260 Ontario Ltd.	1-Oct-2007	1-Feb-2013	Undetermined	Undetermined
K-19	Discharged	27-Jan-2024	Consar-Redmaple Investment Ltd. (switched from Kingmount Capital Ltd.)/ Frank & Jasmine Wang (Guarantors)	14-Sep-2018	27-Sep-2019	666,666.70	863,129.11
L-16	Discharged	23-Oct-2024	Ballymore Building Innisfil Corp.	1-Apr-2016	13-Jan-2024	Undetermined	Undetermined

Loan ID	Status	Maturity Date	Borrower(s)	Registration Date[1]	Discharge Date[2]	Advances	Repayments
M-27	Discharged	26-Apr-2019	Mascioli et al (Tony Mascioli, Rose Mascoli, Lorenzo Mascioli, 972580 Ontario Inc, & 890903 Ontario Inc.)	22-Aug-1997	20-Dec-2017	Undetermined	Undetermined
M-35	Discharged	16-Dec-2020	William & Marion McLean	17-Dec-2019	17-Jun-2021	175,625.00	273,551.25
M-37	Active	29-Jul-2023	Waterways of Muskoka Ltd. / Alex Troop as Guarantor	26-Aug-2021	N/A - Active	Undetermined	Undetermined
P-11	Discharged	31-Oct-2023	Margot Louise Parker	1-Nov-2022	27-Nov-2023	214,788.75	-
P-12	Discharged	27-Nov-2024	Margot Louise Parker	27-Nov-2023	18-Dec-2024	60,015.59	363,569.99
R-61	Power of Sale	9-Oct-2024	Sam Raseta/2067041 Ontario Ltd.	10-Jul-2007	16-Dec-2024	Undetermined	Undetermined
R-66	Power of Sale	10-May-2024	Sam Raseta/2067041 Ontario Ltd.	10-Jul-2007	16-Dec-2024	Undetermined	Undetermined
R-68	Discharged	30-Dec-2023	Eddie/Eduardo Ribeiro	30-Dec-2022	14-Dec-2023	704,500.00	847,457.50
S-18	Discharged	31-Jan-2024	Richard & Sharon Spatola, SOS Investments Property & Holdings Inc.	7-Sep-2007	19-Dec-2019	Undetermined	Undetermined
S-24	Discharged	22-Oct-2023	Andrew Soifert	24-Nov-2022	20-Dec-2023	216,166.68	249,449.41
S-26	Active	23-Jun-2025	Maheswaran Subramaniam	23-Jun-2023	N/A - Active	208,741.73	103,278.00
S-27	Active	15-May-2026	Maheswaran Subramaniam	1-Apr-2016	N/A - Active	Undetermined	Undetermined
T-14	Active	13-Jul-2024	2114568 Ontario Limited, Alliance Homes Inc. & Alex Troop	15-May-2007	N/A - Active	Undetermined	Undetermined
T-18	Discharged	18-Aug-2018	Alex Troop, Big Bay Alliance Inc. & Woodland Alliance Inc.	18-Aug-2017	8-Mar-2019	2,037,500.00	3,321,083.52
T-20	Discharged	26-Oct-2024	Alexander W Troop	11-Nov-2023	3-Jul-2024	258,766.65	257,566.66
W-21	Discharged	28-Jul-2018	Woodland Alliance Inc. & Alex Troop (President of Woodland Alliance)	4-Aug-2011	18-Jul-2024	Undetermined	Undetermined
W-27	Discharged	4-Nov-2020	Tyler John Wall & Dianne Ada Wall	4-Nov-2019	3-Sep-2020	655,000.00	618,603.26
W-29	Discharged	20-Sep-2021	Wasage Beach Ventures Inc.	Unknown	Unknown	Undetermined	Undetermined
W-30	Active	23-Nov-2022	Waterways of Muskoka Ltd.	26-Aug-2021	N/A - Active	2,890,631.06	1,659,604.49

[1] refers to the earliest date on which a charge was recorded against any of the properties associated with the mortgage.

[2] refers to the most recent date a charge was discharged against any of the properties associated with the mortgage.

Appendix “P”
to the First Report of the Receiver

Emily Klein

From: Richard Williams
Sent: Wednesday, May 7, 2025 9:26 AM
To: warans@gmail.com
Cc: Emily Klein; Sara Corcoran
Subject: In the Matter of the Receivership of Sussman Mortgage Funding Inc.
Attachments: Receivership Order - FSRA v SMFI et al - 2-MAY-2025.pdf

Mr. Subramaniam:

B. Riley Farber Inc. was appointed as receiver (the "Receiver") of all of the assets of Sussman Mortgage Funding Inc. ("SMFI") by order of the Ontario Superior Court of Justice (Commercial List) dated May 2, 2025. A copy of the appointment order is attached to this email for your reference and other materials related to the receivership proceedings can be viewed on our website at https://brileyfarber.com/engagements/sussman-mortgage-funding-inc/.

Based on information available to the Receiver, we understand that you are indebted to SMFI in respect of two separate mortgages: (i) Mortgage Loan S-26 in the principal amount of $486,827.18 in respect of 1345 Bardeau Street, Innisfil; and (ii) Mortgage Loan S-27 in the principal amount of $286,161.41 in respect of 1026 Green Street, Innisfil.

Please be advised that all payments in respect of these mortgages must be paid to the Receiver and not to SMFI or Sandford Sussman personally. Payments made to any party other than the Receiver will not be credited to your mortgage and will not satisfy your obligation to SMFI and the Receiver. All future payments should be directed to:

B. Riley Farber Inc.
Receiver of Sussman Mortgage Funding Inc.
1600-150 York Street
Toronto ON M5H 3S5
Attn: Sara Corcoran

The Receiver is in possession of two post-dated cheques in respect of Mortgage Loan S-26 in the amount of $4,918.00 dated May 8, 2025 (cheque 099) and June 8, 2025 (cheque 100). **These cheques will be cashed – do not stop payment or cancel the cheques**.

Should you have any questions or concerns with respect to the foregoing, please contact the undersigned.

Regards,

B | RIL

http://www.brileyfarber.com

Richard Williams, CPA, CIRP, LIT
Managing Director

Email: rwilliams@brileyfin.com
Direct: (437) 294-4672
Mobile: (905) 904-7400



PLEASE VISIT <https://brileyfin.com/disclosures/> FOR LEGAL DISCLOSURES.

Emily Klein

From: Richard Williams
Sent: Thursday, May 15, 2025 1:53 PM
To: warans@gmail.com
Cc: Emily Klein; Sara Corcoran
Subject: FW: In the Matter of the Receivership of Sussman Mortgage Funding Inc.
Attachments: Receivership Order - FSRA v SMFI et al - 2-MAY-2025.pdf

Mr. Subramaniam,

I understand that payment has not been received for the S-27 mortgage for the months of March, 2025 and May, 2025. Please advise when we should expect those payments.

Regards,

Richard Williams
B. Riley Farber

rwilliams@brileyfin.com
905-904-7400

From: Richard Williams
Sent: Wednesday, May 7, 2025 9:26 AM
To: warans@gmail.com
Cc: Emily Klein <eklein@brileyfin.com>; Sara Corcoran <scorcoran@brileyfin.com>
Subject: In the Matter of the Receivership of Sussman Mortgage Funding Inc.

Mr. Subramaniam:

B. Riley Farber Inc. was appointed as receiver (the "Receiver") of all of the assets of Sussman Mortgage Funding Inc. ("SMFI") by order of the Ontario Superior Court of Justice (Commercial List) dated May 2, 2025. A copy of the appointment order is attached to this email for your reference and other materials related to the receivership proceedings can be viewed on our website at https://brileyfarber.com/engagements/sussman-mortgage-funding-inc/.

Based on information available to the Receiver, we understand that you are indebted to SMFI in respect of two separate mortgages: (i) Mortgage Loan S-26 in the principal amount of $486,827.18 in respect of 1345 Bardeau Street, Innisfil; and (ii) Mortgage Loan S-27 in the principal amount of $286,161.41 in respect of 1026 Green Street, Innisfil.

Please be advised that all payments in respect of these mortgages must be paid to the Receiver and not to SMFI or Sandford Sussman personally. Payments made to any party other than the Receiver will not be credited to your mortgage and will not satisfy your obligation to SMFI and the Receiver. All future payments should be directed to:

B. Riley Farber Inc.
Receiver of Sussman Mortgage Funding Inc.
1600-150 York Street
Toronto ON M5H 3S5
Attn: Sara Corcoran

The Receiver is in possession of two post-dated cheques in respect of Mortgage Loan S-26 in the amount of $4,918.00 dated May 8, 2025 (cheque 099) and June 8, 2025 (cheque 100). **These cheques will be cashed – do not stop payment or cancel the cheques**.

Should you have any questions or concerns with respect to the foregoing, please contact the undersigned.

Regards,

Richard Williams, CPA, CIRP, LIT
Managing Director

Email: rwilliams@brileyfin.com
Direct: (437) 294-4672
Mobile: (905) 904-7400

http://www.brileyfarber.com



PLEASE VISIT <https://brileyfin.com/disclosures/> FOR LEGAL DISCLOSURES.

Richard Williams

From: Richard Williams
Sent: Friday, May 23, 2025 10:42 AM
To: warans@gmail.com
Subject: FW: In the Matter of the Receivership of Sussman Mortgage Funding Inc.
Attachments: Receivership Order - FSRA v SMFI et al - 2-MAY-2025.pdf

Mr. Subramaniam,

I am advised that a stop payment was placed on cheque 99 in the amount of $4,918.00, despite our explicit instructions to the contrary. You are now in default of both the S-26 and S-27 mortgages. You can expect correspondence from our lawyer in respect of those defaults shortly.

Regards,

Richard Williams
B. Riley Farber

rwilliams@brileyfin.com
905-904-7400

From: Richard Williams
Sent: Thursday, May 15, 2025 1:53 PM
To: warans@gmail.com
Cc: Emily Klein <eklein@brileyfin.com>; Sara Corcoran <scorcoran@brileyfin.com>
Subject: FW: In the Matter of the Receivership of Sussman Mortgage Funding Inc.

Mr. Subramaniam,

I understand that payment has not been received for the S-27 mortgage for the months of March, 2025 and May, 2025. Please advise when we should expect those payments.

Regards,

Richard Williams
B. Riley Farber

rwilliams@brileyfin.com
905-904-7400

From: Richard Williams
Sent: Wednesday, May 7, 2025 9:26 AM
To: warans@gmail.com
Cc: Emily Klein <eklein@brileyfin.com>; Sara Corcoran <scorcoran@brileyfin.com>
Subject: In the Matter of the Receivership of Sussman Mortgage Funding Inc.

Mr. Subramaniam:

B. Riley Farber Inc. was appointed as receiver (the "Receiver") of all of the assets of Sussman Mortgage Funding Inc. ("SMFI") by order of the Ontario Superior Court of Justice (Commercial List) dated May 2, 2025. A copy of the appointment order is attached to this email for your reference and other materials related to the receivership proceedings can be viewed on our website at https://brileyfarber.com/engagements/sussman-mortgage-funding-inc/.

Based on information available to the Receiver, we understand that you are indebted to SMFI in respect of two separate mortgages: (i) Mortgage Loan S-26 in the principal amount of $486,827.18 in respect of 1345 Bardeau Street, Innisfil; and (ii) Mortgage Loan S-27 in the principal amount of $286,161.41 in respect of 1026 Green Street, Innisfil.

Please be advised that all payments in respect of these mortgages must be paid to the Receiver and not to SMFI or Sandford Sussman personally. Payments made to any party other than the Receiver will not be credited to your mortgage and will not satisfy your obligation to SMFI and the Receiver. All future payments should be directed to:

B. Riley Farber Inc.
Receiver of Sussman Mortgage Funding Inc.
1600-150 York Street
Toronto ON M5H 3S5
Attn: Sara Corcoran

The Receiver is in possession of two post-dated cheques in respect of Mortgage Loan S-26 in the amount of $4,918.00 dated May 8, 2025 (cheque 099) and June 8, 2025 (cheque 100). **These cheques will be cashed – do not stop payment or cancel the cheques**.

Should you have any questions or concerns with respect to the foregoing, please contact the undersigned.

Regards,

B | RILEY FARBER
http://www.brileyfarber.com

Richard Williams, CPA, CIRP, LIT
Managing Director

Email: rwilliams@brileyfin.com
Direct: (437) 294-4672
Mobile: (905) 904-7400

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Expanded services. Greater reach. Same team.
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Appendix “Q”
to the First Report of the Receiver

150 York Street, Suite 1600
Toronto, ON, Canada, M5H 3S5
T: 1.855.775.8777
F: 437.561.7080

May 23, 2025

Via email: ***info@ramachandran.law***

Ramachandran Law
305 Milner Avenue, Unit 908
Scarborough ON M1B 3V4

Attn: Vithu Ramachandran

Re: Sussman Mortgage Funding Inc. ("SMFI") – Maheswaran Subramaniam

Mr. Ramachandran,

On May 2, 2025, by order of the Ontario Superior Court of Justice (Commercial List) (the "**Appointment Order**"), B. Riley Farber Inc. was appointed as receiver (the "**Receiver**") without security of all the assets, undertakings and properties of Sussman Mortgage Funding Inc., 2486976 Ontario Inc. and 1981361 Ontario Inc. (collectively, the "**Debtors**") acquired for, or used in relation to, businesses carried on by the Debtors, including all proceeds thereof (the "**Property**"). A copy of the Appointment Order, along with other information related to the receivership proceedings, is available on the Receiver's website at https://brileyfarber.com/engagements/sussman-mortgage-funding-inc/.

The Receiver understands that SMFI and Maheswaran Subramaniam are party to the following mortgage arrangements:

Loan ID	Principal Amount	Interest Rate	Maturity Date	Monthly Payment	Property Secured
S-26	$ 500,000	10.50%	6/8/2025	$ 4,918	1345 Bardeau Street, Innisfil
S-27	$ 290,000	10.50%	5/3/2026	$ 2,853	1026 Green Street, Lefroy

The Receiver wrote to Mr. Subramaniam on May 7, 2025 to provide a copy of the Appointment Order and advise Mr. Subramaniam that all amounts payable under the two mortgages were to be paid to the Receiver. Specifically, Mr. Subramaniam was instructed not to cancel or place a stop payment on post-dated cheques that had been provided to SMFI.

On May 15, 2025 the Receiver wrote to Mr. Subramaniam to advise that payments had not been received on the S-27 mortgage for the months of March, April and May 2025. The Receiver requested that Mr. Subramaniam confirm when those payments would be received.

On May 23, 2025 the Receiver was advised that cheque 099 in the amount of $4,918 payable to SMFI, which had been deposited by the Receiver, had been returned due to a stop payment. The Receiver wrote to Mr. Subramaniam and demanded immediate payment of outstanding amounts due under the S-26 and S-27 mortgages. The Receiver telephoned Mr. Subramaniam and was directed to Ramachandran Law.

The Receiver hereby demands immediate payment of $8,559 in respect of the S-27 mortgage and $4,918 in respect of the S-26 mortgage. These funds must be remitted via wire or bank draft payable to B. Riley Farber

Inc. by no later than Tuesday, May 27, 2025. If the Receiver does not receive payment by that date the matter will be referred to counsel.

If you have any questions or concerns please contact the undersigned at 905-904-7400 or via email at rwilliams@brileyfin.com.

Regards,

B. RILEY FARBER INC.



Per: Richard Williams CPA CIRP LIT
Managing Director

Cc Waran Subramaniam warans@gmail.com

Appendix “R”
to the First Report of the Receiver

Richard Williams

From: Richard Williams
Sent: Friday, May 23, 2025 12:37 PM
To: Jay Teichman; Michael Stein
Cc: Kenneth Kraft (kenneth.kraft@dentons.com); Kennedy, Robert; Allan Nackan
Subject: RE: FW: S26 -1345 Bardeau St Innisfil and 1026 Green St ,Lefroy mortgages

Jay,

We continue to investigate the financial interests held in the various mortgages. That being said, we take the position that each of these mortgages falls within the definition of Property set out in the receivership order and that the stay applies. We are not prepared to consent to the lifting of the stay.

The answer to your questions (i) and (ii) below is yes in both cases.

Regards,

Richard Williams
B. Riley Farber

rwilliams@brileyfin.com
905-904-7400

From: Jay Teichman <jay@jayteichman.com>
Sent: Friday, May 23, 2025 12:15 PM
To: Richard Williams <rwilliams@brileyfin.com>; Michael Stein <michael.stein@rogers.com>
Cc: Kenneth Kraft (kenneth.kraft@dentons.com) <Kenneth.Kraft@dentons.com>; Kennedy, Robert <robert.kennedy@dentons.com>; Allan Nackan <anackan@brileyfin.com>; Jay Teichman <jay@jayteichman.com>
Subject: Re: FW: S26 -1345 Bardeau St Innisfil and 1026 Green St ,Lefroy mortgages

[EXTERNAL]

Thanks for your reply Richard.

We aren't denying that sussman brokered these mortgages (although we wish that we hadn't dealt with him) but we are denying that these mortgages are sussman's property. sussman has no interest whatsoever in S26 and S27. he is not entitled to anything.

Is the receiver stating that sussman or some other investor has a financial interest in these mortgages? if not, we should be free to deal with our property directly with the borrower.

despite sussman having no interest, are you saying that (i) all payments of principal and interest must be made to the receiver and

(ii) we can't deal with the borrower without a court in that regard? I'm trying to understand the process.

Thanks.

Jay Teichman Barrister & Solicitor 5255 Yonge St., Suite 800, Toronto, Ontario, M2N 6P4 Direct Line: (416) 433-0237 Facsimile: (416) 512-9992 E-Mail: jay@jayteichman.com NOTE: This e-mail message is intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you have received this message in error, or are not the named recipient(s), please immediately notify the sender and delete this e-mail message.

On 2025-05-23 11:45 a.m., Richard Williams wrote:

> Jay,
>
> We have made our views clear on this matter. Each of the investors in question entered into investment agreements with SMFI. The fact that your registered investments are held through a custodian does not change the fact that these deals were brokered through SMFI. We consider them to be included in Property and take the position that the stay applies. As I have said repeatedly, we do not consent to any enforcement action by you or Mr. Stein.
>
> Regards,
>
> Richard Williams
> B. Riley Farber
>
> rwilliams@brileyfin.com
> 905-904-7400
>
> ---
>
> **From:** Jay Teichman <jay@jayteichman.com>
> **Sent:** Friday, May 23, 2025 11:41 AM
> **To:** Richard Williams <rwilliams@brileyfin.com>; Michael Stein <michael.stein@rogers.com>; Jay Teichman <jay@jayteichman.com>
> **Subject:** Re: FW: S26 -1345 Bardeau St Innisfil and 1026 Green St ,Lefroy mortgages
>
> **[EXTERNAL]**
>
> Hi Richard.
>
> I'm following up on the exchange of emails below among you, Michael Stein and me.
>
> As advised: "I have electronic copies of all reg'ed docs and in this regard I again attach copies of my letters to the

borrower (Subramaninam) of S26 and S27 which includes copies of the reg'ed docs and sets out the history of each mortgage loan and discloses the investors.

S26 has 3 investors, Teichman, Stein and Roberts.

S27 has 2 investors, Teichman and Stein."

SMFI has no interest in these mortgages; it is not an investor nor the mortgage administrator.

Authority to deal with these mortgages, including receipt of several past due monthly payments and payout of principal, lies with the investors, Teichman, Stein and Roberts.

Please confirm the foregoing so that we can proceed to deal with the borrower and his lawyer without the receiver's further involvement.

My investments in these mortgages comes from my retirement funds, my RRIF and TFSA, with OTC. S26 matures on June 23, 2025. I need this money to live on.

Thanks.

Jay Teichman Barrister & Solicitor 5255 Yonge St., Suite 800, Toronto, Ontario, M2N 6P4
Direct Line: (416) 433-0237 Facsimile: (416) 512-9992 E-Mail: jay@jayteichman.com NOTE: This e-mail message is intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you have received this message in error, or are not the named recipient(s), please immediately notify the sender and delete this e-mail message.
On 2025-05-14 10:29 a.m., Jay Teichman wrote:

> Hi Richard. yes i did. Thanks.
>
> i'm going to send to you in one minute an email regarding B95 Bidmead. We are owed $499,500. Thanks.

Jay Teichman Barrister & Solicitor 5255 Yonge St., Suite 800, Toronto, Ontario, M2N 6P4 Direct Line: (416) 433-0237 Facsimile: (416) 512-9992 E-Mail: jay@jayteichman.com NOTE: This e-mail message is intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you have received this message in error, or are not the named recipient(s), please immediately notify the sender and delete this e-mail message.
On 2025-05-14 10:23 a.m., Richard Williams wrote:

> Jay,
>
> Can you please confirm whether you signed the attached investor agreement.
>
> Regards,
>
> Richard Williams
> B. Riley Farber
>
> rwilliams@brileyfin.com
> 905-904-7400
>
> ---
>
> **From:** Jay Teichman <jay@jayteichman.com>
> **Sent:** Tuesday, May 13, 2025 7:43 PM
> **To:** Richard Williams <rwilliams@brileyfin.com>; Michael Stein <michael.stein@rogers.com>
> **Cc:** Emily Klein <eklein@brileyfin.com>; Sara Corcoran <scorcoran@brileyfin.com>; Jay Teichman <jay@jayteichman.com>
> **Subject:** Re: FW: S26 -1345 Bardeau St Innisfil and 1026 Green St ,Lefroy mortgages
>
> **[EXTERNAL]**
>
> OK, thanks Richard.
>
> I have electronic copies of all reg'ed docs and in this regard I again attach copies of my letters to the borrower (Subramaninam) of S26 and S27 which includes copies of the reg'ed docs and sets out the history of each mortgage loan and discloses the investors.
>
> S26 has 3 investors, Teichman, Stein and Roberts.

S27 has 2 investors, Teichman and Stein.

Hope this helps. thanks.

Jay Teichman Barrister & Solicitor 5255 Yonge St., Suite 800, Toronto, Ontario, M2N 6P4 Direct Line: (416) 433-0237 Facsimile: (416) 512-9992 E-Mail: jay@jayteichman.com
NOTE: This e-mail message is intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you have received this message in error, or are not the named recipient(s), please immediately notify the sender and delete this e-mail message.
On 2025-05-13 7:27 p.m., Richard Williams wrote:

> Jay and Michael,
>
> I have spent the last few hours reviewing Sussman's loan ledgers for these files. I still need to review the mortgage documents, which are kept physically at Sussman's office. I expect to do this tomorrow and will come back to you after that.
>
> I note that Sussman's records reflect that there are additional investors in the S-26 mortgage. Even if we determine that S-27 was simply administered by Sussman, and does not include any actual investments from SMFI investors, we will need to address the investors' interest in S-26.
>
> I will be back to you tomorrow with a more complete answer.
>
> Regards,
>
> Richard Williams
> B. Riley Farber
>
> rwilliams@brileyfin.com
> 905-904-7400
>
> ---
>
> **From:** Michael Stein <michael.stein@rogers.com>
> **Sent:** Tuesday, May 13, 2025 4:07 PM
> **To:** Jay Teichman <jay@jayteichman.com>; Richard Williams <rwilliams@brileyfin.com>
> **Cc:** Emily Klein <eklein@brileyfin.com>; Sara Corcoran <scorcoran@brileyfin.com>; Jay Teichman <jay@jayteichman.com>; michael stein <michael.stein@rogers.com>
> **Subject:** Re: FW: S26 -1345 Bardeau St Innisfil and 1026 Green St ,Lefroy mortgages

[EXTERNAL]
Good afternoon:
I just had a chance to read the exchange of correspondence between Jay Teichman and yourself.

I really don't understand how this Sussman Mortgage Funding Inc. (Sussman) Receiver order has relevance with the Maheswaran Subramaniam mortgages namely S26 (1345 Bardeau St Innisfil) and S27 (1026 Green St Lefroy) as these mortgages were originally registered in Olympia Trust Company , Calgary name In Trust for specific registered accounts from day one and Sussman never had any ownership and it was never a "Property" of Sussman as Sussman acted only as Administrator collecting 60 basis point fee from the monthly mortgage payments while being Administrator which was terminated on or before March 31/25.

We were advised from day one by Olympia Trust Company and Sussman that Sussman could be terminated at anytime as Administrator which both Jay Teichman and I did on or before March31/25 which Amanda Yu at Olympia Trust our account rep can verify. Consequently, Sussman is not Administrator after March 31/25 and never had any interest in the ownership of these mortgages as they were registered in Olympia Trust name In Trust for Jay Teichman, Bruce Roberts and my respective registered account(s) for S26 mortgage and for Jay Teichman and my registered account(s) for S27 mortgage.

We have over the past 2 months attempted to resolve collection of monies from Mr Subramaniam the borrower as we have not received any mortgage payments for either S26 or S27 since Dec/24 although Mr Subramaniam claims all payments were made to Sussman with some eTransfers sent to Sussman April 1 and April 9 when Sussman was no longer operating the Sussman business as licenses had expired and he was provided 2 notices in early March/25

by Mr Teichman that Sussman had been terminated as Administrator on these 2 mortgages and all payments after March 31/25 should not be made to Sussman.

Can you please confirm receipt of any payments made by Mr Subramaniam for S26 and S27 mortgages from Jan/25 until today which should be held in a Sussman trust account as these are trust funds not Sussman‘s and should be sent to Olympia Trust Company In Trust for each of our respective accounts based upon percentage ownership interest as was historically done when Sussman acted as Administrator for the benefit of each respective lenders registered account(s) at Olympia Trust Company.

Jay Teichman sent letters to Mr Subramaniam the borrower advising in early March/25 and mid March/25 that mortgage payments were in arrears and that we had not received any payments since Dec/24 on both S26 and S27 mortgages and that any payments made after March 31/25 would not be credited against the mortgages unless we received payments into our respective registered accounts at Olympia Trust Company. We required all outstanding arrears payments to be made directly to Olympia Trust Company In Trust to each of our respective registered accounts. We also requested Mr Subramaniam or his counsel to provide proof of payments made since Dec/24 by providing copies of any cheque(s) and/or eTransfers made to Sussman. Mr Subramaniam and his counsel were advised that Sussman was no longer Administrator and all payments should be made to Olympia Trust Company In Trust in Calgary by completing Olympia’s monthly mortgage payment documentation so each of the respective lenders registered account(s) held at Olympia Trust Company would receive their percentage mortgage interest payments directly from borrower.

The S26 mortgage becomes due on June 23/25 and we advised the borrower and his lawyer that we are not renewing this mortgage and require all outstanding monies owing to be paid

on due date. If the borrower does not make monthly mortgage payments when due for both S26 and S27 mortgages and/or repayment of all monies owing on mortgage S26 is not paid on due date, we need to be able to exercise all legal rights to collect on these mortgages. How else can we recover our monies that are owing?

It seems the next court appearance is on June 26/25 after the S26 due date of June 23/25 . It is our understanding that Olympia Trust Company In Trust for each of our respective registered accounts must discharge mortgage with our instructions as lenders after receipt of all monies owing by borrower. Once Olympia Trust Company In Trust for each of the respective lenders registered accounts receives all monies due, they will remit payment to each of the respected registered lenders accounts based upon percentage ownership interests and will advise lawyer acting to discharge
S26 mortgage since they are registered holder In Trust for each of the lenders Olympia Trust Company registered accounts.

I require these monthly mortgage payments and the principal repayment owing that is due on June 23 /25 for the S26 mortgage to live and need this matter resolved as soon as possible.

Please advise

Thx

Michael Stein

Telephone : 416-410-7722
Cell Phone: 437-779-1444

Email : michael.stein@rogers.com

This e-mail is privileged and may contain confidential information
intended only for the person(s) named above. If you receive this e-mail in error, please notify the addressee immediately by e-mail

from Yahoo Mail for iPhone

On Tuesday, May 13, 2025, 12:56 PM, Jay Teichman <jay@jayteichman.com> wrote:

> Thanks again for your response below, Richard.
>
> Carol and I terminated SMFI's administration involvement with our mortgages before the receiver was appointed and we notified Olympia Trust as well. Michael Stein has also terminated SMFI's involvement. We can provide copies if needed.
>
> I appreciate the distinction between sussman's administration involvement and personal / corporate interest in the mortgages,; if [T]he Receiver is exclusively empowered to exercise any remedies in respect of the mortgages and is not prepared to consent to any enforcement action by investors, including those mortgages where SMFI has no personal / corporate interest in the mortgages, how will we recover our investments? As mentioned, none of S26, S27 and B95 has made any payments to us since December, 2024. We are elderly, semi-retired and need this money in our OTC accounts.
>
> Thanks.
>
> Jay Teichman Barrister & Solicitor 5255 Yonge St., Suite 800, Toronto, Ontario, M2N 6P4 Direct Line: (416) 433-0237 Facsimile: (416) 512-9992 E-Mail: jay@jayteichman.com NOTE: This e-mail message is intended only for the named recipient(s) above

and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you have received this message in error, or are not the named recipient(s), please immediately notify the sender and delete this e-mail message.
On 2025-05-13 12:39 p.m., Richard Williams wrote:

Jay,

The order appointing the Receiver extends over all of the syndicated mortgages administered by SMFI. Whether or not SMFI has a personal / corporate interest in the mortgages is not relevant. The Receiver is exclusively empowered to exercise any remedies in respect of the mortgages and is not prepared to consent to any enforcement action by investors.

Regards,

Richard Williams

B. Riley Farber

rwilliams@brileyfin.com

905-904-7400

From: Jay Teichman <jay@jayteichman.com>
Sent: Tuesday, May 13, 2025 12:31 PM
To: Richard Williams <rwilliams@brileyfin.com>; Jay Teichman <jay@jayteichman.com>; Michael Stein <michael.stein@rogers.com>

Cc: Emily Klein <eklein@brileyfin.com>; Sara Corcoran <scorcoran@brileyfin.com>
Subject: Re: FW: jay & carol teichman. sussman. B95 Colin Bidmead etc

[EXTERNAL]

Thanks for your email below Richard. I am including Michael Stein in this email; he's an investor in S26 & S27. I have embedded my comments in **red font** directly into your email below.

I hope that you receive this email; as all of my emails to you are bouncing back, I kindly request that Emily and Sara forward this email to you.

Thanks All.

Jay Teichman Barrister & Solicitor 5255 Yonge St., Suite 800, Toronto, Ontario, M2N 6P4 Direct Line: (416) 433-0237 Facsimile: (416) 512-9992 E-Mail: jay@jayteichman.com NOTE: This e-mail message is intended only

for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you have received this message in error, or are not the named recipient(s), please immediately notify the sender and delete this e-mail message.

On 2025-05-13 12:07 p.m., Richard Williams wrote:

> Jay,
>
> Apologies – I had a response to your earlier email drafted but somehow failed to send it.
>
> 1. Receiver's Mandate
>
>   1. The Receiver is aware of your investments and may reach out during the course of its investigation for additional documentation to address specific investments.

[Jay: thanks]

2. The Property includes all syndicated mortgage loans brokered by SMFI, as well as the assets of the numbered companies listed in the style of cause that hold Sussman's equity interest in the three housing development projects. For clarity, the Property includes all "paid out" mortgages. As set out in 4(g) of the Appointment Order, the Receiver's investigation

includes the disposition of any proceeds of the syndicated mortgage loans, which would include "amounts paid to Sussman but not paid to [me]". [Jay: thanks]

3. The stay of proceedings applies to all syndicated mortgage loans per the definition of Property discussed above. The Receiver's consent is required and the Receiver is not prepared to consent to any enforcement

actions by individual investors.

[Jay: as I stated in my earlier emails to the receiver, SMFI ha

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is not indebted to Sussman. Please advise.]

4. The Receiver has not been in contact with the OSC. We cannot comment on whether they may eventually become involved, but it

does not appear that they exercised any regulatory oversight over SMFI prior to the date of receivership.

1. B94/95 Colin Bidmead

    1. As set out above, the Receiver is not prepared to consent to any enforcement actions by individual investors. **[Jay: in my email I stated**

"Carol and I would like to exercise our default remedies and issue a statement of claim and Notice of Sale, but

as SM Fl rem ain s an own er of the B95 cha rge s me ntio ned abo ve, the rec eive r's con sen t and coo per atio n is nee ded

(s.4(j) and s.9 of the Order). I am seeking that consent." Carol and I are seeking the re cei

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er in this collection. Please advise.]

Please feel free to reach out directly with any further questions or concerns.

Regards,

Richard Williams

B. Riley Farber

rwilliams@brileyfin.com

905-904-7400

From: Emily Klein <eklein@brileyfin.com>
Sent: Tuesday, May 13, 2025 11:57 AM
To: Richard Williams <rwilliams@brileyfin.com>
Subject: Fw: jay & carol teichman. sussman. B95 Colin Bidmead etc

---

From: Jay Teichman < >
Sent: Tuesday, May 13, 2025 11:50:36 AM
To: Sarah Riley <sarah.ml.riley@gmail.com>; Emily Klein <eklein@brileyfin.com>; Jay Teichman <jay@jayteichman.com>
Subject: Fwd: jay & carol teichman. sussman. B95 Colin Bidmead etc

[EXTERNAL]

Hi Sarah and Emily.

I sent to Sarah a copy of my email below

regarding SMFI and B95 (Colin Bidmead).

This mortgage matures on 6 June 2025.

We are not being paid; we haven't been paid since December, 2024.

As stated below, Carol, my wife, and I would like to exercise our default remedies and issue a statement of claim and Notice of Sale, but as SMFI remains an owner of the B95 charges mentioned

above, the receiver's consent and cooperation is needed (s.4(j) and s.9 of the Order). I am seeking that consent.

Please advise. Thanks.

Jay Teichman
Barrister & Solicitor
5255 Yonge St., Suite 800, Toronto, Ontario, M2N 6P4
Direct Line: (416) 433-0237 Facsimile: (416) 512-9992 E-Mail: jay@jayteichman.com NOTE: This e-mail message is intended only for the named recipient(s) above and may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you have received this message in error, or are not the named recipient(s), please immediately notify the sender

and delete this e-
mail message.

-------- Forwarded
Message --------

Subject:jay & carol teichman. sussman. B95 Colin Bidmead etc
Date: Tue, 6 May 2025 15:32:02 -0400
From: Jay Teichman <jay@jayteichman.com>
To: George Benchetrit <George@chaitons.com>, Jay Teichman <j
Corcoran <scorcoran@brileyfin.com>

Hi George.

Hope all is well. I left you a message a couple of hours ago; I have to go out now so I'm sending this email.

Hi Sara. Nice to meet you electronically. My wife, Carol, and I are investors with Sussman.

I received the receiver's

email yesterday regarding its appointment (with a link to several court docs). As the court has not yet appointed representative counsel for the unrepresented investors, I am reaching out to FSRA and the receiver for some information. If I should be dealing with the receiver alone, kindly let me know and I'll communicate with them. At the moment, I'm merely an investor with some questions.

This email should not be interpreted to mean that I am not in support of the appointment of representative counsel for unrepresented investors.

1. Receiver's Mandate

(i) I sent to you a couple of charts prepared by me listing my investments (copies attached - I think these are the ones I sent to you). I want to ensure that the receiver is aware of my

investments. Sara, I can provide more info if you need it.

(ii) Section 2 of the Order defines Property to be "...all of the assets, undertakings and properties of the Respondents acquired for, forming part of, or used in relation to a business carried on by the Respondents, any assets or property held by the Respondents in trust for any third party, and all property,

rights, intererests and proceeds arising from all joint venture or co-tenancy agreements entered into by the Respondents , including but not limited to those described in Schedule A attached hereto, including all proceeds thereof...".

I'm not sure if Property includes the investments (H26, T20, P12 and B93) listed on my attached schedule

(called "6 22 april 2025 invt chart.docx") where I disclose the $525,000 paid to Sussman by the borrowers but not paid to me. These mortgages have been paid out and discharged from title by Sussman's lawyer.

Are these properties included/addressed in the Order or are "paid out" mortgages excluded from the receiver's purview? I think that s.4((f) and

(g)(i) of the Order would pick up the investigation of "paid out" mortgages.

I can't go after these borrowers as they have paid Sussman, so I suspect that I must rely on the receiver's investigation and tracing of these funds.

Does the Receiver's mandate include tracing the funds which were paid to Sussman but not paid to me? *Is this addressed in s.4(g)(i) of*

the Order too?

(iii) I'm also wondering if s.9 of the Order (No Proceedings against the Respondents or the Property) affects my investments in S26 & S27 disclosed on my attached chart called "6 22 april 2025 invt chart.docx"? Sussman is not an investor in S26 or S27 but is an investor in B94/95 (Bidmead, referred to below). None of these mortgages has been

paid since December, 2024 (5 months in arrears) and I'd like to get moving on recovering my funds. I am in contact with the other investors in S26 and S27 and since Sussman is not an owner/investor in these mortgages, I'm hopeful that the receiver's consent is not required - is this correct? If the consent is required, I am seeking that consent.

(iv) As some of

Sussman's invts include qualified and non-qualified syndicated mortgages, will the OSC be involved?

I am also writing today regarding B94/95/Colin Bidmead.

2. B94/95 - Colin Bidmead

Carol and I invested $77,000 of unregistered funds via Sussman Mortgage Funding Inc. and I invested an additional $422,500 thru my Olympia Trust Company

RIF ie SMFI holds an undivided interest in the mortgage in trust for Carol and me and OTC holds the balance in trust for me. We haven't been paid since December 2024 (ie 5 months in arrears).

I attach the $77,000 Investor Agreements regarding the foregoing. The 1st one reflects B94 and the 2nd reflects the new B95.

The attachment below

entitled "1 as at 27 april 2025" is a copy of an exchange of emails between Colin Bidmead and me setting out the facts as I know them.

I attach the original charge, SC2066645, in the amount of $990,000 disclosing SMFI as the sole chargee, and 3 charged property PINs ending with 0281& 0282 (collectively comprising 2 Mill Street) and 0076

(5790 Line 9 North, Waubaushene).

I attach transfer of charge, SC2070845, disclosing (i) SMFI as the owner of 57.32% (=$567,468.00, $77,000 of which is being held in trust for Carol and me in accordance with the attached Investor Agts) of the original charge, and (ii) OTC, in trust for my RIF, owning 42.68% (=$422,532.00).

As you can see, each of the foregoing instruments includes 3 PINs, 2 of which are for 2 Mill Street, and the 3rd for 5790 Line 9 North, Waubaushene.

I attach notice of amendment, SC2104308:

(i) reducing the principal amount from $990,000 to $695,000,

(ii) disclosing (i) SMFI as the owner as to 39.21% (=$272,509.50, $77,000 of which is held in trust for Carol and me), and (ii)

OTC, in trust for my RIF, owning 60.79% (=$422,490.50, which amount varies immaterially from the $422,532 mentioned above),

(iii) removing the PINs ending with 0281& 0282 (collectively comprising 2 Mill Street) and leaving PIN- 0076 (5790 Line 9 North, Waubaushene) alone. The removed properties were replaced by the attached instrument, SC2104320, being a

charge on 10 Cold Water Road. You will note that the terms and conditions of this latter mentioned charge, including the chargees, are substantially the same as in the Notice of Amendment registered as SC104308 above, however the chargor was changed from Bidmead to his corporation.

Carol and I would like to exercise our default remedies

and issue a statement of claim and Notice of Sale, but as SMFI remains an owner of the B95 charges mentioned above, the receiver's consent and cooperation is needed (s.4(j) and s.9 of the Order). I am seeking that consent.

Thanks All.

--
Jay Teichman
Barrister & Solicitor
5255 Yonge St.,
Suite 800, Toronto,
Ontario, M2N 6P4
Direct Line: (416)
433-0237 Facsimile:
(416) 512-9992 E-
Mail:
jay@jayteichman.co
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Appendix “S”
to the First Report of the Receiver

JAY
TEICHMAN
BARRISTER AND SOLICITOR

5255 Yonge Street, Suite 800, Toronto, Ontario M2N 6P4
(416) 433-0237 Fax: (416) 512-9992
341 Joicey Blvd., Toronto, Ontario M5M 2W2
Cell: (416) 433-0237
e-mail: jay@jayteichman.com

Delivered by registered mail
&
Email:

March 14, 2025

Maheswaran Subramaniam
1345 Bardeau Street
Lefroy, Ontario
L0L 1W0

1610 19th Avenue
Richmond Hill, Ontario
L4E 3R9

Dear Sir:

$500,000.00 loan to Maheswaran Subramaniam
Secured by a 2nd mortgage against 1345 Bardeau Street,
Innisfil (Lefroy), Ontario,
in favour of Olympia Trust Company in trust for Jay Teichman, Michael Stein and Bruce Roberts
Mortgage Registration No. SC1988664
[referred to by Olympia Trust as MOR132953 and by Sussman Mortgage Funding Inc. as S26]

I am contacting you in my personal capacity as an investor, being a part owner of the mortgage noted above. As you can see from the letterhead information above, although my office is located on Yonge Street, I am semi-retired and work from my house. After your review of this correspondence, please feel free to contact me directly on my cellphone 416-433-0237 or by email: jay@jayteichman.com. I have also included contact information for Olympia Trust Company below if you wish to contact them directly. I invite you to do so.

Sussman Mortgage Funding Inc. ("Sandy") arranged my $153,000.00 investment in your $500,000.00 mortgage from my RRIF account #314249 with Olympia Trust Company ("Olympia") as to 30.8%. I explain below the sequence of events and investments.

I attach a copy of the 1st 2 pages of your mortgage No. SC1988664 which discloses that the mortgaged property is 1345 Bardeau Street, Innisfil, Ontario, and that 60.8% is held by Sandy ($550,00.00 x 60.8% = $304,000.00) and Olympia holds the remaining 39.2% in trust for Michael Stein.

Subsequently, by Instrument No. SC2018550 (copy attached), Sandy and Olympia transferred this mortgage to Olympia as to (i) 30.8% in trust for me ($500,000.00 x 30.8% = $154,000.00. As I invested $153,000.00, there is a minor arithmetic discrepancy calculated by Sandy and Olympia, I suspect – my interest should be disclosed as 30.6%; in any event, my investment is disclosed), (ii) 39.2% in trust for Michael Stein, and (iii) the remaining 30% in trust for Bruce Roberts. This correspondence only addresses my 30.8%. I haven't spoken with the other investors, do not know them and am not aware of their situation regarding this mortgage.

I understand that Sandy and Olympia directed you to make your monthly payment to Sandy, who, upon receipt, would then pay the balance to Olympia in trust for me.

Your total monthly payment is $4,918.00, being a blended payment of principal and interest.

My RRIF share of your monthly payment is $1514.74 (calculated as follows: $4918.00 x 30.8% = $1514.74). Again, due to a minor arithmetic discrepancy calculated by Sandy and Olympia, and due to your monthly payment being blended principal and interest, the exact amounts of these monthly payments made to me are insignificantly a bit different and I have been receiving $1512.70 monthly.

Sandy has not paid anything to Olympia in trust for me since December, 2024, i.e., the January, February and March, 2025 payments have not been paid. The last payment Olympia received from Sandy was on January 13, 2025; this payment covered interest for December, 2024. I spoke with Olympia on March 12 to confirm this information.

I don't know if you have paid Sandy for January, February and March, 2025. When I asked for this information, Sandy promised payments. He has made several promises of payment, but no payment has been made.

If you have made these payments, I have not received credit for them in my Olympia accounts. Please let me know if you have made these payments and please send copies of the cancelled cheques or other evidence of payment.

I have notified Olympia that Sandy's authorization to act on my behalf for their mortgages has been revoked. Olympia has acknowledged this revocation. Olympia has notified me that I must contact you.

I want your payments to be made to Olympia in trust for me; not to Sandy. Olympia has advised me that they can assist in this change and that they require you to sign the attached Mortgage Payment Authorization Form. I have inserted the mortgage information; you must

insert the name of your bank in part 4, and in part 5 please attach a "void" cheque, insert your name, sign the form and insert the date of execution. **Once completed, kindly send the form to Olympia Trust Company, P.O. Box 2581, STN Central, Calgary, Alberta, T2P 1C8, Attention: Amanda Yu; email: YuA@olympiatrust.com.** Amanda's direct telephone line is 403-668-6986, if you should have any questions regarding execution and delivery of the Form or the truthfulness and veracity of any of the information in this letter.

Kindly let me know that you have sent the signed form to Olympia.

If you have delivered a similar form of mortgage payment authorization to Sandy, please cancel it with your bank to avoid duplicate payments being made (which I refer to more completely below).

If you have delivered post-dated cheques to Sandy, please advise Sandy to return them to you. You should also contact your bank and put a "stop payment" on them.

I appreciate that this may come as unwelcome news. You may feel that as you have been making payments to Sandy, this is my problem. It is my problem; this correspondence rectifies this dilemma. **Please accept this correspondence as my irrevocable direction to you to make all payments to Olympia on my behalf.** I hereby notify you that any payments made by you to Sandy after the date hereof will not be recognized by Olympia and you will not receive credit therefor. If you continue to make any payment(s) to Sandy in disregard of this direction, Olympia will be pursuing these payments – in other words, you will have to make "double" payment for each payment made to Sandy. If you have not made any of the January, February and/or March, 2025 payments to Sandy, please let Olympia and me know so that Olympia can facilitate these payments from your bank to Olympia.

Your next payment is due on March 23, 2025. Please ensure that it's made to Olympia Trust Company in trust for me.

I also take this opportunity to advise you that your mortgage matures on June 23, 2025. I won't be renewing or extending my investment in your mortgage. Olympia and I expect to be paid in full on June 23, 2025. I will be sending a copy of this letter to the other Olympia investor in your mortgage for their information. As stated above, this correspondence only addresses my 30.8%. I have not spoken with the other investors and am unaware of their situation. I don't know if they have received January, February and March, 2025 payments from Sandy. I suspect that Olympia may notify the other investors of this matter and that you may be hearing from them too.

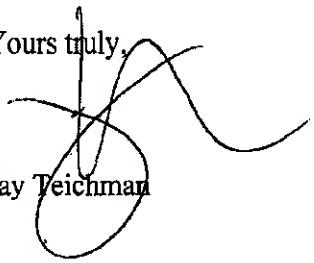
I am delivering a copy of this letter to Sandy. I have advised Sandy that I would be sending this letter to you.

I sincerely apologize for this situation and empathize with you. Unfortunately, there is no other practical and effective solution to ensure that I receive the payments I am entitled to receive for lending you money. Sandy is no longer entitled to receive these mortgage payments and is no

longer my agent or authorized representative.

Thank you for your co-operation.

Yours truly,



Jay Teichman

LRO # 51 **Charge/Mortgage** **Receipted as SC1988684 on 2023 06 23 at 11:31**

The applicant(s) hereby applies to the Land Registrar. yyyy mm dd Page 1 of 21

Properties

PIN	58065 - 0609 LT	*Interest/Estate*	Fee Simple
Description	LOT 146, PLAN 51M1014; TOGETHER WITH AN EASEMENT OVER PTS 6 & 7 51R38128 AS IN SC996675; SUBJECT TO AN EASEMENT IN GROSS OVER LOT 146, PLAN 51M1014 AS IN SC1333490; TOWN OF INNISFIL		
Address	1345 BARDEAU STREET INNISFIL		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name	SUBRAMANIAM, MAHESWARAN
Address for Service	1345 Bardeau Street, Innisfil, Ontario L0L 1W0

I am at least 18 years of age.

The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

This document is not authorized under Power of Attorney by this party.

Chargee(s)		Capacity	Share
Name	SUSSMAN MORTGAGE FUNDING INC.		as to an undivided 60.80% interest
Address for Service	129 Dunlop Street East, Barrie, Ontario L4M 1A6		
Name	OLYMPIA TRUST COMPANY		as to an undivided 20.60% interest
Address for Service	Olympia Trust Company In trust for RRSP # 330315 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 18.60% interest
Address for Service	Olympia Trust Company In trust for TFSA # 330559 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		

Statements

Schedule: See Schedules

Provisions

Principal	$500,000.00	*Currency*	CDN
Calculation Period	semi-annually, not in advance		
Balance Due Date	2025/06/23		
Interest Rate	10.50% per annum		
Payments	$4,918.00		
Interest Adjustment Date	2023 06 23		
Payment Date	23rd day of each month		
First Payment Date	2023 07 23		
Last Payment Date	2025 06 23		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor			

Signed By

Ku Yim Ng	20 Holly St. Ste 300 Toronto M4S 3B1	acting for Chargor(s)	Signed	2023 06 23

Signed By

Tel 416-486-9800
Fax 416-486-3309
I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

OWENS, WRIGHT LLP	20 Holly St. Ste 300 Toronto M4S 3B1	2023 06 23

Tel 416-486-9800
Fax 416-486-3309

Fees/Taxes/Payment

Statutory Registration Fee	$69.00
Total Paid	$69.00

File Number

Chargee Client File Number : 12543023 GDG DR MN

Properties

PIN 58065 - 0609 LT
Description LOT 146, PLAN 51M1014; TOGETHER WITH AN EASEMENT OVER PTS 6 & 7 51R38128 AS IN SC996675; SUBJECT TO AN EASEMENT IN GROSS OVER LOT 146, PLAN 51M1014 AS IN SC1333490; TOWN OF INNISFIL
Address 1345 BARDEAU STREET INNISFIL

Source Instruments

Registration No.	Date	Type of Instrument
SC1988664	2023 08 23	Charge/Mortgage

Transferor(s)

This transfer of charge affects all lands that the charge is against which are outstanding.

Name SUSSMAN MORTGAGE FUNDING INC
Address for Service 129 Dunlop St. East. Barrie, Ontario L4M 1A5
A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Name OLYMPIA TRUST COMPANY
Address for Service Olympia Trust Company in trust for RRSP # 330315 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8
A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party

Name OLYMPIA TRUST COMPANY
Address for Service Olympia Trust Company in trust for TFSA # 330559 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8
A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Transferee(s)		Capacity	Share
Name	OLYMPIA TRUST COMPANY		as to an undivided 20.60% interest
Address for Service	Olympia Trust Company in trust for RRSP # 330315 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 18.50% interest
Address for Service	Olympia Trust Company in trust for TFSA # 330559 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 30.80% interest
Address for Service	Olympia Trust Company in trust for RRIF # 314249 - Jay Teichman PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 30.00% interest
Address for Service	Olympia Trust Company in trust for RRIF # 271041 - Bruce Roberts		

Transferee(s)	*Capacity*	*Share*
PO Box 2581, STN Central Calgary AB T2P 1C8		

Statements

The charges transfers the selected charge for 2.00 and other good and valuable consideration, without any warranties or representation and on a non-recourse basis.

This document relates to registration number(s)SC1988664 & SC1988665

Signed By

Ku Yim Ng	20 Holly St. Ste 300 Toronto M4S 3B1	acting for Transferor(s)	Signed	2023 10 31

Tel 416-486-9800

Fax 416-486-3309

I have the authority to sign and register the document on behalf of all parties to the document.

Ku Yim Ng	20 Holly St. Ste 300 Toronto M4S 3B1	acting for Transferee(s)	Signed	2023 10 31

Tel 416-486-9800

Fax 416-486-3309

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

OWENS, WRIGHT LLP	20 Holly St. Ste 300 Toronto M4S 3B1	2023 10 31

Tel 416-486-9800

Fax 416-486-3309

Fees/Taxes/Payment

Statutory Registration Fee	$69.00
Total Paid	$69.00

File Number

Transferee Client File Number : 12543023 GDG DR MN

OLYMPIA TRUST COMPANY

Mortgage Payment Authorization Form

Investment Account Services Division

Fax: (403) 261-6105
Email: mortgages@olympiatrust.com

1. Lender Information *(Olympia Trust Company Client)*

Jay Teichman — Name
314249 — Account Number

2. Borrower Information

Maheswaran Subramaniam — Name
MOR132953 — Mortgage Number
1345 Bardeau Street, Innisfil, Ontario — Property Address

3. Payment Information

Please include start date and payment amount. Scheduled payments are processed with the selected frequency beginning on the Start Date.

☐ **One-Time Payment** Amount: $

☑ **Scheduled Payments** Amount: $1,512.70 Start Date: 3/23/2025

Frequency:

If Monthly is selected and Start Date is set on the 28th, 29th, 30th, or 31st of each month, the payment may be processed on the last day of the month.

☑ **Mortgage Related Payments**

By selecting this tick box, I authorize Olympia Trust Company ("Olympia") to draw on the account identified below for all mortgage payments and for any related mortgage charges for fees and services outlined in the Mortgage with respect to the above Mortgage Number.

4. Payment Source Information

Name of Financial Institution: _____ (the "Financial Institution")

A VOID cheque must be attached

In accordance with this Electronic Fund Transfer Agreement ("EFT Agreement"), I/we authorize Olympia and the Financial Institution to debit the account (the "Account") with the Financial Institution identified in the attached void cheque for the contribution(s) authorized by this Mortgage Payment Authorization form and for such fixed and variable fee amounts identified on the Olympia Fee Schedule (as may amended from time to time) for services and products provided by Olympia with respect to my/our Olympia account. I acknowledge that such debits from the Account may occur on a monthly or annual basis depending on my/our contribution instructions and the services and products provided by Olympia. I/we also authorize Olympia to deposit with the Account with any amounts Olympia may pay to me/us, in Olympia's sole discretion. These authorizations are to remain in effect until Olympia receives written notification from me/us cancelling or changing these authorizations. Any written notice cancelling or changing these authorizations must be received by Olympia at least ten (10) business days, but not more than thirty (30) days, before the next scheduled debit. I/we may obtain a sample cancellation form, or more information on my/our right to cancel this EFT Agreement at my/our Financial Institution or by visiting www.payments.ca. Olympia may not assign this EFT Agreement, whether directly or indirectly, by operation of law, change of control or otherwise, without providing me/us at least 10 days prior written notice. I/we have certain recourse rights if any debit does not comply with this EFT Agreement. For example, I/we have the right to receive reimbursement for any Electronic Funds Transfer that is not authorized or is not consistent with this EFT Agreement. To obtain a form for a Reimbursement Claim, or for more information on my/our recourse rights, I/we may contact my/our Financial Institution or visit www.payments.ca Further by signing below, I/we represent and warrant that:

1) the Account number provided is held in my/our name(s), whether solely or jointly, and I/we have authority under the terms the applicable account agreement with the Financial Institution to authorize the debits and deposits contemplated by this EFT Agreement;
2) I/we shall not hold Olympia responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me/us or my/our Financial Institution or due to an error on the part of the Financial Institution in depositing any such funds to the Account;
3) I/we hereby waive my/our right to receive pre-notification of the amount of any pre-authorized debit or deposit made by Olympia in accordance this EFT Agreement and acknowledge that I/we shall not receive advance notice of any such pre-authorized debits or deposits before such debits and deposits are processed;
4) Olympia may change the Olympia Fee Schedule by providing you with thirty (30) days prior written notice of any such changes; and
5) This EFT Agreement is considered a personal pre-authorized debit agreement.

5. Authorization

Maheswaran Subramaniam — Name of Authorized Bank Account Signatory
_____ — Signature of Authorized Bank Account Signatory
_____ — Date *(mm/dd/yyyy)*

Privacy Notice: In providing services to you, we receive non-public, personal information about you. We receive this information through the transactions we perform for you and may also receive information about you by virtue of your transactions with our affiliates and other parties. We will hold your personal information in accordance with our Privacy Policy, a copy of which may be found on our website at www.olympiatrust.com.

JAY
TEICHMAN
BARRISTER AND SOLICITOR

5255 Yonge Street, Suite 800, Toronto, Ontario M2N 6P4
(416) 433-0237 Fax: (416) 512-9992
341 Joicey Blvd., Toronto, Ontario M5M 2W2
Cell: (416) 433-0237
e-mail: jay@jayteichman.com

Delivered by registered mail
&
Email:

March 14, 2025

Maheswaran Subramaniam
1026 Green Street
Lefroy, Ontario
L0L 1W0

1610 19th Avenue
Richmond Hill, Ontario
L4E 3R9

Dear Sir:

$290,000.00 loan to Maheswaran Subramaniam
Secured by a 2nd mortgage against 1026 Green Street, Lefroy, Ontario
in favour of Olympia Trust Company in trust for Jay Teichman and Michael Stein
Mortgage Registration No. SC2056785
[referred to by Olympia Trust as MOR136813 and by Sussman Mortgage Funding Inc. as S27]

I am contacting you in my personal capacity as an investor, being a part owner of the mortgage noted above. As you can see from the letterhead information above, although my office is located on Yonge Street, I am semi-retired and work from my house. After your review of this correspondence, please feel free to contact me directly on my cellphone 416-433-0237 or by email: jay@jayteichman.com. I have also included contact information for Olympia Trust Company below if you wish to contact them directly. I invite you to do so.

Sussman Mortgage Funding Inc. ("Sandy") arranged my $130,000.00 investment in your $290,000.00 mortgage from my RRIF account #314249 with Olympia Trust Company ("Olympia") as to 19.69% and from my TFSA account #344117 as to 25.14%. I explain below the sequence of events and investments.

I attach a copy of the 1st 2 pages of your mortgage No. SC2056785 which discloses that the mortgaged property is 1026 Green Street. Lefroy, Ontario, and that 55.17% is held by Olympia in trust for Michael Stein ($290,000.00 x 55.17% = $159,993.00), and Olympia holds the remaining 25.14% ($290,000.00 x 25.14% = $72,906.00) + 19.69% ($290,000.00 x 19.69% = $57,101.00) in trust for me. The sum of my investment is $72,906.00 + $57,101.00 = $130,007; any minor arithmetic discrepancies were calculated by Sandy and Olympia, I suspect; in any event, my $130,000.00 total investment is disclosed. The sum of $159,993.00 + $72,906.00 + $57,101.00 = $290,000.00, and the sum of 55.17% + 25.14% + 19.69% = 100%. This correspondence only addresses my $130,000.00 investment (i.e. my 44.83% (19.69% + 25.14% = 44.83%). I haven't spoken with the other investors, do not know them and am not aware of their situation regarding this mortgage.

I understand that Sandy and Olympia directed you to make your monthly payment to Sandy, who, upon receipt, would deduct a 6% administrative fee and then pay the balance to Olympia in trust for me.

Your total monthly payment is $2,853.00, being a blended payment of principal and interest. I will address the allocation of the principal component of this monthly payment below.

My RRIF share of your monthly interest payment is $561.76 (calculated as follows: $2853.00 x 19.69% = $561.76). Sandy's fee is 6% such that my net share is $561.76 x 94% = $528.05.

My TFSA share of your monthly interest payment is $717.24 (calculated as follows: $2853.00 x 25.14% = $717.24). Sandy's fee is 6% such that my net share is $717.24 x 94% = $674.21.

Again, due to a minor arithmetic discrepancy calculated by Sandy and Olympia, and due to your monthly payment being blended principal and interest, the exact amounts of these monthly payments made to me are insignificantly a bit different.

I have deducted Sandy's 6% administrative fee from the payments above and leave it to him to collect this amount as he determines.

Sandy has not paid anything to Olympia in trust for me since December, 2024, i.e., the January, February and March, 2025 payments have not been paid. The last payment Olympia received from Sandy was on December 19, 2024; this payment covered interest for December, 2024. I spoke with Olympia on March 12 to confirm this information.

I don't know if you have paid Sandy for January, February and March, 2025. When I asked for this information, Sandy promised payments. He has made several promises of payment, but no payment has been made.

If you have made these payments, I have not received credit for them in my Olympia accounts. Please let me know if you have made these payments and please send copies of the cancelled cheques or other evidence of payment.

I have notified Olympia that Sandy's authorization to act on my behalf for their mortgages has been revoked. Olympia has acknowledged this revocation. Olympia has notified me that I must contact you.

I want your payments to be made to Olympia in trust for me; not to Sandy. Olympia has advised me that they can assist in this change and that they require you to sign the 2 attached Mortgage Payment Authorization Forms. I have inserted the mortgage information; you must insert the name of your bank in part 4, and in part 5 please attach a "void" cheque, insert your name, sign the forms and insert the date of execution. **Once completed, kindly send the forms to Olympia Trust Company, P.O. Box 2581, STN Central, Calgary, Alberta, T2P 1C8, Attention: Amanda Yu; email: YuA@olympiatrust.com.** Amanda's direct telephone line is 403-668-6986, if you should have any questions regarding execution and delivery of the Form or the truthfulness and veracity of any of the information in this letter.

Kindly let me know that you have sent the signed forms to Olympia.

If you have delivered a similar form of mortgage payment authorization to Sandy, please cancel it with your bank to avoid duplicate payments being made (which I refer to more completely below).

If you have delivered post-dated cheques to Sandy, please advise Sandy to return them to you. You should also contact your bank and put a "stop payment" on them.

I appreciate that this may come as unwelcome news. You may feel that as you have been making payments to Sandy, this is my problem. It is my problem; this correspondence rectifies this dilemma. **Please accept this correspondence as my irrevocable direction to you to make all payments to Olympia on my behalf.** I hereby notify you that any payments made by you to Sandy after the date hereof will not be recognized by Olympia and you will not receive credit therefor. If you continue to make any payment(s) to Sandy in disregard of this direction, Olympia will be pursuing these payments – in other words, you will have to make "double" payment for each payment made to Sandy. If you have not made any of the January, February and/or March payments to Sandy, please let Olympia and me know so that Olympia can facilitate these payments from your bank to Olympia.

Your next payment is due on April 3, 2025. Please ensure that it's made to Olympia Trust Company in trust for me.

I also take this opportunity to advise you that your mortgage matures on May 3, 2026. I won't be renewing or extending my investment in your mortgage. Olympia and I expect to be paid in full on May 3, 2026. I will be sending a copy of this letter to the other Olympia investor in your mortgage for their information. As stated above, this correspondence only addresses my 44.83%. I have not spoken with the other investor and am unaware of their situation. I don't know if they have received January, February and March payments from Sandy. I suspect that Olympia may notify the other investors of this matter and that you may be hearing from them

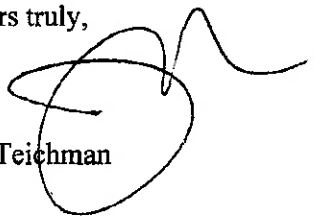
too.

I am delivering a copy of this letter to Sandy. I have advised Sandy that I would be sending this letter to you.

I sincerely apologize for this situation and empathize with you. Unfortunately, there is no other practical and effective solution to ensure that I receive the payments I am entitled to receive for lending you money. Sandy is no longer entitled to receive these mortgage payments and is no longer my agent or authorized representative.

Thank you for your co-operation.

Yours truly,



Jay Teichman

Properties

PIN	58065 - 0847 LT Interest/Estate Fee Simple
Description	LOT 29, PLAN 51M1099; SUBJECT TO AN EASEMENT IN GROSS AS IN SC1361759; SUBJECT TO AN EASEMENT FOR ENTRY AS IN SC1474813; TOWN OF INNISFIL
Address	1026 GREEN STREET LEFROY

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name	SUBRAMANIAM, MAHESWARAN
Address for Service	1610 19th Avenue Richmond Hill, Ontario L4E 3R9

I am at least 18 years of age.

The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

This document is not authorized under Power of Attorney by this party.

Chargee(s)		Capacity	Share
Name	OLYMPIA TRUST COMPANY		as to an undivided 55.17% interest
Address for Service	Olympia Trust Company in trust for RRSP# 330315 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 25.14% interest
Address for Service	Olympia Trust Company in trust for TFSA # 344117 - Jay Teichman 341Joicey Blvd., Toronto, Ontario M5M 2W2		
Name	OLYMPIA TRUST COMPANY		as to an undivided 19.69% interest
Address for Service	Olympia Trust Company in trust for RRIF # 314249 - Jay Teichman 341Joicey Blvd., Toronto, Ontario M5M 2W2		

Statements

Schedule: See Schedules

The text added or imported if any, is legible and relates to the parties in this document.

Provisions

Principal	$290,000 00	Currency	CDN
Calculation Period	semi-annually, not in advance		
Balance Due Date	2026/05/03		
Interest Rate	10.50% per annum		
Payments	$2,853.00		
Interest Adjustment Date	2024 05 03		
Payment Date	3rd day of each month		
First Payment Date	2024 06 03		
Last Payment Date	2026 05 03		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor			

Signed By

Ku Yim Ng	20 Holly St. Ste 300 Toronto M4S 3B1	acting for Chargor(s)	Signed	2024 05 21

Tel 416-486-9800

Fax 416-486-3309

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

OWENS, WRIGHT LLP	20 Holly St. Ste 300 Toronto M4S 3B1	2024 05 21

Tel 416-486-9800

Fax 416-486-3309

Fees/Taxes/Payment

Statutory Registration Fee	$69.95
Total Paid	$69.95

File Number

Chargee Client File Number : 12543030 GDG DR MN

OLYMPIA TRUST COMPANY

Mortgage Payment Authorization Form

Investment Account Services Division
Fax: (403) 261-6105
Email: mortgages@olympiatrust.com

1. Lender Information *(Olympia Trust Company Client)*

Jay Teichman — Name
314249 — Account Number

2. Borrower Information

Maheswaran Subramaniam — Name
MOR136813 — Mortgage Number
1026 Green Street, Ontario — Property Address

3. Payment Information

Please include start date and payment amount. Scheduled payments are processed with the selected frequency beginning on the Start Date.

☐ **One-Time Payment** Amount: $

☑ **Scheduled Payments** Amount: $528.05 Start Date: 4/3/2025

Frequency:

If Monthly is selected and Start Date is set on the 28th, 29th, 30th, or 31st of each month, the payment may be processed on the last day of the month.

☑ **Mortgage Related Payments**

By selecting this tick box, I authorize Olympia Trust Company ("Olympia") to draw on the account identified below for all mortgage payments and for any related mortgage charges for fees and services outlined in the Mortgage with respect to the above Mortgage Number.

4. Payment Source Information

Name of Financial Institution: _____ (the "Financial Institution")

A VOID cheque must be attached

In accordance with this Electronic Fund Transfer Agreement ("EFT Agreement"), I/we authorize Olympia and the Financial Institution to debit the account (the "Account") with the Financial Institution identified in the attached void cheque for the contribution(s) authorized by this Mortgage Payment Authorization form and for such fixed and variable fee amounts identified on the Olympia Fee Schedule (as may amended from time to time) for services and products provided by Olympia with respect to my/our Olympia account. I acknowledge that such debits from the Account may occur on a monthly or annual basis depending on my/our contribution instructions and the services and products provided by Olympia. I/we also authorize Olympia to deposit with the Account with any amounts Olympia may pay to me/us, in Olympia's sole discretion. These authorizations are to remain in effect until Olympia receives written notification from me/us cancelling or changing these authorizations. Any written notice cancelling or changing these authorizations must be received by Olympia at least ten (10) business days, but not more than thirty (30) days, before the next scheduled debit. I/we may obtain a sample cancellation form, or more information on my/our right to cancel this EFT Agreement at my/our Financial Institution or by visiting www.payments.ca. Olympia may not assign this EFT Agreement, whether directly or indirectly, by operation of law, change of control or otherwise, without providing me/us at least 10 days prior written notice. I/we have certain recourse rights if any debit does not comply with this EFT Agreement. For example, I/we have the right to receive reimbursement for any Electronic Funds Transfer that is not authorized or is not consistent with this EFT Agreement. To obtain a form for a Reimbursement Claim, or for more information on my/our recourse rights, I/we may contact my/our Financial Institution or visit www.payments.ca. Further by signing below, I/we represent and warrant that:

1) the Account number provided is held in my/our name(s), whether solely or jointly, and I/we have authority under the terms the applicable account agreement with the Financial Institution to authorize the debits and deposits contemplated by this EFT Agreement;
2) I/we shall not hold Olympia responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me/us or my/our Financial Institution or due to an error on the part of the Financial Institution in depositing any such funds to the Account;
3) I/we hereby waive my/our right to receive pre-notification of the amount of any pre-authorized debit or deposit made by Olympia in accordance this EFT Agreement and acknowledge that I/we shall not receive advance notice of any such pre-authorized debits or deposits before such debits and deposits are processed;
4) Olympia may change the Olympia Fee Schedule by providing you with thirty (30) days prior written notice of any such changes; and
5) This EFT Agreement is considered a personal pre-authorized debit agreement.

5. Authorization

Maheswaran Subramaniam — Name of Authorized Bank Account Signatory
_____ — Signature of Authorized Bank Account Signatory
_____ — Date *(mm/dd/yyyy)*

Privacy Notice: In providing services to you, we receive non-public, personal information about you. We receive this information through the transactions we perform for you and may also receive information about you by virtue of your transactions with our affiliates and other parties. We will hold your personal information in accordance with our Privacy Policy, a copy of which may be found on our website at www.olympiatrust.com.

OLYMPIA TRUST COMPANY

Mortgage Payment Authorization Form

Investment Account Services Division
Fax: (403) 261-6105
Email: mortgages@olympiatrust.com

1. Lender Information *(Olympia Trust Company Client)*

Jay Teichman — Name
344117 — Account Number

2. Borrower Information

Maheswaran Subramaniam — Name
MOR136813 — Mortgage Number
1026 Green Street, Ontario — Property Address

3. Payment Information

Please include start date and payment amount. Scheduled payments are processed with the selected frequency beginning on the Start Date.

☐ **One-Time Payment** Amount: $

☑ **Scheduled Payments** Amount: $674.21 Start Date: 4/3/2025

Frequency:

If Monthly is selected and Start Date is set on the 28th, 29th, 30th, or 31st of each month, the payment may be processed on the last day of the month.

☑ **Mortgage Related Payments**

By selecting this tick box, I authorize Olympia Trust Company ("Olympia") to draw on the account identified below for all mortgage payments and for any related mortgage charges for fees and services outlined in the Mortgage with respect to the above Mortgage Number.

4. Payment Source Information

Name of Financial Institution: _____ (the "Financial Institution")

A VOID cheque must be attached

In accordance with this Electronic Fund Transfer Agreement ("EFT Agreement"), I/we authorize Olympia and the Financial Institution to debit the account (the "Account") with the Financial Institution identified in the attached void cheque for the contribution(s) authorized by this Mortgage Payment Authorization form and for such fixed and variable fee amounts identified on the Olympia Fee Schedule (as may amended from time to time) for services and products provided by Olympia with respect to my/our Olympia account. I acknowledge that such debits from the Account may occur on a monthly or annual basis depending on my/our contribution instructions and the services and products provided by Olympia. I/we also authorize Olympia to deposit with the Account with any amounts Olympia may pay to me/us, in Olympia's sole discretion. These authorizations are to remain in effect until Olympia receives written notification from me/us cancelling or changing these authorizations. Any written notice cancelling or changing these authorizations must be received by Olympia at least ten (10) business days, but not more than thirty (30) days, before the next scheduled debit. I/we may obtain a sample cancellation form, or more information on my/our right to cancel this EFT Agreement at my/our Financial Institution or by visiting www.payments.ca. Olympia may not assign this EFT Agreement, whether directly or indirectly, by operation of law, change of control or otherwise, without providing me/us at least 10 days prior written notice. I/we have certain recourse rights if any debit does not comply with this EFT Agreement. For example, I/we have the right to receive reimbursement for any Electronic Funds Transfer that is not authorized or is not consistent with this EFT Agreement. To obtain a form for a Reimbursement Claim, or for more information on my/our recourse rights, I/we may contact my/our Financial Institution or visit www.payments.ca. Further by signing below, I/we represent and warrant that:

1) the Account number provided is held in my/our name(s), whether solely or jointly, and I/we have authority under the terms the applicable account agreement with the Financial Institution to authorize the debits and deposits contemplated by this EFT Agreement;
2) I/we shall not hold Olympia responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me/us or my/our Financial Institution or due to an error on the part of the Financial Institution in depositing any such funds to the Account;
3) I/we hereby waive my/our right to receive pre-notification of the amount of any pre-authorized debit or deposit made by Olympia in accordance this EFT Agreement and acknowledge that I/we shall not receive advance notice of any such pre-authorized debits or deposits before such debits and deposits are processed;
4) Olympia may change the Olympia Fee Schedule by providing you with thirty (30) days prior written notice of any such changes; and
5) This EFT Agreement is considered a personal pre-authorized debit agreement.

5. Authorization

Maheswaran Subramaniam		
Name of Authorized Bank Account Signatory	Signature of Authorized Bank Account Signatory	Date *(mm/dd/yyyy)*

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JAY
TEICHMAN
BARRISTER AND SOLICITOR

5255 Yonge Street, Suite 800, Toronto, Ontario M2N 6P4
(416) 433-0237 Fax: (416) 512-9992
341 Joicey Blvd., Toronto, Ontario M5M 2W2
Cell: (416) 433-0237
e-mail: jay @jayteichman.com

Delivered by registered mail
&
Email:

March 28, 2025

Maheswaran Subramaniam
1345 Bardeau Street
Lefroy, Ontario
L0L 1W0

1610 19th Avenue
Richmond Hill, Ontario
L4E 3R9

88 Lanesbury Drive
Scarborough, Ontario
M1V 3H6

Dear Sir:

$500,000.00 loan to Maheswaran Subramaniam
Secured by a 2nd mortgage against 1345 Bardeau Street,
Innisfil (Lefroy), Ontario,
in favour of Olympia Trust Company in trust for Jay Teichman, Michael Stein and Bruce Roberts
Mortgage Registration No. SC1988664
[referred to by Olympia Trust as MOR132953 and by Sussman Mortgage Funding Inc. as S26]

I attach a copy of my letter (with attachments) dated March 14, 2025, which is self-explanatory. I restate the contents thereof. I have received no reply. To the best of our knowledge, your mortgage is in default (as set forth below).

Michael Stein, a co-owner of 39.2% of this mortgage, has asked me to notify you that he and I are jointly seeking payment and performance under the mortgage and other security documents signed by you. As we have not yet been able to contact Bruce Roberts, the co-owner of the

remaining 30%, this letter speaks for Michael and me. We are hopeful to be hearing from Bruce Roberts presently. We expect him to join us in pursuing our mortgage remedies.

After your review of this correspondence, please feel free to contact me directly on my cellphone 416-433-0237 or by email: jay@jayteichman.com. You can contact Michael at 416-816-9690 or michael.stein@rogers.com.

I understand that Sandy and Olympia directed you to make your monthly payment to Sandy, who, upon receipt, would then pay the balance to Olympia in trust for Michael and me.

Michael and I have not been paid since December, 2024. The last payment Olympia received from Sandy was on December 19, 2024: this payment covered interest for December, 2024.

I don't know if you have paid Sandy for January, February and March, 2025. You haven't informed me.

If you have made these payments, we have not received credit for them in our Olympia accounts.

I asked you to send me copies of your cancelled cheques or other evidence of payment. I have not received any.

We want your payments to be made to Olympia in trust for Michael and me, not to Sandy. If you are making payments to Sandy, he is not paying us. Amanda Yu at Olympia has advised me that they can assist with this change and that they require you to sign Mortgage Payment Authorization Forms for Michael and me. Amanda's direct telephone line is 403-668-6986, if you should have any questions regarding execution and delivery of the Forms or the truthfulness and veracity of any of the information in this letter. I attach the form required by Olympia.

If you have delivered a similar form of mortgage payment authorization to Sandy, please cancel it with your bank to avoid duplicate payments being made (which I refer to more completely below).

If you have delivered post-dated cheques to Sandy, please advise Sandy to return them to you. You should also contact your bank and put a "stop payment" on them.

I appreciate that this may come as unwelcome news. You may feel that as you have been making payments to Sandy, this is my problem. It is my problem; this correspondence rectifies this dilemma. **In my last letter you were directed to you to make all payments to Olympia on my behalf; Michael Stein is now included. I again notify you that any payments made by you to Sandy after the date of my last letter will not be recognized by Olympia and you will not receive credit therefor. If you continue to make any payment(s) to Sandy in disregard of my previous direction, Olympia will be pursuing these payments – in other words, you will have to make "double" payment**

for each payment made to Sandy for Michael and me. If you have not made any of the January, February and/or March payments to Sandy, please let Olympia and me know so that Olympia can facilitate these payments from your bank to Olympia.

Your last payment was due on March 23, 2025. Hopefully it was made to Olympia Trust Company in trust.

Your next payment is due on April 23, 2025. Please ensure that it's made to Olympia Trust Company in trust for Michael and me.

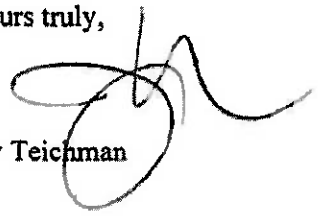
I also take this opportunity to advise you that your mortgage matures on June 23, 2025. We won't be renewing or extending our investment in your mortgage. Olympia, Michael and I expect to be paid in full on June 23, 2025.

We sincerely apologize for this situation and empathize with you. Unfortunately, there is no other practical and effective solution to ensure that we receive the payments we are entitled to receive for lending you money. Sandy is no longer entitled to receive these mortgage payments and is no longer our agent or authorized representative.

Michael and I invite you to contact us.

Thank you for your co-operation.

Yours truly,



Jay Teichman

OLYMPIA TRUST COMPANY

Mortgage Payment Authorization Form

Investment Account Services Division

Fax: (403) 261-6105

Email: mortgages@olympiatrust.com

1. Lender Information *(Olympia Trust Company Client)*

Name _____ Account Number _____

2. Borrower Information

Name _____ Mortgage Number _____

Property Address _____

3. Payment Information

Please include start date and payment amount. Scheduled payments are processed with the selected frequency beginning on the Start Date.

☐ **One-Time Payment** Amount: $ _____

☐ **Scheduled Payments** Amount: $ _____ Start Date: _____

Frequency: _____

If Monthly is selected and Start Date is set on the 28th, 29th, 30th, or 31st of each month, the payment may be processed on the last day of the month.

☐ **Mortgage Related Payments**

By selecting this tick box, I authorize Olympia Trust Company ("Olympia") to draw on the account identified below for all mortgage payments and for any related mortgage charges for fees and services outlined in the Mortgage with respect to the above Mortgage Number.

4. Payment Source Information

Name of Financial Institution: _____ (the "Financial Institution")

A VOID cheque must be attached

In accordance with this Electronic Fund Transfer Agreement ("EFT Agreement"), I/we authorize Olympia and the Financial Institution to debit the account (the "Account") with the Financial Institution identified in the attached void cheque for the contribution(s) authorized by this Mortgage Payment Authorization form and for such fixed and variable fee amounts identified on the Olympia Fee Schedule (as may amended from time to time) for services and products provided by Olympia with respect to my/our Olympia account. I acknowledge that such debits from the Account may occur on a monthly or annual basis depending on my/our contribution instructions and the services and products provided by Olympia. I/we also authorize Olympia to deposit with the Account with any amounts Olympia may pay to me/us, in Olympia's sole discretion. These authorizations are to remain in effect until Olympia receives written notification from me/us cancelling or changing these authorizations. Any written notice cancelling or changing these authorizations must be received by Olympia at least ten (10) business days, but not more than thirty (30) days, before the next scheduled debit. I/we may obtain a sample cancellation form, or more information on my/our right to cancel this EFT Agreement at my/our Financial Institution or by visiting www.payments.ca. Olympia may not assign this EFT Agreement, whether directly or indirectly, by operation of law, change of control or otherwise, without providing me/us at least 10 days prior written notice. I/we have certain recourse rights if any debit does not comply with this EFT Agreement. For example, I/we have the right to receive reimbursement for any Electronic Funds Transfer that is not authorized or is not consistent with this EFT Agreement. To obtain a form for a Reimbursement Claim, or for more information on my/our recourse rights, I/we may contact my/our Financial Institution or visit www.payments.ca. Further by signing below, I/we represent and warrant that:

1) the Account number provided is held in my/our name(s), whether solely or jointly, and I/we have authority under the terms the applicable account agreement with the Financial Institution to authorize the debits and deposits contemplated by this EFT Agreement;
2) I/we shall not hold Olympia responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me/us or my/our Financial Institution or due to an error on the part of the Financial Institution in depositing any such funds to the Account;
3) I/we hereby waive my/our right to receive pre-notification of the amount of any pre-authorized debit or deposit made by Olympia in accordance this EFT Agreement and acknowledge that I/we shall not receive advance notice of any such pre-authorized debits or deposits before such debits and deposits are processed;
4) Olympia may change the Olympia Fee Schedule by providing you with thirty (30) days prior written notice of any such changes; and
5) This EFT Agreement is considered a personal pre-authorized debit agreement.

5. Authorization

Name of Authorized Bank Account Signatory _____ Signature of Authorized Bank Account Signatory _____ Date *(mm/dd/yyyy)* _____

Privacy Notice: In providing services to you, we receive non-public, personal information about you. We receive this information through the transactions we perform for you and may also receive information about you by virtue of your transactions with our affiliates and other parties. We will hold your personal information in accordance with our Privacy Policy, a copy of which may be found on our website at www.olympiatrust.com.

4000 - 520 3 Ave SW, Calgary, AB T2P 0R3
Mailing address: PO Box 2581, STN Central, Calgary, AB T2P 1C8
Email: mortgages@olympiatrust.com
www.olympiatrust.com

Phone: 403.770.0001
Toll Free: 1.877.565.0001
Fax: 403.261.6105

JAY
TEICHMAN
BARRISTER AND SOLICITOR

5255 Yonge Street, Suite 800, Toronto, Ontario M2N 6P4
(416) 433-0237 Fax: (416) 512-9992
341 Joicey Blvd., Toronto, Ontario M5M 2W2
Cell: (416) 433-0237
e-mail: jay @ jayteichman.com

Delivered by registered mail
&
Email:

March 14, 2025

Maheswaran Subramaniam
1345 Bardeau Street
Lefroy, Ontario
L0L 1W0

1610 19th Avenue
Richmond Hill, Ontario
L4E 3R9

Dear Sir:

$500,000.00 loan to Maheswaran Subramaniam
Secured by a 2nd mortgage against 1345 Bardeau Street,
Innisfil (Lefroy), Ontario,
in favour of Olympia Trust Company in trust for Jay Teichman, Michael Stein and Bruce Roberts
Mortgage Registration No. SC1988664
[referred to by Olympia Trust as MOR132953 and by Sussman Mortgage Funding Inc. as S26]

I am contacting you in my personal capacity as an investor, being a part owner of the mortgage noted above. As you can see from the letterhead information above, although my office is located on Yonge Street, I am semi-retired and work from my house. After your review of this correspondence, please feel free to contact me directly on my cellphone 416-433-0237 or by email: jay@jayteichman.com. I have also included contact information for Olympia Trust Company below if you wish to contact them directly. I invite you to do so.

Sussman Mortgage Funding Inc. ("Sandy") arranged my $153,000.00 investment in your $500,000.00 mortgage from my RRIF account #314249 with Olympia Trust Company ("Olympia") as to 30.8%. I explain below the sequence of events and investments.

I attach a copy of the 1st 2 pages of your mortgage No. SC1988664 which discloses that the mortgaged property is 1345 Bardeau Street, Innisfil, Ontario, and that 60.8% is held by Sandy ($550,00.00 x 60.8% = $304,000.00) and Olympia holds the remaining 39.2% in trust for Michael Stein.

Subsequently, by Instrument No. SC2018550 (copy attached), Sandy and Olympia transferred this mortgage to Olympia as to (i) 30.8% in trust for me ($500,000.00 x 30.8% = $154,000.00. As I invested $153,000.00, there is a minor arithmetic discrepancy calculated by Sandy and Olympia, I suspect – my interest should be disclosed as 30.6%; in any event, my investment is disclosed), (ii) 39.2% in trust for Michael Stein, and (iii) the remaining 30% in trust for Bruce Roberts. This correspondence only addresses my 30.8%. I haven't spoken with the other investors, do not know them and am not aware of their situation regarding this mortgage.

I understand that Sandy and Olympia directed you to make your monthly payment to Sandy, who, upon receipt, would then pay the balance to Olympia in trust for me.

Your total monthly payment is $4,918.00, being a blended payment of principal and interest.

My RRIF share of your monthly payment is $1514.74 (calculated as follows: $4918.00 x 30.8% = $1514.74). Again, due to a minor arithmetic discrepancy calculated by Sandy and Olympia, and due to your monthly payment being blended principal and interest, the exact amounts of these monthly payments made to me are insignificantly a bit different and I have been receiving $1512.70 monthly.

Sandy has not paid anything to Olympia in trust for me since December, 2024, i.e., the January, February and March, 2025 payments have not been paid. The last payment Olympia received from Sandy was on January 13, 2025; this payment covered interest for December, 2024. I spoke with Olympia on March 12 to confirm this information.

I don't know if you have paid Sandy for January, February and March, 2025. When I asked for this information, Sandy promised payments. He has made several promises of payment, but no payment has been made.

If you have made these payments, I have not received credit for them in my Olympia accounts. Please let me know if you have made these payments and please send copies of the cancelled cheques or other evidence of payment.

I have notified Olympia that Sandy's authorization to act on my behalf for their mortgages has been revoked. Olympia has acknowledged this revocation. Olympia has notified me that I must contact you.

I want your payments to be made to Olympia in trust for me; not to Sandy. Olympia has advised me that they can assist in this change and that they require you to sign the attached Mortgage Payment Authorization Form. I have inserted the mortgage information; you must

insert the name of your bank in part 4, and in part 5 please attach a "void" cheque, insert your name, sign the form and insert the date of execution. **Once completed, kindly send the form to Olympia Trust Company, P.O. Box 2581, STN Central, Calgary, Alberta, T2P 1C8, Attention: Amanda Yu; email: YuA@olympiatrust.com.** Amanda's direct telephone line is 403-668-6986, if you should have any questions regarding execution and delivery of the Form or the truthfulness and veracity of any of the information in this letter.

Kindly let me know that you have sent the signed form to Olympia.

If you have delivered a similar form of mortgage payment authorization to Sandy, please cancel it with your bank to avoid duplicate payments being made (which I refer to more completely below).

If you have delivered post-dated cheques to Sandy, please advise Sandy to return them to you. You should also contact your bank and put a "stop payment" on them.

I appreciate that this may come as unwelcome news. You may feel that as you have been making payments to Sandy, this is my problem. It is my problem; this correspondence rectifies this dilemma. **Please accept this correspondence as my irrevocable direction to you to make all payments to Olympia on my behalf.** I hereby notify you that any payments made by you to Sandy after the date hereof will not be recognized by Olympia and you will not receive credit therefor. If you continue to make any payment(s) to Sandy in disregard of this direction, Olympia will be pursuing these payments – in other words, you will have to make "double" payment for each payment made to Sandy. If you have not made any of the January, February and/or March, 2025 payments to Sandy, please let Olympia and me know so that Olympia can facilitate these payments from your bank to Olympia.

Your next payment is due on March 23, 2025. Please ensure that it's made to Olympia Trust Company in trust for me.

I also take this opportunity to advise you that your mortgage matures on June 23, 2025. I won't be renewing or extending my investment in your mortgage. Olympia and I expect to be paid in full on June 23, 2025. I will be sending a copy of this letter to the other Olympia investor in your mortgage for their information. As stated above, this correspondence only addresses my 30.8%. I have not spoken with the other investors and am unaware of their situation. I don't know if they have received January, February and March, 2025 payments from Sandy. I suspect that Olympia may notify the other investors of this matter and that you may be hearing from them too.

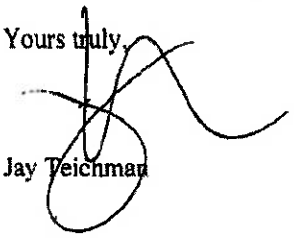
I am delivering a copy of this letter to Sandy. I have advised Sandy that I would be sending this letter to you.

I sincerely apologize for this situation and empathize with you. Unfortunately, there is no other practical and effective solution to ensure that I receive the payments I am entitled to receive for lending you money. Sandy is no longer entitled to receive these mortgage payments and is no

longer my agent or authorized representative.

Thank you for your co-operation.

Yours truly,



Jay Teichman

LRO # 51 **Charge/Mortgage** **Receipted as SC1966864 on 2023 06 23 at 11:31**

The applicant(s) hereby applies to the Land Registrar. yyyy mm dd Page 1 of 21

Properties

PIN	58065 - 0009 LT	*Interest/Estate*	Fee Simple
Description	LOT 146, PLAN 51M1014; TOGETHER WITH AN EASEMENT OVER PTS 6 & 7 51R38126 AS IN SC996575; SUBJECT TO AN EASEMENT IN GROSS OVER LOT 146, PLAN 51M1014 AS IN SC1333490; TOWN OF INNISFIL		
Address	1345 BARDEAU STREET INNISFIL		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name	SUBRAMANIAM, MAHESWARAN
Address for Service	1345 Bardeau Street, Innisfil, Ontario L0L 1W0

I am at least 18 years of age.

The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

This document is not authorized under Power of Attorney by this party.

Chargee(s)	*Capacity*	*Share*
Name	SUSSMAN MORTGAGE FUNDING INC.	as to an undivided 60.80% interest
Address for Service	129 Dunlop Street East, Barrie, Ontario L4M 1A6	
Name	OLYMPIA TRUST COMPANY	as to an undivided 20.60% interest
Address for Service	Olympia Trust Company in trust for RRSP # 330315 - Michael Stein PO Box 2561, STN Central Calgary AB T2P 1C8	
Name	OLYMPIA TRUST COMPANY	as to an undivided 18.60% interest
Address for Service	Olympia Trust Company in trust for TFSA # 330559 - Michael Stein PO Box 2561, STN Central Calgary AB T2P 1C8	

Statements

Schedule: See Schedules

Provisions

Principal	$500,000.00	*Currency*	CDN
Calculation Period	semi-annually, not in advance		
Balance Due Date	2025/06/23		
Interest Rate	10.50% per annum		
Payments	$4,818.00		
Interest Adjustment Date	2023 06 23		
Payment Date	23rd day of each month		
First Payment Date	2023 07 23		
Last Payment Date	2025 06 23		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor			

Signed By

Ka Yan Ng	20 Holly St. Ste 300 Toronto M4S 3B1	acting for Chargor(s)	Signed	2023 06 23

Signed By

Tel 416-486-9800
Fax 416-486-3309
I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

OWENS, WRIGHT LLP	20 Holly St. Ste 300 Toronto M4S 3B1	2023 06 23

Tel 416-486-9800
Fax 416-486-3309

Fees/Taxes/Payment

Statutory Registration Fee	$69.00
Total Paid	$69.00

File Number

Chargee Client File Number : 12543023 GDG DR MN

LRO # 51 Transfer Of Charge

Receipted as SC2018550 on 2023 10 31 at 16:09

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 2

Properties

PIN	58065 - 0609 LT
Description	LOT 146, PLAN 51M1014, TOGETHER WITH AN EASEMENT OVER PTS 6 & 7 51R38128 AS IN SC986675, SUBJECT TO AN EASEMENT IN GROSS OVER LOT 146 PLAN 51M1014 AS IN SC1333490; TOWN OF INNISFIL
Address	1345 BARDEAU STREET INNISFIL

Source Instruments

Registration No.	*Date*	*Type of Instrument*
SC1986864	2023 08 23	Charge/Mortgage

Transferor(s)

This transfer of charge affects all lands that the charge is against which are outstanding.

Name SUSSMAN MORTGAGE FUNDING INC.
Address for Service 129 Dunlop St. East, Barrie, Ontario
L4M 1A6

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Name OLYMPIA TRUST COMPANY
Address for Service Olympia Trust Company in trust for
RRSP # 330315 - Michael Stein
PO Box 2581, STN Central
Calgary AB T2P 1C8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Name OLYMPIA TRUST COMPANY
Address for Service Olympia Trust Company in trust for
TFSA # 330559 - Michael Stein
PO Box 2581, STN Central
Calgary AB T2P 1C8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Transferee(s)		*Capacity*	*Share*
Name	OLYMPIA TRUST COMPANY		as to an undivided 20.50% interest
Address for Service	Olympia Trust Company in trust for RRSP # 330315 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 18.50% interest
Address for Service	Olympia Trust Company in trust for TFSA # 330559 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 30.50% interest
Address for Service	Olympia Trust Company in trust for RRIF # 314249 - Jay Teichman PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 30.00% interest
Address for Service	Olympia Trust Company in trust for RRIF # 271041 - Bruce Roberts		

Transferee(s)	Capacity	Share
PO Box 2561, STN Central Calgary AB T2P 1C8		

Statements

The charges transfers the selected charge for 2.00 and other good and valuable consideration, without any warranties or representation and on a non-recourse basis.

This document relates to registration number(s)SC1988664 & SC1988665

Signed By

Ku Yim Ng	20 Holly St. Ste 300 Toronto M4S 3B1	acting for Transferor(s)	Signed	2023 10 31

Tel 416-486-9600
Fax 416-486-3309
I have the authority to sign and register the document on behalf of all parties to the document.

Ku Yim Ng	20 Holly St. Ste 300 Toronto M4S 3B1	acting for Transferee(s)	Signed	2023 10 31

Tel 416-486-9600
Fax 416-486-3309
I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

OWENS, WRIGHT LLP	20 Holly St. Ste 300 Toronto M4S 3B1	2023 10 31

Tel 416-486-9600
Fax 416-486-3309

Fees/Taxes/Payment

Statutory Registration Fee	$69.00
Total Paid	$69.00

File Number

Transferee Client File Number : 12543023 GDG DR MN

OLYMPIA TRUST COMPANY

Mortgage Payment Authorization Form

Investment Account Services Division

Fax: (403) 261-6105
Email: mortgages@olympiatrust.com

1. Lender Information *(Olympia Trust Company Client)*

Jay Teichman — Name
314249 — Account Number

2. Borrower Information

Maheswaran Subramaniam — Name
MOR132953 — Mortgage Number
1345 Bardeau Street, Innisfil, Ontario — Property Address

3. Payment Information

Please include start date and payment amount. Scheduled payments are processed with the selected frequency beginning on the Start Date.

☐ **One-Time Payment** Amount: $

☑ **Scheduled Payments** Amount: $ 1,512.70 Start Date: 3/23/2025

Frequency:

If Monthly is selected and Start Date is set on the 28th, 29th, 30th, or 31st of each month, the payment may be processed on the last day of the month.

☑ **Mortgage Related Payments**

By selecting this tick box, I authorize Olympia Trust Company ("Olympia") to draw on the account identified below for all mortgage payments and for any related mortgage charges for fees and services outlined in the Mortgage with respect to the above Mortgage Number.

4. Payment Source Information

Name of Financial Institution: _____ (the "Financial Institution")

A VOID cheque must be attached

In accordance with this Electronic Fund Transfer Agreement ("EFT Agreement"), I/we authorize Olympia and the Financial Institution to debit the account (the "Account") with the Financial Institution identified in the attached void cheque for the contribution(s) authorized by this Mortgage Payment Authorization form and for such fixed and variable fee amounts identified on the Olympia Fee Schedule (as may amended from time to time) for services and products provided by Olympia with respect to my/our Olympia account. I acknowledge that such debits from the Account may occur on a monthly or annual basis depending on my/our contribution instructions and the services and products provided by Olympia. I/we also authorize Olympia to deposit with the Account with any amounts Olympia may pay to me/us, in Olympia's sole discretion. These authorizations are to remain in effect until Olympia receives written notification from me/us cancelling or changing these authorizations. Any written notice cancelling or changing these authorizations must be received by Olympia at least ten (10) business days, but not more than thirty (30) days, before the next scheduled debit. I/we may obtain a sample cancellation form, or more information on my/our right to cancel this EFT Agreement at my/our Financial Institution or by visiting www.payments.ca. Olympia may not assign this EFT Agreement, whether directly or indirectly, by operation of law, change of control or otherwise, without providing me/us at least 10 days prior written notice. I/we have certain recourse rights if any debit does not comply with this EFT Agreement. For example, I/we have the right to receive reimbursement for any Electronic Funds Transfer that is not authorized or is not consistent with this EFT Agreement. To obtain a form for a Reimbursement Claim, or for more information on my/our recourse rights, I/we may contact my/our Financial Institution or visit www.payments.ca. Further by signing below, I/we represent and warrant that:

1) the Account number provided is held in my/our name(s), whether solely or jointly, and I/we have authority under the terms the applicable account agreement with the Financial Institution to authorize the debits and deposits contemplated by this EFT Agreement;
2) I/we shall not hold Olympia responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me/us or my/our Financial Institution or due to an error on the part of the Financial Institution in depositing any such funds to the Account;
3) I/we hereby waive my/our right to receive pre-notification of the amount of any pre-authorized debit or deposit made by Olympia in accordance this EFT Agreement and acknowledge that I/we shall not receive advance notice of any such pre-authorized debits or deposits before such debits and deposits are processed;
4) Olympia may change the Olympia Fee Schedule by providing you with thirty (30) days prior written notice of any such changes; and
5) This EFT Agreement is considered a personal pre-authorized debit agreement.

5. Authorization

Maheswaran Subramaniam		
Name of Authorized Bank Account Signatory	Signature of Authorized Bank Account Signatory	Date *(mm/dd/yyyy)*

Privacy Notice: In providing services to you, we receive non-public, personal information about you. We receive this information through the transactions we perform for you and may also receive information about you by virtue of your transactions with our affiliates and other parties. We will hold your personal information in accordance with our Privacy Policy, a copy of which may be found on our website at www.olympiatrust.com.

JAY
TEICHMAN
BARRISTER AND SOLICITOR

5255 Yonge Street, Suite 800, Toronto, Ontario M2N 6P4
(416) 433-0237 Fax: (416) 512-9992
341 Joicey Blvd., Toronto, Ontario M5M 2W2
Cell: (416) 433-0237
e-mail: jay @jayteichman.com

Delivered by registered mail
&
Email:

March 28, 2025

Maheswaran Subramaniam
1026 Green Street
Lefroy, Ontario
L0L 1W0

1610 19th Avenue
Richmond Hill, Ontario
L4E 3R9

88 Lanesbury Drive
Scarborough, Ontario
M1V 3H6

Dear Sir:

$290,000.00 loan to Maheswaran Subramaniam
Secured by a 2nd mortgage against 1026 Green Street, Lefroy, Ontario
in favour of Olympia Trust Company in trust for Jay Teichman and Michael Stein
Mortgage Registration No. SC2056785
[referred to by Olympia Trust as MOR136813 and by Sussman Mortgage Funding Inc. as S27]

I attach a copy of my letter (with attachments) dated March 14, 2025, which is self-explanatory. I restate the contents thereof. I have received no reply. To the best of our knowledge, your mortgage is in default (as set forth below).

Michael Stein, the co-owner of the remaining 55.17% of this mortgage, has asked me to notify you that he and I are jointly seeking payment and performance under the mortgage and other security documents signed by you.

After your review of this correspondence, please feel free to contact me directly on my cellphone 416-433-0237 or by email: jay@jayteichman.com. You can contact Michael at 416-816-9690 or michael.stein@rogers.com.

I understand that Sandy and Olympia directed you to make your monthly payment to Sandy, who, upon receipt, would deduct a 6% administrative fee and then pay the balance to Olympia in trust for Michael and me.

Michael and I have not been paid since December, 2024. The last payment Olympia received from Sandy was on December 19, 2024: this payment covered interest for December, 2024.

I don't know if you have paid Sandy for January, February and March, 2025. You haven't informed me.

If you have made these payments, we have not received credit for them in our Olympia accounts.

I asked you to send me copies of your cancelled cheques or other evidence of payment. I have not received any.

We want your payments to be made to Olympia in trust for Michael and me, not to Sandy. If you are making payments to Sandy, he is not paying us. Amanda Yu at Olympia has advised me that they can assist with this change and that they require you to sign Mortgage Payment Authorization Forms for Michael and me. Amanda's direct telephone line is 403-668-6986, if you should have any questions regarding execution and delivery of the Forms or the truthfulness and veracity of any of the information in this letter. I attach the form required by Olympia.

If you have delivered a similar form of mortgage payment authorization to Sandy, please cancel it with your bank to avoid duplicate payments being made (which I refer to more completely below).

If you have delivered post-dated cheques to Sandy, please advise Sandy to return them to you. You should also contact your bank and put a "stop payment" on them.

I appreciate that this may come as unwelcome news. You may feel that as you have been making payments to Sandy, this is my problem. It is my problem; this correspondence rectifies this dilemma. **In my last letter you were directed to you to make all payments to Olympia on my behalf; Michael Stein is now included. I again notify you that any payments made by you to Sandy after the date of my last letter will not be recognized by Olympia and you will not receive credit therefor. If you continue to make any payment(s) to Sandy in disregard of my previous direction, Olympia will be pursuing these payments – in other words, you will have to make "double" payment for each payment made to Sandy for Michael and me. If you have not made any of the**

January, February and/or March payments to Sandy, please let Olympia and me know so that Olympia can facilitate these payments from your bank to Olympia.

Your next payment is due on April 3, 2025. Please ensure that it's made to Olympia Trust Company in trust for Michael and me.

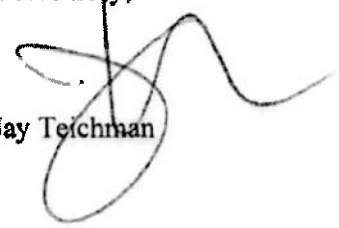
We also take this opportunity to advise you that your mortgage matures on May 3, 2026. We won't be renewing or extending our investment in your mortgage. Olympia, Michael and I expect to be paid in full on May 3, 2026.

We sincerely apologize for this situation and empathize with you. Unfortunately, there is no other practical and effective solution to ensure that we receive the payments we are entitled to receive for lending you money. Sandy is no longer entitled to receive these mortgage payments and is no longer our agent or authorized representative.

Michael and I invite you to contact us.

Thank you for your co-operation.

Yours truly,



Jay Teichman

OLYMPIA TRUST COMPANY

Mortgage Payment Authorization Form

Investment Account Services Division
Fax: (403) 261-6105
Email: mortgages@olympiatrust.com

1. Lender Information *(Olympia Trust Company Client)*

Name _____ Account Number _____

2. Borrower Information

Name _____ Mortgage Number _____

Property Address _____

3. Payment Information

Please include start date and payment amount. Scheduled payments are processed with the selected frequency beginning on the Start Date.

☐ **One-Time Payment** Amount: $ _____

☐ **Scheduled Payments** Amount: $ _____ Start Date: _____

Frequency: _____

If Monthly is selected and Start Date is set on the 28th, 29th, 30th, or 31st of each month, the payment may be processed on the last day of the month.

☐ **Mortgage Related Payments**

By selecting this tick box, I authorize Olympia Trust Company ("Olympia") to draw on the account identified below for all mortgage payments and for any related mortgage charges for fees and services outlined in the Mortgage with respect to the above Mortgage Number.

4. Payment Source Information

Name of Financial Institution: _____ (the "Financial Institution")

A VOID cheque must be attached

In accordance with this Electronic Fund Transfer Agreement ("EFT Agreement"), I/we authorize Olympia and the Financial Institution to debit the account (the "Account") with the Financial Institution identified in the attached void cheque for the contribution(s) authorized by this Mortgage Payment Authorization form and for such fixed and variable fee amounts identified on the Olympia Fee Schedule (as may amended from time to time) for services and products provided by Olympia with respect to my/our Olympia account. I acknowledge that such debits from the Account may occur on a monthly or annual basis depending on my/our contribution instructions and the services and products provided by Olympia. I/we also authorize Olympia to deposit with the Account with any amounts Olympia may pay to me/us, in Olympia's sole discretion. These authorizations are to remain in effect until Olympia receives written notification from me/us cancelling or changing these authorizations. Any written notice cancelling or changing these authorizations must be received by Olympia at least ten (10) business days, but not more than thirty (30) days, before the next scheduled debit. I/we may obtain a sample cancellation form, or more information on my/our right to cancel this EFT Agreement at my/our Financial Institution or by visiting www.payments.ca. Olympia may not assign this EFT Agreement, whether directly or indirectly, by operation of law, change of control or otherwise, without providing me/us at least 10 days prior written notice. I/we have certain recourse rights if any debit does not comply with this EFT Agreement. For example, I/we have the right to receive reimbursement for any Electronic Funds Transfer that is not authorized or is not consistent with this EFT Agreement. To obtain a form for a Reimbursement Claim, or for more information on my/our recourse rights, I/we may contact my/our Financial Institution or visit www.payments.ca. Further by signing below, I/we represent and warrant that:

1) the Account number provided is held in my/our name(s), whether solely or jointly, and I/we have authority under the terms the applicable account agreement with the Financial Institution to authorize the debits and deposits contemplated by this EFT Agreement;
2) I/we shall not hold Olympia responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me/us or my/our Financial Institution or due to an error on the part of the Financial Institution in depositing any such funds to the Account;
3) I/we hereby waive my/our right to receive pre-notification of the amount of any pre-authorized debit or deposit made by Olympia in accordance this EFT Agreement and acknowledge that I/we shall not receive advance notice of any such pre-authorized debits or deposits before such debits and deposits are processed;
4) Olympia may change the Olympia Fee Schedule by providing you with thirty (30) days prior written notice of any such changes; and
5) This EFT Agreement is considered a personal pre-authorized debit agreement.

5. Authorization

Name of Authorized Bank Account Signatory _____ Signature of Authorized Bank Account Signatory _____ Date *(mm/dd/yyyy)* _____

Privacy Notice: In providing services to you, we receive non-public, personal information about you. We receive this information through the transactions we perform for you and may also receive information about you by virtue of your transactions with our affiliates and other parties. We will hold your personal information in accordance with our Privacy Policy, a copy of which may be found on our website at www.olympiatrust.com.

JAY
TEICHMAN
BARRISTER AND SOLICITOR

5255 Yonge Street, Suite 800, Toronto, Ontario M2N 6P4
(416) 433-0237 Fax: (416) 512-9992
341 Joicey Blvd., Toronto, Ontario M5M 2W2
Cell: (416) 433-0237
e-mail: jay@jayteichman.com

Delivered by registered mail
&
Email:

March 14, 2025

Maheswaran Subramaniam
1026 Green Street
Lefroy, Ontario
L0L 1W0

1610 19th Avenue
Richmond Hill, Ontario
L4E 3R9

Dear Sir:

$290.000.00 loan to Maheswaran Subramaniam
Secured by a 2nd mortgage against 1026 Green Street, Lefroy, Ontario
in favour of Olympia Trust Company in trust for Jay Teichman and
Michael Stein
Mortgage Registration No. SC2056785
[referred to by Olympia Trust as MOR136813 and by Sussman Mortgage
Funding Inc. as S27]

I am contacting you in my personal capacity as an investor, being a part owner of the mortgage noted above. As you can see from the letterhead information above, although my office is located on Yonge Street, I am semi-retired and work from my house. After your review of this correspondence, please feel free to contact me directly on my cellphone 416-433-0237 or by email: jay@jayteichman.com. I have also included contact information for Olympia Trust Company below if you wish to contact them directly. I invite you to do so.

Sussman Mortgage Funding Inc. ("Sandy") arranged my $130,000.00 investment in your $290,000.00 mortgage from my RRIF account #314249 with Olympia Trust Company ("Olympia") as to 19.69% and from my TFSA account #344117 as to 25.14%. I explain below the sequence of events and investments.

I attach a copy of the 1st 2 pages of your mortgage No. SC2056785 which discloses that the mortgaged property is 1026 Green Street. Lefroy, Ontario, and that 55.17% is held by Olympia in trust for Michael Stein ($290,000.00 x 55.17% = $159,993.00), and Olympia holds the remaining 25.14% ($290,000.00 x 25.14% = $72,906.00) + 19.69% ($290,000.00 x 19.69% = $57,101.00) in trust for me. The sum of my investment is $72,906.00 + $57,101.00 = $130,007; any minor arithmetic discrepancies were calculated by Sandy and Olympia, I suspect; in any event, my $130,000.00 total investment is disclosed. The sum of $159,993.00 + $72,906.00 + $57,101.00 = $290,000.00, and the sum of 55.17% + 25.14% + 19.69% = 100%. This correspondence only addresses my $130,000.00 investment (i.e. my 44.83% (19.69% + 25.14% = 44.83%). I haven't spoken with the other investors, do not know them and am not aware of their situation regarding this mortgage.

I understand that Sandy and Olympia directed you to make your monthly payment to Sandy, who, upon receipt, would deduct a 6% administrative fee and then pay the balance to Olympia in trust for me.

Your total monthly payment is $2,853.00, being a blended payment of principal and interest. I will address the allocation of the principal component of this monthly payment below.

My RRIF share of your monthly interest payment is $561.76 (calculated as follows: $2853.00 x 19.69% = $561.76). Sandy's fee is 6% such that my net share is $561.76 x 94% = $528.05.

My TFSA share of your monthly interest payment is $717.24 (calculated as follows: $2853.00 x 25.14% = $717.24). Sandy's fee is 6% such that my net share is $717.24 x 94% = $674.21.

Again, due to a minor arithmetic discrepancy calculated by Sandy and Olympia, and due to your monthly payment being blended principal and interest, the exact amounts of these monthly payments made to me are insignificantly a bit different.

I have deducted Sandy's 6% administrative fee from the payments above and leave it to him to collect this amount as he determines.

Sandy has not paid anything to Olympia in trust for me since December, 2024, i.e., the January, February and March, 2025 payments have not been paid. The last payment Olympia received from Sandy was on December 19, 2024; this payment covered interest for December, 2024. I spoke with Olympia on March 12 to confirm this information.

I don't know if you have paid Sandy for January, February and March, 2025. When I asked for this information, Sandy promised payments. He has made several promises of payment, but no payment has been made.

If you have made these payments, I have not received credit for them in my Olympia accounts. Please let me know if you have made these payments and please send copies of the cancelled cheques or other evidence of payment.

I have notified Olympia that Sandy's authorization to act on my behalf for their mortgages has been revoked. Olympia has acknowledged this revocation. Olympia has notified me that I must contact you.

I want your payments to be made to Olympia in trust for me; not to Sandy. Olympia has advised me that they can assist in this change and that they require you to sign the 2 attached Mortgage Payment Authorization Forms. I have inserted the mortgage information; you must insert the name of your bank in part 4, and in part 5 please attach a "void" cheque, insert your name, sign the forms and insert the date of execution. **Once completed, kindly send the forms to Olympia Trust Company, P.O. Box 2581, STN Central, Calgary, Alberta, T2P 1C8, Attention: Amanda Yu; email: YuA@olympiatrust.com.** Amanda's direct telephone line is 403-668-6986, if you should have any questions regarding execution and delivery of the Form or the truthfulness and veracity of any of the information in this letter.

Kindly let me know that you have sent the signed forms to Olympia.

If you have delivered a similar form of mortgage payment authorization to Sandy, please cancel it with your bank to avoid duplicate payments being made (which I refer to more completely below).

If you have delivered post-dated cheques to Sandy, please advise Sandy to return them to you. You should also contact your bank and put a "stop payment" on them.

I appreciate that this may come as unwelcome news. You may feel that as you have been making payments to Sandy, this is my problem. It is my problem; this correspondence rectifies this dilemma. **Please accept this correspondence as my irrevocable direction to you to make all payments to Olympia on my behalf.** I hereby notify you that any payments made by you to Sandy after the date hereof will not be recognized by Olympia and you will not receive credit therefor. If you continue to make any payment(s) to Sandy in disregard of this direction, Olympia will be pursuing these payments – in other words, you will have to make "double" payment for each payment made to Sandy. If you have not made any of the January, February and/or March payments to Sandy, please let Olympia and me know so that Olympia can facilitate these payments from your bank to Olympia.

Your next payment is due on April 3, 2025. Please ensure that it's made to Olympia Trust Company in trust for me.

I also take this opportunity to advise you that your mortgage matures on May 3, 2026. I won't be renewing or extending my investment in your mortgage. Olympia and I expect to be paid in full on May 3, 2026. I will be sending a copy of this letter to the other Olympia investor in your mortgage for their information. As stated above, this correspondence only addresses my 44.83%. I have not spoken with the other investor and am unaware of their situation. I don't know if they have received January, February and March payments from Sandy. I suspect that Olympia may notify the other investors of this matter and that you may be hearing from them

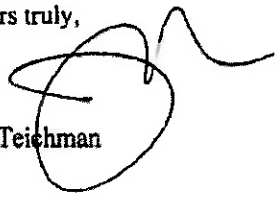
too.

I am delivering a copy of this letter to Sandy. I have advised Sandy that I would be sending this letter to you.

I sincerely apologize for this situation and empathize with you. Unfortunately, there is no other practical and effective solution to ensure that I receive the payments I am entitled to receive for lending you money. Sandy is no longer entitled to receive these mortgage payments and is no longer my agent or authorized representative.

Thank you for your co-operation.

Yours truly,



Jay Teichman

Properties

PIN	58065 - 0647 LT Interest/Estate Fee Simple
Description	LOT 29, PLAN 51M1099 SUBJECT TO AN EASEMENT IN GROSS AS IN SC1361759; SUBJECT TO AN EASEMENT FOR ENTRY AS IN SC1474813; TOWN OF INNISFIL
Address	1026 GREEN STREET LEFROY

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name	SUBRAMANIAM MAHESWARAN
Address for Service	1610 19th Avenue Richmond Hill, Ontario L4E 3R9

I am at least 18 years of age.

The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.

This document is not authorized under Power of Attorney by this party.

Chargee(s)		Capacity	Share
Name	OLYMPIA TRUST COMPANY		as to an undivided 55.17% interest
Address for Service	Olympia Trust Company in trust for RRSP# 3303*5 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 25.14% interest
Address for Service	Olympia Trust Company in trust for TFSA # 344117 - Jay Teichman 341Joicey Blvd., Toronto, Ontario M5M 2W2		
Name	OLYMPIA TRUST COMPANY		as to an undivided 19.69% interest
Address for Service	Olympia Trust Company in trust for RRIF # 314249 - Jay Teichman 341Joicey Blvd., Toronto, Ontario M5M 2W2		

Statements

Schedule: See Schedules

The text added or imported if any, is legible and relates to the parties in this document.

Provisions

Principal	$290,000.00	Currency	CDN
Calculation Period	semi-annually, not in advance		
Balance Due Date	2026/05/03		
Interest Rate	10.50% per annum		
Payments	$2,853.00		
Interest Adjustment Date	2024 05 03		
Payment Date	3rd day of each month		
First Payment Date	2024 06 03		
Last Payment Date	2026 05 03		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor			

Signed By

Ka Yim Ng	20 Holly St Ste 300 Toronto M4S 3B1	acting for Chargor(s)	Signed	2024 05 21

Tel 416-486-9800
Fax 416-486-3309
I have the authority to sign and register the document on behalf of the Chargor(s)

Submitted By

OWENS, WRIGHT LLP	20 Holly St Ste 300 Toronto M4S 3B1	2024 05 21

Tel 416-486-9800
Fax 416-486-3309

Fees/Taxes/Payment

Statutory Registration Fee	$69.95
Total Paid	$69.95

File Number

Chargee Client File Number : 12543030 GDG DR MN

OLYMPIA TRUST COMPANY

Mortgage Payment Authorization Form

Investment Account Services Division

Fax: (403) 261-6105
Email: mortgages@olympiatrust.com

1. Lender Information *(Olympia Trust Company Client)*

Jay Teichman — Name
314249 — Account Number

2. Borrower Information

Maheswaran Subramaniam — Name
MOR136813 — Mortgage Number
1026 Green Street, Ontario — Property Address

3. Payment Information

Please include start date and payment amount. Scheduled payments are processed with the selected frequency beginning on the Start Date.

☐ **One-Time Payment** Amount: $ _____

☑ **Scheduled Payments** Amount: $ 528.05 Start Date: 4/3/2025

Frequency: _____

If Monthly is selected and Start Date is set on the 28th, 29th, 30th, or 31st of each month, the payment may be processed on the last day of the month.

☑ **Mortgage Related Payments**

By selecting this tick box, I authorize Olympia Trust Company ("Olympia") to draw on the account identified below for all mortgage payments and for any related mortgage charges for fees and services outlined in the Mortgage with respect to the above Mortgage Number.

4. Payment Source Information

Name of Financial Institution: _____ (the "Financial Institution")

A VOID cheque must be attached

In accordance with this Electronic Fund Transfer Agreement ("EFT Agreement"), I/we authorize Olympia and the Financial Institution to debit the account (the "Account") with the Financial Institution identified in the attached void cheque for the contribution(s) authorized by this Mortgage Payment Authorization form and for such fixed and variable fee amounts identified on the Olympia Fee Schedule (as may amended from time to time) for services and products provided by Olympia with respect to my/our Olympia account. I acknowledge that such debits from the Account may occur on a monthly or annual basis depending on my/our contribution instructions and the services and products provided by Olympia. I/we also authorize Olympia to deposit with the Account with any amounts Olympia may pay to me/us, in Olympia's sole discretion. These authorizations are to remain in effect until Olympia receives written notification from me/us cancelling or changing these authorizations. Any written notice cancelling or changing these authorizations must be received by Olympia at least ten (10) business days, but not more than thirty (30) days, before the next scheduled debit. I/we may obtain a sample cancellation form, or more information on my/our right to cancel this EFT Agreement at my/our Financial Institution or by visiting www.payments.ca. Olympia may not assign this EFT Agreement, whether directly or indirectly, by operation of law, change of control or otherwise, without providing me/us at least 10 days prior written notice. I/we have certain recourse rights if any debit does not comply with this EFT Agreement. For example, I/we have the right to receive reimbursement for any Electronic Funds Transfer that is not authorized or is not consistent with this EFT Agreement. To obtain a form for a Reimbursement Claim, or for more information on my/our recourse rights, I/we may contact my/our Financial Institution or visit www.payments.ca. Further by signing below, I/we represent and warrant that:

1) the Account number provided is held in my/our name(s), whether solely or jointly, and I/we have authority under the terms the applicable account agreement with the Financial Institution to authorize the debits and deposits contemplated by this EFT Agreement;
2) I/we shall not hold Olympia responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me/us or my/our Financial Institution or due to an error on the part of the Financial Institution in depositing any such funds to the Account;
3) I/we hereby waive my/our right to receive pre-notification of the amount of any pre-authorized debit or deposit made by Olympia in accordance this EFT Agreement and acknowledge that I/we shall not receive advance notice of any such pre-authorized debits or deposits before such debits and deposits are processed;
4) Olympia may change the Olympia Fee Schedule by providing you with thirty (30) days prior written notice of any such changes; and
5) This EFT Agreement is considered a personal pre-authorized debit agreement.

5. Authorization

Maheswaran Subramaniam — Name of Authorized Bank Account Signatory
_____ — Signature of Authorized Bank Account Signatory
_____ — Date *(mm/dd/yyyy)*

Privacy Notice: In providing services to you, we receive non-public, personal information about you. We receive this information through the transactions we perform for you and may also receive information about you by virtue of your transactions with our affiliates and other parties. We will hold your personal information in accordance with our Privacy Policy, a copy of which may be found on our website at www.olympiatrust.com

OLYMPIA TRUST COMPANY

Mortgage Payment Authorization Form

Investment Account Services Division
Fax: (403) 261-6105
Email: mortgages@olympiatrust.com

1. Lender Information *(Olympia Trust Company Client)*

Jay Teichman — Name
344117 — Account Number

2. Borrower Information

Maheswaran Subramaniam — Name
MOR136813 — Mortgage Number
1026 Green Street, Ontario — Property Address

3. Payment Information

Please include start date and payment amount. Scheduled payments are processed with the selected frequency beginning on the Start Date.

☐ **One-Time Payment** Amount: $ _____

☑ **Scheduled Payments** Amount: $ 674.21 Start Date: 4/3/2025

Frequency: _____

If Monthly is selected and Start Date is set on the 28th, 29th, 30th, or 31st of each month, the payment may be processed on the last day of the month.

☑ **Mortgage Related Payments**

By selecting this tick box, I authorize Olympia Trust Company ("Olympia") to draw on the account identified below for all mortgage payments and for any related mortgage charges for fees and services outlined in the Mortgage with respect to the above Mortgage Number.

4. Payment Source Information

Name of Financial Institution: _____ (the "Financial Institution")

A VOID cheque must be attached

In accordance with this Electronic Fund Transfer Agreement ("EFT Agreement"), I/we authorize Olympia and the Financial Institution to debit the account (the "Account") with the Financial Institution identified in the attached void cheque for the contribution(s) authorized by this Mortgage Payment Authorization form and for such fixed and variable fee amounts identified on the Olympia Fee Schedule (as may amended from time to time) for services and products provided by Olympia with respect to my/our Olympia account. I acknowledge that such debits from the Account may occur on a monthly or annual basis depending on my/our contribution instructions and the services and products provided by Olympia. I/we also authorize Olympia to deposit with the Account with any amounts Olympia may pay to me/us, in Olympia's sole discretion. These authorizations are to remain in effect until Olympia receives written notification from me/us canceling or changing these authorizations. Any written notice cancelling or changing these authorizations must be received by Olympia at least ten (10) business days, but not more than thirty (30) days, before the next scheduled debit. I/we may obtain a sample cancellation form, or more information on my/our right to cancel this EFT Agreement at my/our Financial Institution or by visiting www.payments.ca. Olympia may not assign this EFT Agreement, whether directly or indirectly, by operation of law, change of control or otherwise, without providing me/us at least 10 days prior written notice. I/we have certain recourse rights if any debit does not comply with this EFT Agreement. For example, I/we have the right to receive reimbursement for any Electronic Funds Transfer that is not authorized or is not consistent with this EFT Agreement. To obtain a form for a Reimbursement Claim, or for more information on my/our recourse rights, I/we may contact my/our Financial Institution or visit www.payments.ca. Further by signing below, I/we represent and warrant that:

1) the Account number provided is held in my/our name(s), whether solely or jointly, and I/we have authority under the terms the applicable account agreement with the Financial Institution to authorize the debits and deposits contemplated by this EFT Agreement;
2) I/we shall not hold Olympia responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me/us or my/our Financial Institution or due to an error on the part of the Financial Institution in depositing any such funds to the Account;
3) I/we hereby waive my/our right to receive pre-notification of the amount of any pre-authorized debit or deposit made by Olympia in accordance this EFT Agreement and acknowledge that I/we shall not receive advance notice of any such pre-authorized debits or deposits before such debits and deposits are processed;
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5. Authorization

Maheswaran Subramaniam — Name of Authorized Bank Account Signatory
_____ — Signature of Authorized Bank Account Signatory
_____ — Date *(mm/dd/yyyy)*

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IN THE MATTER OF THE RECEIVERSHIP OF SUSSMAN MORTGAGE FUNDING INC., 2486976 ONTARIO INC. and 1981361 ONTARIO INC.

Court File Number: CV-25-00741044-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

FIRST REPORT OF THE RECEIVER
B. RILEY FARBER INC.

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

Robert J. Kennedy LSO#: 474070
Tel: (416) 367-6756
Email: robert.kennedy@dentons.com

Lawyers for the Receiver,
B. Riley Farber Inc.