

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

**BETWEEN:**

**BUDUCHNIST CREDIT UNION LIMITED**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED, VICAR HOMES LTD. and TRADE  
CAPITAL CORP.**

Respondents

**MOTION RECORD**

**CHAITONS LLP**  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**George Benchetrit**  
Tel: (416) 218-1141  
Fax: (416) 218-1841  
Email: [george@chaitons.com](mailto:george@chaitons.com)

**Lawyers for KSV Restructuring Inc., in its  
capacity as Court-Appointed Receiver**

To: The Service List

## SERVICE LIST

<b>TO:</b>	<p><b>DENTONS CANADA LLP</b> 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1 <a href="mailto:Insolvency.Toronto@dentons.com">Insolvency.Toronto@dentons.com</a></p> <p><b>Barbara Grossman</b> Tel: (416) 863-4417 Fax: (416) 863-4592 Email: <a href="mailto:barbara.grossman@dentons.com">barbara.grossman@dentons.com</a></p> <p><i>Lawyers for Buduchnist Credit Union Limited</i></p>
<b>AND TO:</b>	<p><b>GARDINER ROBERTS LLP</b> Bay Adelaide Centre - East Tower 22 Adelaide St W, Ste. 3600 Toronto, ON M5H 4E3</p> <p><b>Alexander Melfi</b> Tel: (416) 865-6712 Email: <a href="mailto:amelfi@grllp.com">amelfi@grllp.com</a></p> <p><i>Lawyers for the Respondents, 2321197 Ontario Inc., Carlo Demaria, Sandra DeMaria, 2321198 Ontario Inc., Vicar Homes Ltd.</i></p>
<b>AND TO:</b>	<p><b>LOOPSTRA NIXON LLP</b> 135 Queens Plate Drive, Suite 600 Etobicoke, ON M9W 6V7</p> <p><b>Peter W.G. Carey</b> Tel: (416) 748-4774 Email: <a href="mailto:pcarey@loonix.com">pcarey@loonix.com</a></p> <p><b>Christopher Lee</b> Tel: (416) 748-5117 Email: <a href="mailto:clee@loonix.com">clee@loonix.com</a></p> <p><i>Lawyers for Trade Capital Finance Corporation</i></p>
<b>AND TO:</b>	<p><b>CANADA REVENUE AGENCY</b> 5001 Yonge Street North York, Ontario M2N 6R9</p>

<b>AND TO:</b>	<b>LEXPAND LEGAL PROFESSIONAL CORPORATION</b> 685 Sheppard Avenue East, Suite 507 Toronto, ON M2K 1B6  <b>Joseph Dominic Campione</b> Tel: (416)539-7263 Email: <a href="mailto:jcampione@lexpand.com">jcampione@lexpand.com</a>  <i>Lawyers for the Purchaser of the Woodland Property, Shadi Alipourmemarizadeh</i>
<b>AND TO:</b>	<b>KSV RESTRUCTURING INC.</b> 150 King Street West, Suite 2308 Toronto, ON M5H 1J9  <b>David Sieradzki</b> Tel: (416) 932-6030 Email: <a href="mailto:dsieradzki@ksvadvisory.com">dsieradzki@ksvadvisory.com</a>  <i>Court-Appointed Receiver</i>

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

**BETWEEN:**

**BUDUCHNIST CREDIT UNION LIMITED**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED, VICAR HOMES LTD. and TRADE  
CAPITAL CORP.**

Respondents

**INDEX**

<b>Tab</b>	<b>Document</b>
1	Notice of Motion
A	Draft Approval and Vesting Order
2	Seventh Report of the Receiver dated October 21, 2020
A	Second Amended and Restated Receivership Order dated January 17, 2019
B	Court Order dated August 12, 2020
C	Court Order dated August 26, 2020
D	Judgment dated August 28, 2020
E	Judgment dated August 26, 2020
F	Judgment dated August 26, 2020
G	Judgement dated August 28, 2020
H	Sixth Report to Court dated May 20, 2020 (without appendices)
I	Supplement to the Sixth Report dated August 11, 2020 (without appendices)
J	Agreement of Purchase and Sale dated September 22, 2020 (redacted version)
K	Interim Statement of Receipts and Disbursements

# TAB 1

Court File No. CV-18-00608356-00CL

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

**BETWEEN:**

**BUDUCHNIST CREDIT UNION LIMITED**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED, VICAR HOMES LTD. and TRADE  
CAPITAL CORP.**

Respondents

**NOTICE OF MOTION**

KSV Restructuring Inc. (“**KSV**”), in its capacity as court-appointed receiver and manager (the “**Receiver**”) of certain real property as described below, will make a motion to a judge presiding over the Commercial List on Wednesday, October 28, 2020, at 9:30 a.m., or as soon after that time as the motion can be heard, by videoconference via Zoom at Toronto, Ontario.

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

**THE MOTION IS FOR:**

1. an order substantially in the form attached hereto as **Schedule “A” (“Approval and Vesting Order”)**, *inter alia*:

- (a) if necessary, abridging the time for service and filing of this Notice of Motion and the Motion Record of the Receiver, and dispensing with service on any person other than those served;
  - (b) approving the proposed transaction (the “**Woodland Transaction**”) with Shadi Alipourmemarizadeh (the “**Purchaser**”) for the sale of the property located at 211 Woodland Acres Crescent, Vaughan, Ontario (the “**Woodland Property**”), pursuant to an Agreement of Purchase and Sale between the Receiver and the Purchaser dated September 22, 2020, as amended (the “**APS**”); and
  - (c) vesting the Woodland Property in the Purchaser free and clear of all claims and encumbrances;
2. an order sealing the Confidential Appendices to the Seventh Report of the Receiver dated October 21, 2020 (the “**Seventh Report**”) pending closing of the Woodland Transaction;
  3. an order approving interim distributions to Buduchnist Credit Union Limited (“**BCU**”);  
and
  4. such further and other relief that the Receiver may request and this Honourable Court may consider just.

**THE GROUNDS FOR THE MOTION ARE:****The Properties under Receivership**

1. This proceeding was commenced pursuant to an application made by BCU, which held mortgages on various properties owned directly or indirectly by Carlo DeMaria, Sandra DeMaria or holding companies of which Carlo DeMaria is the sole officer and director.
2. Pursuant to Orders of this Court made on November 13, 2018 (the “**Receivership Order**”), KSV was appointed (*inter alia*) as interim receiver of the property at 46 Puccini Drive, Richmond Hill, Ontario (the “**Puccini Property**”). On December 4, 2018, the interim receivership of the Puccini Property was converted to a receivership.
3. On January 17, 2019, the Receivership Order was amended for a second time (the “**Second Amended and Restated Receivership Order**”) to include the property at 6216 Fifth Line, Egbert, Ontario (the “**Cottage Property**”) and the Woodland Property.
4. Pursuant to an Order made on February 27, 2019, this Court approved a transaction for the sale of the Puccini Property to an arm’s length purchaser (the “**Puccini Transaction**”). The Puccini Transaction closed on April 5, 2019. There is presently approximately \$2.1 million on deposit in the Receiver’s trust account from the net proceeds of the Puccini Transaction.
5. Pursuant to an Order made on July 25, 2019, this Court approved a transaction for the sale of the Cottage Property to an arm’s length purchaser (the “**Cottage Transaction**”). The Cottage Transaction closed on August 15, 2019. There is presently approximately



\$344,000 on deposit in the Receiver's trust account from the net proceeds of the Cottage Transaction

### **The Woodland Transaction**

6. The Woodland Property is a residential home in Vaughan, Ontario which, until August 31, 2020, was occupied by the DeMaria family. Carlo and Sandra DeMaria are the registered owners of the Woodland Property.
7. On August 31, 2020, the DeMaria family vacated the Woodland Property in accordance with an Order of this Court made on August 12, 2020 (the "**August 12<sup>th</sup> Order**"). Any disputes between the DeMaris and BCU over certain items to be left at the Woodland Property were resolved in accordance with an Order of this Court made on August 26, 2020.
8. Pursuant to the August 12<sup>th</sup> Order, this Court also approved the engagement of Avenue Realty Inc. ("**Avenue Realty**") for the listing of the Woodland Property for sale at a list price of \$3.75 million.
9. After being listed for sale on September 10, 2020, there were 21 showings of the Woodland Property, and three offers were submitted to the Receiver.
10. After negotiating with the Purchaser for (among other things) an increased purchase price and the removal of any conditions precedent in favour of the Purchaser, the APS was finalized. The APS is in the form of a standard Ontario Real Estate Association Agreement of Purchase and Sale, a summary of which is as follows:

- Purchaser: The Receiver has been advised that the Purchaser is an arm's length party to the DeMaria family.
  - Purchase Price: For the reasons detailed in the Seventh Report, the Receiver believes that the purchase price should be sealed pending closing of the Woodland Transaction.
  - Deposit: The Purchaser has paid a deposit of \$250,000.
  - Representations and Warranties: Consistent with the standard terms of a receivership transaction, i.e. on an "as is, where is" basis, with limited representations and warranties.
  - Closing Date: December 1, 2020, should the Court grant the proposed Approval and Vesting Order.
  - Material Conditions: The only material condition precedent is the Court's issuance of the proposed Approval and Vesting Order.
11. The Receiver recommends that the Court approve the APS and the Woodland Transaction for the following reasons:
- (a) in the Receiver's view, commercially reasonable steps were taken to market and sell the Woodland Property on terms approved by this Court, and in a manner consistent with how residential homes are typically listed and sold in the Greater Toronto Area;
  - (b) the purchase price under the APS is the highest of all offers received, is in the upper end of the sale price range provided by Avenue Realty in its listing proposal, and

exceeds the projected sale price provided by two other realtors who submitted listing proposals to the Receiver in March 2020;

- (c) Avenue Realty is a reputable and qualified realtor with substantial experience selling homes in the Woodland Acres area. It specializes in this neighbourhood and has recommended that the Woodland Transaction be completed forthwith as the purchase price is consistent with the market value of comparable homes;
- (d) the Woodland Transaction contemplates a closing date of December 1, 2020, should Court approval be granted. Accordingly, the Woodland Transaction can be completed expeditiously, which will avoid property taxes, professional fees and other costs that would otherwise accrue if the vacant Woodland Property were sold to any other buyer who has expressed interest given that those parties advised Avenue Realty that they would require several months to close a transaction; and
- (e) BCU has consented to the Transaction.

### **Sealing Order**

12. The Receiver recommends that the Confidential Appendices to the Seventh Report be sealed pending closing of the Woodland Transaction as the availability of the information in these documents may negatively impact any future sale process for the Woodland Property if the Woodland Transaction does not close for any reason. Full particulars of the APS, the Woodland Transaction and the other offers submitted to the Receiver have been provided to the DeMarias based on a confidentiality undertaking signed by their lawyers.

The Receiver does not believe that any stakeholder will be prejudiced if this information is sealed or redacted.

### **Interim Distributions to BCU**

13. There is an ongoing court proceeding commenced by Trade Capital Finance Corp. (“**Trade Capital**”) in Brampton against various defendants, including Mr. DeMaria and certain corporations with which Mr. DeMaria is alleged to have been involved (the “**Mareva Order**”).
14. Trade Capital has taken the position that the Mareva Order and the related court proceeding affect the priorities and/or entitlement to certain proceeds of sale realized in this proceeding.
15. BCU is scheduling a motion for the distribution of the funds held by the Receiver from the sale of the 3 properties it has sold to date (the “**BCU Distribution Motion**”).
16. The Receiver has been advised by counsel to Trade Capital that Trade Capital agrees with and does not oppose interim distributions to BCU pursuant to monetary judgments in favour of BCU issued by the Court on notice to Trade Capital, as described in the Seventh Report.
17. The balance of the net proceeds from the sales of the properties mentioned above will continue to be held by the Receiver pending the outcome of the BCU Distribution Motion.

**Other Grounds**

18. Rules 2.03, 3.02, 16.01 and 37 of the *Rules of Civil Procedure* (Ontario).
19. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Seventh Report.
2. Such further and other material as counsel may advise and this Honourable Court may permit.

October 21, 2020

**CHAITONS LLP**  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**George Benchetrit**  
Tel: (416) 218-1141  
Fax: (416) 218-1841  
Email: [george@chaitons.com](mailto:george@chaitons.com)

**Lawyers for KSV Restructuring Inc., in its  
capacity as Court-Appointed Receiver**

**TO: SERVICE LIST**

# TAB A

Court File No. CV-18-00608356-00CL

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

THE HONOURABLE MADAM	)	WEDNESDAY, THE 28 <sup>TH</sup> DAY
	)	
JUSTICE CONWAY	)	OF OCTOBER, 2020

**BETWEEN:****BUDUCHNIST CREDIT UNION LIMITED**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED and VICAR HOMES LTD.**

Respondents

**APPROVAL AND VESTING ORDER**

THIS MOTION, made by KSV Restructuring Inc. (“**KSV**”), in its capacity as court-appointed receiver and manager (the “**Receiver**”) of the property known as 211 Woodland Acres Crescent, Vaughan, Ontario (the “**Property**”), for an order approving the sale transaction (the “**Transaction**”) contemplated by an Agreement of Purchase and Sale dated September 22, 2020, as amended (the “**Sale Agreement**”), between the Receiver and Shadi Alipourmemarizadeh (the “**Purchaser**”), and appended to the Seventh Report of the Receiver dated October 21, 2020 (the “**Report**”), and vesting in the Purchaser the right, title and interest of Carlo and Sandra DeMaria (collectively, the “**Debtors**”) in and to the purchased assets (as described in the Sale Agreement), including the Property (collectively, the “**Purchased Assets**”) was heard this day at Toronto via Zoom videoconference due to the COVID-19 Pandemic.

ON READING the Report and on hearing the submissions of counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING], no one appearing for any other person on the

service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

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

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by orders made in this proceeding; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of York Region (No. 65) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the Property, as more particularly described in **Schedule B** hereto in fee simple, and is hereby directed to delete and expunge from title to the Property all of the Claims listed in **Schedule C** hereto.



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

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

6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

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

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

Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

---

**Schedule A – Form of Receiver’s Certificate**

Court File No. CV-18-00608356-00CL

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

**BETWEEN:**

**BUDUCHNIST CREDIT UNION LIMITED**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED and VICAR HOMES LTD.**

Respondents

**RECEIVER’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Ontario Superior Court of Justice (the “**Court**”) dated January 17, 2019, KSV Restructuring Inc. (“**KSV**”), was appointed as the receiver (the “**Receiver**”) of the property known as 211 Woodland Acres Crescent, Vaughan, Ontario (the “**Property**”).

B. Pursuant to an Order of the Court dated October 28, 2020, the Court approved the Agreement of Purchase and Sale between the Receiver and Shadi Alipourmemarizadeh (the “**Purchaser**”) dated September 22, 2020, as amended (the “**Sale Agreement**”), and provided for the vesting in the Purchaser of the right, title and interest of Carlo and Sandra DeMaria in and to the purchased assets (as described in the Sale Agreement), including the Property (collectively, the “**Purchased Assets**”), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as

set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

KSV Restructuring Inc., in its capacity as court-appointed receiver and manager of the property known as 211 Woodland Acres Crescent, Vaughan, Ontario

Per: \_\_\_\_\_  
Name:  
Title:

**Schedule B – Property**

PIN 03342-0025 (LT)

DESCRIPTION:

PCL 23-1 SEC M1732; LT 23 PL M1732; S/T LT135993 ; VAUGHAN.

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

<b>Instrument No.</b>	<b>Date</b>	<b>Instrument</b>
YR1534099	2010/08/16	Charge \$1,490,000 Buduchnist Credit Union Limited
YR1920510	2012/12/05	Charge \$3,000,000 Buduchnist Credit Union Limited
YR2307547	2015/06/18	Restrictions Order - Trade Capital Finance Corp.
YR2935987	2019/03/05	Lien \$63,408 - Her Majesty The Queen In Right Of Canada As Represented By The Minister Of National Revenue
YR2970872	2019/06/12	Court Order - KSV Restructuring Inc.

# TAB 2



**Seventh Report of  
KSV Restructuring Inc.  
as Receiver and Manager of  
87 Elm Grove Avenue, 46 Puccini Drive  
6216 Fifth Line and  
211 Woodland Acres Crescent**

October 21, 2020



## Contents

	Page
1.0 Introduction .....	1
1.1 Purposes of this Report.....	2
1.2 Currency .....	2
1.3 Restrictions .....	3
2.0 Background .....	3
2.1 Elm Grove Property .....	3
2.2 Puccini Property.....	3
2.3 Cottage Property.....	4
2.4 Woodland Property .....	4
2.5 Mareva Order.....	5
3.0 Sale Process .....	6
4.0 Transaction .....	7
4.1 Sealing Order.....	7
4.2 Recommendation.....	8
5.0 Proposed Interim Distributions.....	8
6.0 Conclusion and Recommendation .....	9

## Appendices

Appendix	Tab
Second Amended and Restated Receivership Order dated January 17, 2019.....	A
Lien dated March 5, 2019 registered by the Minister of National Revenue .....	B
Court Order dated August 12, 2020 .....	C
Court Order dated August 26, 2020 .....	D
Judgement dated August 28, 2020 .....	E
Judgement dated August 26, 2020 .....	F
Judgement dated August 26, 2020 .....	G
Judgement dated August 28, 2020 .....	H
Sixth Report to Court dated May 20, 2020 (without appendices) .....	I
Supplement to the Sixth Report dated August 11, 2020 (without appendices). .....	J
Agreement of Purchase and Sale dated September 22, 2020 (redacted version).....	K
Interim Statement of Receipts and Disbursements.....	L

## Confidential Appendices

Appendix	Tab
Letter from Avenue Realty Inc. dated October 14, 2020. ....	1
Agreement of Purchase and Sale dated September 22, 2020 .....	2



COURT FILE NO: CV-18-00608356-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

BUDUCHNIST CREDIT UNION LIMITED

Applicant

- and -

2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED, VICAR HOMES LTD. AND TRADE  
CAPITAL CORP.

Respondents

SEVENTH REPORT OF KSV RESTRUCTURING INC.  
AS RECEIVER AND MANAGER

OCTOBER 21, 2020

## 1.0 Introduction

1. This report ("Report") is filed by KSV Restructuring Inc. ("KSV")<sup>1</sup> as receiver and manager (the "Receiver") of certain real property described below.
2. This proceeding was commenced pursuant to an application made by Buduchnist Credit Union Limited ("BCU"), which held mortgages on all four properties subject to these proceedings owned directly or indirectly by Carlo DeMaria, Sandra DeMaria or holding companies of which Carlo DeMaria is the sole officer and director.
3. Pursuant to orders of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on November 13, 2018 (the "Receivership Order"), KSV was appointed as Receiver of the property at 87 Elm Grove Avenue, Richmond Hill, Ontario (the "Elm Grove Property") and as interim receiver of the property at 46 Puccini Drive, Richmond Hill, Ontario (the "Puccini Property").
4. On December 4, 2018, the interim receivership of the Puccini Property was converted to a receivership. On January 17, 2019, the Receivership Order was amended for a second time (the "Second Amended and Restated Receivership Order") to include the property at 6216 Fifth Line, Egbert, Ontario (the "Cottage Property") and the property at 211 Woodland Acres Crescent, Vaughan, Ontario (the "Woodland Property"). A copy of the Second Amended and Restated Receivership Order is attached as Appendix "A".

---

<sup>1</sup> On August 31, 2020, KSV Kofman Inc. changed its name to KSV Restructuring Inc.

5. Until February 25, 2020, the receivership over the Woodland Property was stayed. On February 25, 2020, the stay with respect to the Woodland Property terminated and the Receiver's appointment over that property became effective.
6. The principal purpose of this proceeding is for the Receiver to maximize value by realizing on the properties subject to the Second Amended and Restated Receivership Order. Of the four properties, the Woodland Property is the only one that has not yet been sold by the Receiver.

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
  - a) provide background information and a status update in respect of the properties subject to this proceeding;
  - b) summarize the steps taken by the Receiver to sell the Woodland Property;
  - c) summarize a proposed transaction (the "Transaction") with Shadi Alipourmemarizadeh (the "Purchaser") for the Woodland Property pursuant to an Agreement of Purchase and Sale dated September 22, 2020, as amended, between the Receiver and the Purchaser (the "APS");
  - d) provide the basis for the Receiver's recommendation that the APS and the Transaction be approved by this Honourable Court;
  - e) set out the Receiver's proposed interim distributions to BCU totaling approximately \$2.64 million (the "Proposed Interim Distributions"), being comprised of a portion of the sale proceeds generated from Court-approved transactions for the Puccini Property (\$1,329,940.40), the Cottage Property (\$214,486.35) and, subject to Court approval and completion of the Transaction, the Woodland Property (\$1,096,333.80);
  - f) summarize the rationale for the Receiver's request to seal the confidential appendices to this Report until closing of the Transaction; and
  - g) recommend that the Court issue an order, *inter alia*:
    - approving the APS and the Transaction;
    - vesting title to the Woodland Property in the Purchaser on closing of the Transaction;
    - authorizing the Receiver to make the Proposed Interim Distributions to BCU; and
    - sealing the confidential appendices to this Report until closing of the Transaction.

## 1.2 Currency

1. All currency references in this Report are to Canadian dollars.

### 1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited and publicly available information, materials filed in Court proceedings involving the respondents in this proceeding and discussions with legal counsel (the “Information”).
2. The Receiver has not performed an audit or other verification of the Information. Future oriented financial information relied upon in this Report is based on assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Receiver expresses no opinion or other form of assurance with respect to the accuracy of the Information presented in this Report or relied upon by the Receiver in its preparation of this Report.

## 2.0 Background

### 2.1 Elm Grove Property

1. At the commencement of this proceeding, the Elm Grove Property was comprised of land and a new, partially constructed residential home. 2321197 Ontario Inc. (“197”) was the registered owner of the Elm Grove Property. Mr. DeMaria is listed as the sole director and officer of 197.
2. BCU held a charge/mortgage against the Elm Grove Property securing the principal amount of \$2.2 million. There were no other mortgages registered against the Elm Grove Property at the time it was sold.
3. Pursuant to a Court order made on March 29, 2019, the Court approved a transaction for the sale of the Elm Grove Property to an arm’s length purchaser (the “Elm Grove Transaction”). The Elm Grove Transaction closed on April 16, 2019.
4. As at the date of this Report, there is approximately \$1.4 million on deposit in the Receiver’s trust account<sup>2</sup> from the net proceeds of the Elm Grove Transaction.

### 2.2 Puccini Property

1. The Puccini Property is a residential home in Richmond Hill, Ontario. At the commencement of this proceeding, 2321198 Ontario Inc. (“198”) was the registered owner of the Puccini Property. Mr. DeMaria is listed as the sole director and officer of 198.
2. BCU held a charge/mortgage against the Puccini Property securing the principal amount of \$2.5 million. There were no other mortgages registered against the Puccini Property. The Mareva Order (as defined below) was registered against the Puccini Property on September 29, 2015.
3. Pursuant to a Court order made on February 27, 2019, the Court approved a transaction for the sale of the Puccini Property to an arm’s length purchaser (the “Puccini Transaction”). The Puccini Transaction closed on April 5, 2019.

---

<sup>2</sup> \$1.3 million has been invested by the Receiver in a fully redeemable term deposit bearing interest at 2.1%. The balance is on deposit in the Receiver’s trust account.

4. As at the date of this Report, there is approximately \$2.1 million on deposit in the Receiver's trust account<sup>3</sup> from the net proceeds of the Puccini Transaction.

### 2.3 Cottage Property

1. The Cottage Property is a residential home in Egbert, Ontario. Carlo and Sandra DeMaria were the registered owners of the Cottage Property.
2. BCU held a charge/mortgage against the Cottage Property securing the principal amount of \$317,240. There were no other mortgages registered against the Cottage Property. The Mareva Order was registered against the Cottage Property on June 18, 2015.
3. Pursuant to a Court order made on July 25, 2019, the Court approved a transaction for the sale of the Cottage Property to an arm's length purchaser (the "Cottage Transaction"). The Cottage Transaction closed on August 15, 2019.
4. As at the date of this Report, there is approximately \$344,000 on deposit in the Receiver's trust account from the net proceeds of the Cottage Transaction.

### 2.4 Woodland Property

1. The Woodland Property is a residential home in Vaughan, Ontario which, until August 31, 2020, was occupied by the DeMaria family. Carlo and Sandra DeMaria are the registered owners of the Woodland Property.
2. BCU holds two charges/mortgages against the Woodland Property securing the principal amount of \$4.49 million. There are no other mortgages registered against the Woodland Property. On March 5, 2019, the Minister of National Revenue ("MNR") registered a lien against the Woodland Property in the amount of \$63,408 in respect of Sandra DeMaria's income tax obligations. A copy of MNR's lien is attached as Appendix "B".
3. Enforcement of the Second Amended and Restated Receivership Order over the Woodland Property was stayed by the Court on certain terms, as amended and extended on several occasions, and upon expiry of the Court ordered stay was stayed pursuant to an agreement between the parties.
4. On February 25, 2020, BCU terminated the stay of enforcement with respect to the Woodland Property by reason of payment defaults by the DeMarrias, with the result that the receivership with respect to the Woodland Property became effective on that date.
5. On August 31, 2020, the DeMaria family vacated the Woodland Property in accordance with a Court order made on August 12, 2020 (the "August 12<sup>th</sup> Order"). Any disputes between the DeMarrias and BCU over certain items to be left at the Woodland Property were resolved in accordance with a Court order made on August 26, 2020 (the "August 26<sup>th</sup> Order"). Copies of the August 12<sup>th</sup> Order and the August 26<sup>th</sup> Order are attached as Appendices "C" and "D", respectively.

---

<sup>3</sup> \$2 million has been invested by the Receiver in a fully redeemable term deposit bearing interest at 2.1%. The balance is on deposit in the Receiver's trust account.

## 2.5 Mareva Order

1. There is an ongoing court proceeding commenced under Brampton Court File No. CV-15-2110-00 by Trade Capital Finance Corp. (“Trade Capital”) against various defendants, including Mr. DeMaria and certain corporations with which Mr. DeMaria is alleged to have been involved (the “Mareva Order”).
2. Trade Capital has taken the position that the Mareva Order and the related court proceeding affect the priorities and/or entitlement to certain proceeds of sale realized in this proceeding. BCU brought a motion scheduled to be heard on April 17, 2020 for the distribution of the funds held by the Receiver from the sale of the three properties it has sold to-date (the “BCU Distribution Motion”). As a result of the ongoing COVID-19 pandemic, the BCU Distribution Motion was adjourned and has not been rescheduled as at the date of this Report.
3. The Receiver has been advised by counsel to Trade Capital that Trade Capital agrees with and does not oppose the Proposed Interim Distributions to BCU pursuant to the following monetary Judgments in favour of BCU issued by the Court on notice to Trade Capital:
  - a) \$1,047,552.15 plus interest at BCU’s prime rate of interest in effect from time to time plus 1.00% per year from May 6, 2015 (the date of the Mareva Order), calculated at \$282,388.34 to October 30, 2020, being a portion of the total amount owing representing pre-Mareva Order date advances, under a Judgment dated August 28, 2020 in favour of BCU against (among others) 198 and Carlo DeMaria in the amount of \$2,759,340.52 plus interest from December 7, 2019 at the said rate, being the total amount owing under BCU’s mortgage registered against the Puccini Property. A copy of this judgment is attached as Appendix “E”;
  - b) Judgments dated August 26, 2020 in favour of BCU against Carlo DeMaria and Sandra DeMaria in the amount of \$207,393.29, being the amount of BCU’s mortgage registered against the Cottage Property plus interest at 3.29% per year from December 7, 2019, calculated at \$7,093.06 to October 30, 2020, copies of which are attached as Appendices “F” and “G”, respectively; and
  - c) Judgement dated August 28, 2020 in favour of BCU against Carlo DeMaria in the amount of \$1,049,319.69, being the amount of BCU’s first mortgage registered against the Woodland Property, plus interest at 4.50% per year from December 7, 2019, calculated at \$47,014.11 to December 1, 2020, a copy of which is attached as Appendix “H”.
4. The balance of the net proceeds from the sale of the properties mentioned above will continue to be held by the Receiver pending the outcome of the BCU Distribution Motion, which the Receiver understands will be opposed by Trade Capital.

### 3.0 Sale Process

1. The Receiver's Sixth Report to Court dated May 20, 2020 (the "Sixth Report") and its Supplemental Report dated August 11, 2020 (the "Supplemental Report") described the sale process to be carried out by the Receiver for the Woodland Property, including engaging Avenue Realty Inc. ("Avenue Realty") as the listing agent pursuant to a listing agreement that was approved pursuant to the August 12<sup>th</sup> Order. Copies of the Sixth Report and the Supplemental Report, both without appendices, are attached as Appendices "I" and "J", respectively.
2. In accordance with the August 12<sup>th</sup> Order, the Receiver engaged Avenue Realty to list the Woodland Property for sale on August 17, 2020.
3. Avenue Realty undertook an analysis of the market based on recent and relevant transactions and listings. Based on Avenue Realty's advice, the list price was determined to be \$3.75 million, which was approved pursuant to the August 12<sup>th</sup> Order.
4. On September 10, 2020, the Woodland Property was listed for sale on the multiple listing service ("MLS"). Over the course of the listing period, there were 21 showings and three offers submitted. The Purchaser's offer was the highest of the three offers and, with the consent of BCU, the Receiver accepted the Purchaser's offer on September 22, 2020 and worked to finalize the APS shortly thereafter.
5. The following chart reflects the attributes of the 10 homes<sup>4</sup> that have been sold in the Woodland Acres neighbourhood in 2020 as at the date of this Report. This comparative analysis was provided by Avenue Realty and formed the basis of its recommendation that the Purchaser's offer should be accepted by the Receiver.

Property	Sale Price	Lot Size (feet)	Sq. Footage	Date Sold	Days on Market
150 Woodland Acres Cr.	2,338,000	313 x 203	3,500	10/06/20	5
19 Macamo Cr.	2,150,000	134 x 329	-	1/14/20	7
355 Woodland Acres Cr.	2,410,000	170 x 352	-	10/05/20	46
180 Woodland Acres Cr.	2,215,000	232 x 202	3,500	05/04/20	27
15 Melissa Cr.	2,530,000	96 x 334	3,000	06/07/20	25
14 Pamela Cr.	2,700,000	1.12 acres	5,000	08/19/20	-
630 Woodland Acres Cr.	2,828,000	237 x 275	5,000+	06/12/20	12
20 Silver Fox Pl.	3,100,000	1.57 acres	5,000	4/19/20	150
76 Silver Fox Pl.	3,560,000	1.73 acres	5,000+	4/29/20	85
5 Honey Locust Cr.	6,000,000	231 x 228	5,000+	7/21/20	139
<b>Woodland Property</b>	<b>n/a</b>	<b>1 acre</b>	<b>5000+</b>	<b>n/a</b>	<b>n/a</b>

6. Avenue Realty provided a recommendation letter dated October 14, 2020, a copy of which is attached as Confidential Appendix "1". The letter indicates, *inter alia*, the factors that Avenue Realty considered in recommending that the Receiver accept the Purchaser's offer and complete the Transaction contemplated by the APS.
7. For the reasons set out in Section 4.1 of this Report, the Receiver is recommending that Avenue Realty's letter be sealed until completion of the Transaction.

<sup>4</sup> Further information on each of these comparable properties is provided in Confidential Appendix "1".

## 4.0 Transaction

1. The APS is in the form of a standard Ontario Real Estate Association Agreement of Purchase and Sale, a summary of which is as follows:
  - a) **Purchaser:** The Receiver has been advised that the Purchaser is an arm's length party to the DeMaria family.
  - b) **Purchased Assets:** The Woodland Property.
  - c) **Purchase Price:** For the reasons set out in Section 4.1 of this Report, the Receiver is recommending that the purchase price be sealed until completion of the Transaction.
  - d) **Deposit:** The Purchaser has paid a deposit of \$250,000.
  - e) **Representations and Warranties:** Consistent with the standard terms of a receivership transaction, i.e. on an "as is, where is" basis, with limited representations and warranties.
  - f) **Closing Date:** December 1, 2020, should the Court grant the proposed Approval and Vesting Order.
  - g) **Material Conditions:** The only material condition precedent is the Court's issuance of the proposed Approval and Vesting Order.
2. A copy of a redacted version of the APS is attached as Appendix "K". An unredacted version is attached as Confidential Appendix "2".

## 4.1 Sealing Order

1. The Receiver is of the view that Avenue Realty's letter dated October 14, 2020 and the unredacted version of the APS should be filed with the Court on a confidential basis and sealed (the "Sealing Order") until completion of the Transaction as both documents contain the purchase price under the APS and the value of the other offers submitted for the Woodland Property over the course of the sale process. This information, if made public, may influence a further marketing process should the Transaction not close. The Receiver is not aware of any party that will be prejudiced if the information is sealed.
2. On October 14, 2020, the Receiver's counsel, Chaitons LLP ("Chaitons"), offered to disclose to Mr. and Mrs. DeMaria's legal counsel the purchase price under the APS subject to their counsel's execution of a confidentiality agreement. On October 19, 2020, counsel to the DeMarias executed the confidentiality agreement and was advised of the purchase price.
3. Accordingly, the Receiver believes the proposed Sealing Order is appropriate in the circumstances.



## 4.2 Recommendation

1. The Receiver recommends that the Court approve the APS and the Transaction for the following reasons:
  - a) in the Receiver's view, commercially reasonable steps were taken to market and sell the Woodland Property in accordance with the marketing process and at the list price approved pursuant to Court orders issued in this proceeding, which process is consistent with how residential homes are typically listed and sold in the Greater Toronto Area;
  - b) the purchase price is the highest of the three offers received, is in the upper end of the sale price range provided by Avenue Realty in its listing proposal and exceeds the projected sale price provided by two other realtors who submitted listing proposals to the Receiver in March, 2020;
  - c) Avenue Realty is a reputable and qualified realtor with substantial experience selling homes in the Woodland Acres area. It specializes in this neighbourhood and has recommended that the Transaction be completed forthwith as the purchase price is consistent with the market value of comparable homes;
  - d) the Transaction contemplates a closing date of December 1, 2020, should Court approval be granted. Accordingly, the Transaction can be completed expeditiously, which will avoid property taxes, professional fees and other costs that would otherwise accrue if the vacant Woodland Property were sold to any other buyer who has expressed interest given that those parties advised Avenue Realty that they would require several months to close a transaction; and
  - e) BCU has consented to the Transaction.

## 5.0 Proposed Interim Distributions

1. The Receiver's interim statement of receipts and disbursements reflecting the activity in each receivership account since the commencement of this proceeding is attached as Appendix "L". As at the date of this Report, the cash balance in the four receivership accounts is reflected in the table below.

(CAD\$)	Puccini	Elm Grove	Cottage	Woodland
Balance in receivership account	2,081,710	1,355,776	343,509	6,966

2. Subject to Court approval, the Receiver intends to make Proposed Interim Distributions to BCU of \$1,329,940.40 and \$214,486.35 from the balance on hand in the receivership accounts of the Puccini Property and the Cottage Property, respectively. A distribution of \$1,096,333.80 is also proposed to be made from the net proceeds realized on the Woodland Property once the Transaction is completed.

3. The Receiver believes the Proposed Interim Distributions to BCU are appropriate for the following reasons:
  - a) Chaitons provided a security opinion for the Puccini Property dated September 9, 2019 and opinions for the Cottage Property and the Woodland Property dated October 8, 2020. All three opinions conclude, subject to the standard assumptions and qualifications contained therein, that the security granted in favour of BCU, as registered on title to the applicable real property by way of the applicable mortgage and under the Ontario *Personal Property Security Act*, creates a valid and perfected security interest in the Puccini Property, Cottage Property and Woodland Property, as applicable. Copies of Chaitons' opinions can be provided should the Court wish to review them;
  - b) the Receiver is not aware of any other secured creditors or any claim that ranks or may rank in priority to BCU for the amounts included in the Proposed Interim Distributions, other than any amounts secured by the Court-ordered charges, being the Receiver's Charge and the Receiver's Borrowings Charge, for which there are sufficient funds remaining in the receivership accounts following payment of the Proposed Interim Distributions;
  - c) Trade Capital has agreed to and does not oppose to the Proposed Interim Distributions being paid by the Receiver to BCU. The balance of the proceeds being held by the Receiver will be subject to the outcome of the BCU Distribution Motion; and
  - d) MNR registered a lien for \$63,408.18 against the Woodland Property on March 5, 2019 pursuant to s. 223 of the Income Tax Act ("ITA") in respect of unpaid income taxes owed by Sandra DeMaria. Subsection 223(6) of the ITA states that the charge, lien, priority or binding interest created by such a registration "shall be subordinate to any charge in respect of which all steps necessary to make it effective against other creditors were taken before the time the lien was registered". Accordingly, the mortgage/charge registered by BCU against the Woodland Property has priority over the lien registered by MNR.
4. Based on the foregoing, the Receiver recommends that this Honourable Court issue an order authorizing and directing the Receiver to make the Proposed Interim Distributions to BCU.

## 6.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that the Court make an order granting the relief detailed in Section 1.1(1)(g) of this Report.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS COURT-APPOINTED  
RECEIVER AND MANAGER OF 87 ELM GROVE PROPERTY, 46 PUCCINI AVENUE,  
6216 FIFTH LINE AND 211 WOODLAND ACRES CRESCENT  
AND NOT IN ITS PERSONAL CAPACITY**

## Appendix “A”

Court File No. CV-18-00608356-00CL

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

THE HONOURABLE MR.

)

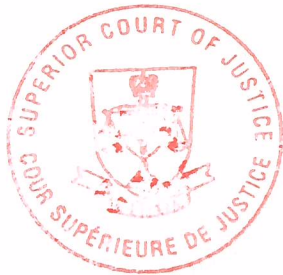
THURSDAY, THE 17th

JUSTICE PENNY

)

DAY OF JANUARY, 2019

)



**BUDUCHNIST CREDIT UNION LIMITED**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED and VICAR HOMES LTD.**

Respondents

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

**SECOND AMENDED AND RESTATED ORDER  
(appointing Receiver)**

**THIS APPLICATION** made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing KSV Kofman Inc. (“**KSV**”) as receiver and manager (in such capacities, the “**Receiver**”) without security, of the Real Properties (defined below), was heard on January 16, 2019 at 330 University Avenue, Toronto, Ontario, with judgment having been reserved to this date for written reasons.

**ON READING** the Affidavit of Oksana Prociuk, sworn November 6, 2018, the Responding Affidavit of Oksana Prociuk, sworn November 20, 2018, the Supplementary

Affidavit of Oksana Prociuk, sworn November 30, 2018, the Affidavit of Carlo Demaria, sworn November 11, 2018, and the Affidavit of Darcy Thompson, sworn November 12, 2018, the Factum, dated November 30, 2018, and authorities of the Applicant, the Factum and Book of Authorities of the Respondents, 2321997 Ontario Inc., Carlo Demaria, 2321198 Ontario Inc. and Vicar Homes Ltd., dated January 14, 2019, Transcript of the examination under Rule 39.03 of Nestor Wolicki, taken December 17, 2018, and exhibit thereon, Transcripts of the examination under Rule 39.03 of Roma Bereza, taken on December 17, 2018 and January 10 and 11, 2019, and exhibits thereon, Transcript of the cross-examination of Carlo Demaria, taken on November 30, 2018, and answers to undertakings and exhibits thereon, Transcript of the cross-examination of Oksana Prociuk, taken on December 17, 2018, and answers to undertakings and exhibits thereon, the Applicant's Response to Request to Inspect Documents, dated December 11, 2018, and on hearing the submissions of counsel for the Applicant, Carlo Demaria, 2321197 Ontario Inc., 2321198 Ontario Inc., Vicar Homes Ltd., and Trade Capital Finance Corporation, no one appearing for Sandra Demaria although validly served as evidenced by the affidavits of service of Chris O'Rourke, sworn November 8, 2018, Rupert Mathias, sworn December 4, 2018 and Amanda Campbell, sworn December 3, 2018, filed, and on being advised by counsel that KSV consents to act as the Receiver,

### **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 243(1) of the BIA and section 101 of the CJA, KSV is hereby appointed Receiver, without security, of the real properties described in Schedule "A" hereto (the "**Real Properties**" and each a "**Real Property**"), including all rents arising therefrom and proceeds thereof (collectively, the "**Property**").

### **RECEIVER'S POWERS**

3. **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, rents 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 engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (d) to receive and collect all monies, rent and accounts now owed or hereafter owing to the Respondents in respect of or relating to the Real Properties and to exercise all remedies of the Respondents in collecting such monies, including, without limitation, to enforce any security held by the Respondents;
- (e) to execute, assign, issue and endorse documents of whatever nature in respect 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;
- (f) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Real Properties or the Receiver, and to settle

or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (g) to market any or all of the Real Properties, including advertising and soliciting offers in respect of the Real Properties or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (h) to sell, convey, transfer, lease or assign the Property or any part or parts thereof with the approval of the Court and in such case, notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (i) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (j) to, without any further Court approval, on the condition that it is determined to be desirable by the Receiver, in its discretion, (i) sell and convey the real property municipally known as 87 Elm Grove, Richmond Hill, Ontario (the “**Elm Property**”) pursuant to the Agreement of Purchase and Sale, accepted May 19, 2017, between Vicar Homes Ltd. and Sylvia Conforti, as amended, subject to monetary adjustments and such amendments as the Receiver may deem appropriate, or (b) negotiate and enter into a new agreement for the sale of the Elm Property, on terms acceptable to the Receiver, and sell and convey the Elm Property to Sylvia Conforti pursuant to such sale agreement;
- (k) 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;

- (l) to register a copy of this Order and any other Orders in respect of the Property against title to the Real Properties;
- (m) 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; and
- (n) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

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

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **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 access codes and keys to the Real Properties to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, manuals, warranties, securities, contracts, orders, and any other papers, records and information of any kind relating to the Real Properties (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, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the



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

6. **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

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

#### NO PROCEEDINGS AGAINST THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of 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 Property are hereby stayed and suspended pending further Order of this Court. This provision is without prejudice to Trade Capital Finance Corporation commencing and continuing an application for the appointment of a receiver in respect of, among other things, the Real Properties.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

9. **THIS COURT ORDERS** that all rights and remedies against the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the 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, or (iv) prevent the registration of a claim for lien.

### **RECEIVER TO HOLD FUNDS**

10. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Real Properties and the collection of any rents or 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.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

11. **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**

12. **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**

13. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver's Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, 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.

14. **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.

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

#### **FUNDING OF THE RECEIVERSHIP**

16. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The Real Property identified in each Receiver's Certificate (defined below), including all rents arising therefrom and proceeds thereof, shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

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

#### ONTARIO NEW HOME WARRANTIES PLAN ACT

20. **THIS COURT DECLARES** that the Court is making no determination as whether or not the Receiver is a “vendor” as defined in, and for the purposes of, the *Ontario New Home Warranties Plan Act*.

#### STAY OF ENFORCEMENT OVER WOODLAND PROPERTY

21. **THIS COURT ORDERS** that enforcement of this Order in respect of the Real Property municipally known as 211 Woodland Acres Crescent, Vaughan, Ontario (the “**Woodland Property**”), is stayed for 60 days from the date of this Order, or the disposition of the motion to be brought by Carlo Demaria seeking to set aside the Mareva injunction imposed pursuant to the Order of the Honourable Justice Ricchetti, dated May 6, 2015, issued in proceedings titled *Trade Capital Finance Corp. v. Peter Cook et al.*, bearing Brampton Court File No. CV-15-2110-00, whichever comes first. The stay ordered herein is subject to the following terms:

- (a) Carlo Demaria shall provide the Receiver, monthly, with evidence that the following payments are current on the Woodland Property:
  - (i) heat;
  - (ii) hydro
  - (iii) property taxes; and
  - (iv) property insurance;
- (b) upon the expiry of the 60 day stay period, or the disposition of the motion to set aside the Mareva injunction (or sooner if necessary), the parties shall schedule a 9:30 a.m. appointment to report on the status of the matter and the proposed next steps which are to be taken.

## SERVICE AND NOTICE

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

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

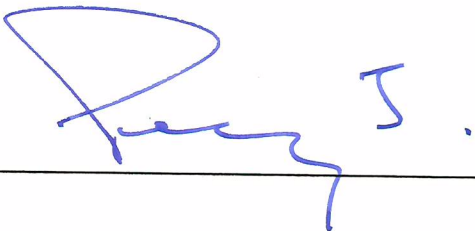
28. **THIS COURT ORDERS** that, with respect to the Elm Property and the real property municipally known as 46 Puccini Drive, Richmond Hill, Ontario (the "**Puccini Property**"), the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the sale of the Elm Property and the Puccini Property with such priority and at such time as this Court may determine.

29. **THIS COURT ORDERS** that, with respect to the Woodland Property and the real property municipally known as 6216 Fifth Line, Egbert, Ontario, costs of this application are reserved pending submissions.

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

31. **THIS COURT ORDERS** that this Order takes precedence over the Order of the Honourable Justice Wilton Siegel, dated November 13, 2018 (the "**IR Order**"), appointing KSV as interim receiver (the "**Interim Receiver**") of the real property municipally known as 46 Puccini Drive, Richmond Hill, Ontario, and the Interim Receiver shall take no further steps to

carry out its powers and duties set forth in the IR Order, save and except for bringing a motion before this Honourable Court for discharge.



---

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

JAN 30 2019

PER / PAR:





**SCHEDULE "A"**  
**REAL PROPERTIES**

1.     **PIN:**            **03199-0011 (LT)**  
  
      Property        PCL 7-1 SEC M1563; LT 7 PL M1563; Town of Richmond Hill  
      Description:  
  
      Address:        87 Elm Grove Avenue  
                      Richmond Hill, ON L4E 2W8
  
2.     **PIN:**            **03206-3618 (LT)**  
  
      Property        PT LOT 26, PLAN M807, PT1, 65R34410,; Town of Richmond Hill  
      Description:  
  
      Address:        46 Puccini Drive  
                      Richmond Hill, ON L4E 2Y6
  
3.     **PIN:**            **03342-0025 (LT)**  
  
      Property        PCL 23-1 SEC M1732; LT 23 PL M1732; S/T LT135993; Vaughan  
      Description:  
  
      Address:        211 Woodland Acres Crescent  
                      Vaughan, ON L6A 1G1
  
4.     **PIN:**            **58120-0162 (LT)**  
  
      Property        PT E 1/2 LT 10 CON 4 ESSA TWP PT 4 RD1027; ESSA  
      Description:  
  
      Address:        6216 Fifth Line RR#1  
                      Egbert ON L0L 1N0

**SCHEDULE "B"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. **THIS IS TO CERTIFY** that KSV Kofman Inc., of the real properties described in Schedule "A" hereto (the "**Real Properties**" and each a "**Real Property**"), including all rents arising therefrom and all proceeds thereof, appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 4th day of December, 2018 (the "**Order**") made in an action having Court file number CV-18-00608356-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Real Property bearing PIN: \_\_\_\_\_, including all rents arising therefrom and proceeds thereof, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Real Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

KSV Kofman Inc., solely in its capacity  
as Receiver of the Real Properties, and not in its  
personal or corporate capacity

Per: \_\_\_\_\_

Name:

Title:

**SCHEDULE "A" TO RECEIVER'S CERTIFICATE****REAL PROPERTIES**

1.     **PIN:**           **03199-0011 (LT)**  
  
Property Description:   PCL 7-1 SEC M1563; LT 7 PL M1563; Town of Richmond Hill  
  
Address:                87 Elm Grove Avenue  
                          Richmond Hill, ON L4E 2W8
  
2.     **PIN:**           **03206-3618 (LT)**  
  
Property Description:   PT LOT 26, PLAN M807, PT1, 65R34410,; Town of Richmond Hill  
  
Address:                46 Puccini Drive  
                          Richmond Hill, ON L4E 2Y6
  
3.     **PIN:**           **03342-0025 (LT)**  
  
Property Description:   PCL 23-1 SEC M1732; LT 23 PL M1732; S/T LT135993; Vaughan  
  
Address:                211 Woodland Acres Crescent  
                          Vaughan, ON L6A 1G1
  
4.     **PIN:**           **58120-0162 (LT)**  
  
Property Description:   PT E 1/2 LT 10 CON 4 ESSA TWP PT 4 RD1027; ESSA  
  
Address:                6216 Fifth Line RR#1  
                          Egbert ON L0L 1N0

**BUDUCHNIST CREDIT UNION LIMITED**  
Applicant

- and -

**2321197 ONTARIO INC. et al.**  
Respondents

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

PROCEEDING COMMENCED AT TORONTO

**SECOND AMENDED AND RESTATED ORDER**  
**(appointing Receiver)**

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

**Barbara Grossman** (LSO # 20947K)  
Tel: (416) 863-4417  
Fax: (416) 863-4592  
[barbara.grossman@dentons.com](mailto:barbara.grossman@dentons.com)

**Kenneth Kraft** (LSO # 31919P)  
Tel: (416) 863-4374  
[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)

*Lawyers for Buduchnist Credit Union Limited*

## **Appendix “B”**

**LRO Annotation**

APPROVED V. TRIPP

**Properties**

*PIN* 03342 - 0025 LT  
*Description* PCL 23-1 SEC M1732; LT 23 PL M1732; S/T LT135993 ; VAUGHAN  
*Address* 211 WOODLAND ACRES CR  
 VAUGHAN

**Claimant(s)**

*Name* HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE  
*Address for Service* Canada Revenue Agency  
 5001 Yonge Street  
 North York, Ontario  
 M2N 6R9

This document is not authorized under Power of Attorney by this party.

This document is being authorized by a representative of the Crown.

**Statements**

Schedule: See Schedules

**Signed By**

Paul A Lourie	5001 Yonge St., 17th floor North York M2N 6R9	acting for Applicant(s)	Signed	2019 03 05
---------------	---	----------------------------	--------	------------

Tel 416-218-4662

Fax 416-954-6319

I have the authority to sign and register the document on behalf of the Applicant(s).

**Submitted By**

CANADA REVENUE AGENCY	5001 Yonge St., 17th floor North York M2N 6R9	2019 03 05
-----------------------	---	------------

Tel 416-218-4662

Fax 416-954-6319

**Fees/Taxes/Payment**

<i>Statutory Registration Fee</i>	\$64.40
<i>Total Paid</i>	\$64.40

NOTICE OF LIEN PURSUANT TO SUBSECTION 223(5) AND (6) OF THE  
INCOME TAX ACT

CONSIDERATION:\$63,408.18

WHEREAS pursuant to subsection 223(2) and (3) of the Income Tax Act, any amount payable or any part of the amount payable by a tax debtor (the amount) and that amount remains unpaid the amount may be certified by the Minister of National Revenue and registered in the Federal Court of Canada (the Court) at which point the certificate is deemed to be a judgment against the tax debtor;

WHEREAS pursuant to subsection 223(5) and (6) of the Income Tax Act, a document which the Court has issued, and which evidences a certificate of that Court upon registration on title or otherwise recorded creates a charge, lien or priority on, or a binding interest in property that the tax debtor holds;

AND WHEREAS SANDRA DEMARIA (SOMETIME KNOWN AS SANDRA ROSAMARIA MACHIELLA) is indebted to the Minister of National Revenue for income taxes and other amounts totalling \$63,408.18 at the date of issuance of the Certificate in Court File Number ITA-11326-18 by the Court, together with interest at such rate or rates as determined from time to time by Section 161 of the Income Tax Act;

AND WHEREAS SANDRA DEMARIA (SOMETIME KNOWN AS SANDRA ROSAMARIA MACHIELLA) has an interest in the lands described in this notice.

NOW THEREFORE TAKE NOTICE that HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE claims a lien and charge against the interest of SANDRA DEMARIA (SOMETIME KNOWN AS SANDRA ROSAMARIA MACHIELLA) in the lands described in this notice.

Such lien charges have priority over all encumbrances or claims registered or attaching to the subject property subsequent to the registration of this notice.



## Appendix “C”

Court File No. CV-18-00608356-00CL

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

THE HONOURABLE	)	WEDNESDAY, THE 12th
	)	
JUSTICE CONWAY	)	DAY OF AUGUST, 2020

**BUDUCHNIST CREDIT UNION LIMITED**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED, VICAR HOMES LTD. and TRADE  
CAPITAL FINANCE CORPORATION**

Respondents

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

**ORDER**

***[Abandoned DeMaria Motion To Vacate or Stay Woodland Receivership returnable August 12, 2020]***

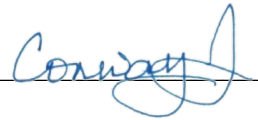
**THIS MOTION** made by the Respondents Carlo DeMaria and Sandra DeMaria for an Order vacating or amending the Receivership Order made on January 17, 2019 in respect of the property at 211 Woodland Acres Crescent, Vaughan Ontario (the “**Woodland Property**”), or alternatively staying the Receivership Order in respect of the Woodland Property pending the disposition of the action in *Trade Capital Finance Corp. v. Peter Cook et al*, Court File No. CV-15-2110-00 at Brampton (the “**Mareva Action**”), and setting aside the Stay Extension Agreement dated November 26, 2019 they entered into in respect of the receivership of the

Woodland Property as being void *ab initio*, was heard on August 12, 2020 via video conference before a Judge of the Commercial List.

**ON READING** the Motion Record dated June 10, 2020 of the moving parties, the Motion Record dated July 8, 2020 of the responding party Buduchnist Credit Union Limited, the Notice of Abandonment of this motion dated July 10, 2020, filed, and on being advised by counsel for Carlo DeMaria and Sandra DeMaria that they consent to this Order fixing the costs of their abandoned motion in the amount to which they have agreed,

1. **THIS COURT ORDERS** that the moving parties Carlo DeMaria and Sandra DeMaria shall pay to the responding party Buduchnist Credit Union Limited its costs of this abandoned motion in the agreed upon full indemnity amount of \$77,500 which is hereby fixed by this Court, payable within 30 days of the date of this Order.

**THIS ORDER BEARS INTEREST** at the rate of 4.50 per cent per year, payable monthly, commencing on the date of this Order.



---

Court File No: CV-18-00608356-00CL

**BUDUCHNIST CREDIT UNION LIMITED**  
Applicant

- and -

**2321197 ONTARIO INC. et al.**  
Respondents

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

PROCEEDING COMMENCED AT TORONTO

**ORDER**

*[Abandoned DeMaria Motion To Vacate or Stay  
Woodland Receivership returnable August 12, 2020]*

**DENTONS CANADA LLP**

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

**Barbara Grossman** (LSO # 20947K)

Tel: (416) 863-4417

Fax: (416) 863-4592

[barbara.grossman@dentons.com](mailto:barbara.grossman@dentons.com)

**Kenneth Kraft** (LSO # 31919P)

Tel: (416) 863-4374

[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)

*Lawyers for Buduchnist Credit Union Limited*

## Appendix “D”

Court File No. CV-18-00608356-00CL

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

THE HONOURABLE	)	WEDNESDAY, THE 26 <sup>TH</sup>
	)	
MADAM JUSTICE CONWAY	)	DAY OF AUGUST, 2020

**BETWEEN:****BUDUCHNIST CREDIT UNION LIMITED**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED and VICAR HOMES LTD.**

Respondents

**ORDER**

This motion, made by KSV Kofman Inc., in its capacity as court-appointed receiver and manager (the “**Receiver**”) of the real property located at property municipally known as 211 Woodland Acres Crescent, Vaughan, Ontario (the “**Property**”), for an order approving a listing agreement and listing price for the Property as described in the Receiver’s Supplemental Report dated August 11, 2020 (the “**Supplementary Report**”) to the Sixth Report of the Receiver dated May 20, 2020 (the “**Sixth Report**”), and for certain relief ancillary thereto, was adjourned in part and heard this day via videoconference.

ON READING the Sixth Report and the Supplementary Report, and upon hearing submissions by counsel for the Receiver, for the occupants of the Property, being Carlo and Sandra


DeMaria and their children (collectively, the “**Occupants**”), for Buduchnist Credit Union Limited (“**BCU**”) and for Trade Capital Finance Corporation,

1. THIS COURT ORDERS that the Occupants shall not remove from the Property any of the items listed in **Schedule “A”** attached hereto (in addition to the items listed in Schedule “A” to the Order of Justice Conway dated August 12, 2020, but not including Chandelier 1 in the kitchen which is dealt with in paragraph 2 herein).

2. THIS COURT ORDERS that the Occupants shall, at their expense, arrange for the replacement of the following items and the installation of their proposed fully functioning replacement fixtures depicted in the photographs attached hereto as **Schedule “B”** as soon as possible but in any event no later than August 31, 2020, without damage to any ceilings or walls at the Property:

- (a) Chandelier 1 in the kitchen;
- (b) Chandelier in the dining room; and
- (c) Wall sconces in the master bedroom,

and at the same time the Occupants shall at their expense attend to all consequential wall and ceiling restoration and painting

A handwritten signature in blue ink, appearing to read 'Conway J.', is written above a horizontal line.

**Schedule "A"****Additional Items Not to be Removed from the Property**

<b>ROOM</b>	<b>CONTENT</b>
Kitchen	Chandelier 2
Family Room	Chandelier Wall sconces
Living Room	Chandelier Wall sconces
Main Floor	Chandelier
Library	Wall sconces
Dining Room	Wall sconces

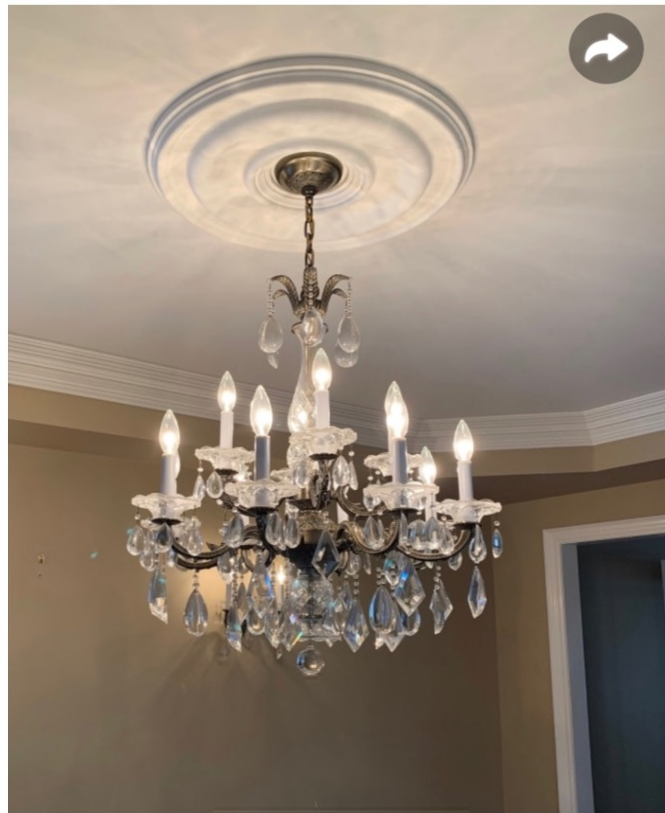


**Schedule "B"**

**Pictures of Replacement Items**

Replacement Chandeliers:

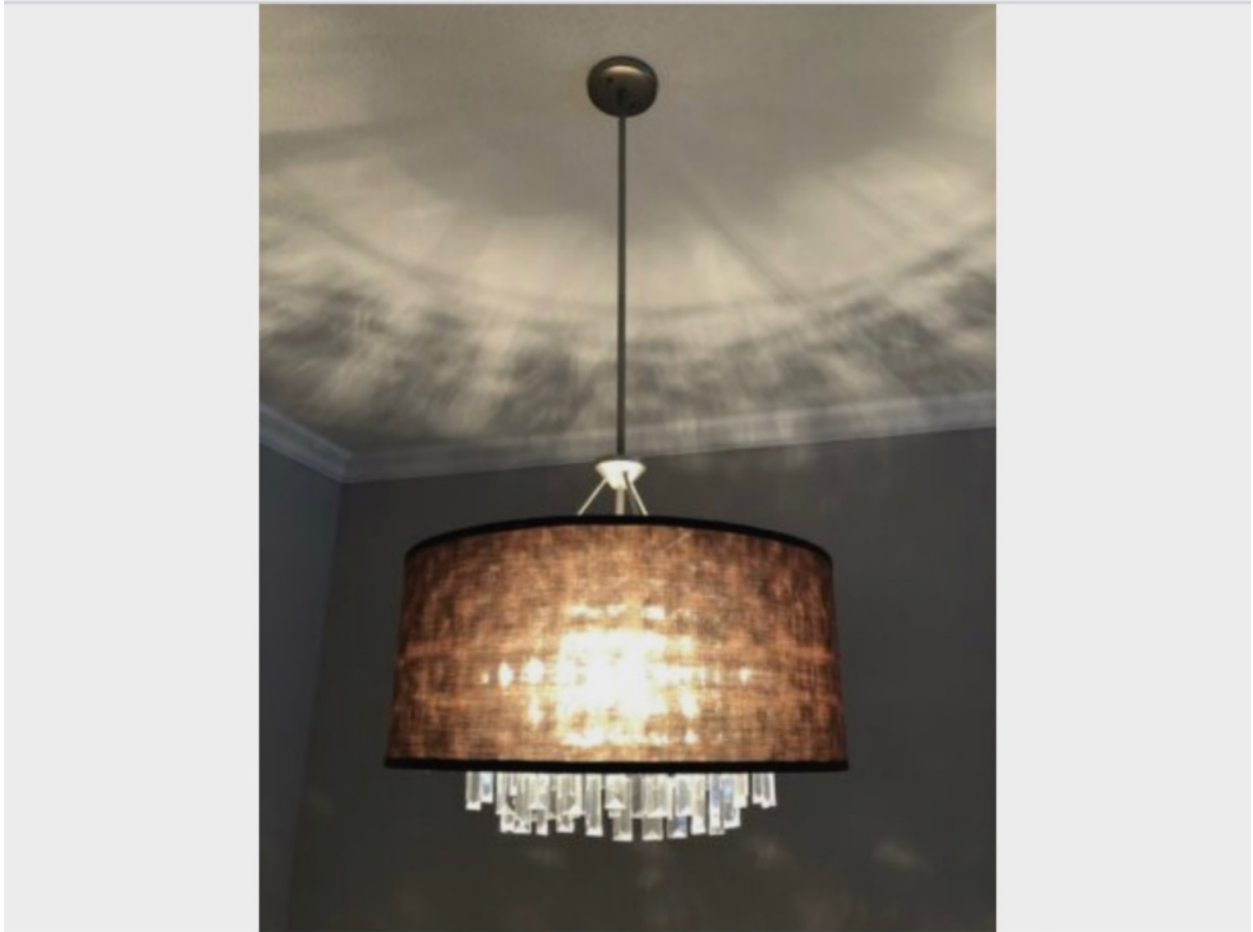
Dining Room



Master Bedroom



Kitchen



**BUDUCHNIST CREDIT UNION LIMITED**

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA, 2321198 ONTARIO INC., SASI MACH LIMITED and VICAR HOMES LTD.**

Applicant

Respondents

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

PROCEEDING COMMENCED AT TORONTO

**ORDER**

**CHAITONS LLP**

5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**George Benchetrit**

Tel: (416) 218-1141

Fax: (416) 222-8402

Email: [george@chaitons.com](mailto:george@chaitons.com)

**Lawyers for KSV Kofman Inc., in its capacity as Receiver**

## Appendix “E”

Court File No. CV-18-00608356-00CL

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

THE HONOURABLE	)	FRIDAY, THE 28TH
	)	
JUSTICE CONWAY	)	DAY OF AUGUST, 2020

**BUDUCHNIST CREDIT UNION LIMITED**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED, VICAR HOMES LTD. and  
TRADE CAPITAL FINANCE CORP.**

Respondents

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

**JUDGMENT**

**THIS MOTION**, made by the Applicant, Buduchnist Credit Union Limited (“**BCU**”), on consent, for Judgment as against the Defendants, Carlo Demaria (“**Carlo**”), 2321197 Ontario Inc. (“**197**”), 2321198 Ontario Inc. (“**198**”) and Vicar Homes Ltd., (“**Vicar Homes**”), for the amounts owing in respect of BCU’s first and second mortgages registered against 211 Woodland Acres Crescent, Vaughan, Ontario, L6A 1G1 (the “**Woodland Property**”) as instrument number YR1534099 registered on August 16, 2010 (the “**Woodland 1<sup>st</sup> Mortgage**”) and instrument number YR1920510 registered on December 5, 2012 (the “**Woodland 2<sup>nd</sup> Mortgage**”, and together with the Woodland 1<sup>st</sup> Mortgage, the “**Woodland Mortgages**”), BCU’s mortgage registered against 87 Elm Grove, Richmond Hill, Ontario (the “**Elm Property**”) as instrument number YR2427027 on February 5, 2016 (the “**Elm Mortgage**”), BCU’s mortgage registered against 46 Puccini Drive, Richmond Hill, Ontario (the “**Puccini Property**”) as instrument

number YR2260847 on February 27, 2015 (the “**Puccini Mortgage**”) and certain indebtedness owing by Vicar Homes, as borrower, and Carlo, as guarantor under a guarantee and postponement of claim, dated April 1, 2015 (the “**Carlo Guarantee**”), to BCU under a line of credit granted by BCU to Vicar Homes (the “**Vicar Homes LOC**”), was read this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Consent of BCU, Carlo, 197, 198 and Vicar Homes, filed,

### **ELM MORTGAGE**

1. **THIS COURT ORDERS** that 197 and Carlo shall pay to BCU the sum of \$2,413,959.87, plus interest from December 7, 2019, to the date of payment at BCU’s prime rate of interest in effect from time to time plus 0.5 per cent per year, payable monthly, in respect of the Elm Mortgage.

### **PUCCINI MORTGAGE**

2. **THIS COURT ORDERS** that 198 and Carlo shall pay to BCU the sum of \$2,759,240.52, plus interest from December 7, 2019, to the date of payment at BCU’s prime rate of interest in effect from time to time plus 1.0 per cent per year, payable monthly, in respect of the Puccini Mortgage.

### **VICAR HOMES LOC**

3. **THIS COURT ORDERS** that Vicar Homes shall pay to BCU in respect of the Vicar Homes LOC the sum of \$2,239,906.38, plus interest from December 7, 2019, to the date of payment at a rate of 22 per cent per year, payable monthly, in respect of that portion of the Vicar Homes LOC indebtedness in excess of \$2,080,000, and at the rate of 4.50 per cent per year, payable monthly, in respect of that portion of the Vicar Homes LOC indebtedness up to \$2,080,000.

4. **THIS COURT ORDERS** that Carlo shall pay to BCU the sum of \$1,029,991.33, plus interest from December 7, 2019, to the date of payment at the rate of 4.50 per cent per year, payable monthly, in respect of the Vicar Homes LOC.



**WOODLAND MORTGAGES**

5. **THIS COURT ORDERS** that Carlo shall pay to BCU the sum of \$1,049,319.69, plus interest from December 7, 2019, to the date of payment at the rate of 4.50 per cent per year, payable monthly, in respect of the Woodland 1<sup>st</sup> Mortgage.

6. **THIS COURT ORDERS** that Carlo shall pay to BCU in respect of the Woodland 2<sup>nd</sup> Mortgage securing the indebtedness owing under the Vicar Homes LOC the sum of \$2,239,906.38, plus interest from December 7, 2019, to the date of payment at a rate of 22 per cent per year, payable monthly, in respect of that portion of the Woodland 2<sup>nd</sup> Mortgage indebtedness in excess of \$2,080,000, and at the rate of 4.50 per cent per year, payable monthly, in respect of that portion of the Woodland 2<sup>nd</sup> Mortgage indebtedness up to \$2,080,000.

7. **THIS COURT ORDERS** that BCU remains at liberty to obtain a separate Judgment for the relief claimed in the Notice of Application against Sandra Demaria as co-mortgagor in respect of the Woodland Mortgages.

**RECEIVERSHIP PROCEEDS AND COSTS**

8. **THIS COURT ORDERS** that the entitlement to the net proceeds of the receiverships of the Elm Property, the Puccini Property and the Woodland Property, shall be determined by separate distribution Order made in the receivership proceedings on notice to all interested persons.

9. **THIS COURT ORDERS** that Carlo, 197, 198 and Vicar Homes shall pay BCU's costs of this Application referable to the Elm Property, the Puccini Property, the Woodland Property and the Vicar LOC in an amount to be agreed or determined by the Court in accordance with the terms of the Elm Mortgage, the Puccini Mortgage, the Vicar Homes LOC, the Carlo Guarantee and the Woodland Mortgages, and in accordance with paragraph 28 of the Third Amended and Restated Receivership Order dated February 22, 2019.

**THIS JUDGMENT BEARS INTEREST:**

with respect to the amount in paragraph 1 herein, at BCU's prime rate of interest in effect from time to time plus 0.5 per cent per year, payable monthly, commencing on the date hereof. BCU's prime rate of interest plus 0.5 per cent per year is currently 4.55 per cent per year;

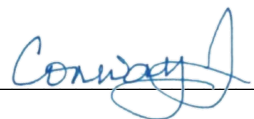
with respect to the amount in paragraph 2 herein, at BCU's prime rate of interest in effect from time to time plus 1.0 per cent per year, payable monthly, commencing on the date hereof. BCU's prime rate of interest plus 1.0 per cent per year is currently 5.05 per cent per year;

with respect to the amounts in paragraphs 3 and 4 herein, at a rate of 22 per cent per year, payable monthly, in respect of that portion of the Vicar Homes LOC indebtedness in excess of \$2,080,000, and at the rate of 4.50 per cent per year, payable monthly, in respect of that portion of the Vicar Homes LOC indebtedness up to \$2,080,000, commencing on the date hereof;

with respect to the amount in paragraph 5 herein, at the rate of 4.50 per cent per year, payable monthly, commencing on the date hereof;

with respect to the amount in paragraph 6 herein, at a rate of 22 per cent per year, payable monthly, in respect of that portion of the Woodland 2<sup>nd</sup> Mortgage indebtedness in excess of \$2,080,000, and at the rate of 4.50 per cent per year, payable monthly, in respect of that portion of the Woodland 2<sup>nd</sup> Mortgage indebtedness up to \$2,080,000, commencing on the date hereof.

with respect to the costs amount in paragraph 9 herein, at the rate of 3.0 per cent per year commencing on the date that costs are quantified by agreement or by determination of the Court.



---

Court File No: CV-18-00608356-00CL

**BUDUCHNIST CREDIT UNION LIMITED**  
Applicant

- and -

**2321197 ONTARIO INC. et al.**  
Respondents

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

PROCEEDING COMMENCED AT TORONTO

**JUDGMENT**

**DENTONS CANADA LLP**

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

[Insolvency.Toronto@dentons.com](mailto:Insolvency.Toronto@dentons.com)

**Barbara Grossman** (LSO # 20947K)

Tel: (416) 863-4417

Fax: (416) 863-4592

[barbara.grossman@dentons.com](mailto:barbara.grossman@dentons.com)

**Kenneth Kraft** (LSO # 31919P)

Tel: (416) 863-4374

[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)

*Lawyers for Buduchnist Credit Union Limited*

## **Appendix “F”**

Court File No. CV-18-00608356-00CL

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

THE HONOURABLE	)	WEDNESDAY, THE 26TH
	)	
JUSTICE CONWAY	)	DAY OF AUGUST, 2020

**BUDUCHNIST CREDIT UNION LIMITED**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED, VICAR HOMES LTD. and  
TRADE CAPITAL FINANCE CORP.**

Respondents

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

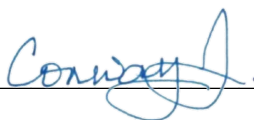
**JUDGMENT**

**THIS MOTION**, made by the Applicant, Buduchnist Credit Union Limited (“**BCU**”), on consent, for Judgment as against the Defendant, Carlo Demaria (“**Carlo**”), for the amounts owing in respect of BCU’s mortgage registered against 6216 Fifth Line RR #1, Egbert, Ontario (the “**Cottage Property**”) as instrument number SC431876 registered on April 28, 2006 and assigned to BCU pursuant to the Transfer of Charge registered against the Cottage Property on May 12, 2009 as instrument number SC734513 (collectively, the “**Cottage Mortgage**”), was read this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Consent of BCU and Carlo, filed,

1. **THIS COURT ORDERS** that Carlo shall pay to BCU the sum of \$207,393.29, plus interest from December 7, 2019, to the date of payment at the rate of 3.29 per cent per year, payable monthly, in respect of the Cottage Mortgage.
2. **THIS COURT ORDERS** that BCU remains at liberty to obtain a separate Judgment for the relief claimed in the Notice of Application against Sandra Demaria as co-mortgagor in respect of the Cottage Mortgage.
3. **THIS COURT ORDERS** that the entitlement to the net proceeds of the receivership of the Cottage Property shall be determined by separate distribution Order made in the receivership proceedings on notice to all interested persons.
4. **THIS COURT ORDERS** that Carlo shall pay BCU's costs of this Application referable to the Cottage Property in an amount to be agreed or determined by the Court in accordance with the terms of the Cottage Mortgage and in accordance with paragraph 28 of the Third Amended and Restated Receivership Order dated February 22, 2019.

**THIS JUDGMENT BEARS INTEREST** at a rate of 3.29 per cent per year, payable monthly, commencing on the date hereof.

  
\_\_\_\_\_

Court File No: CV-18-00608356-00CL

**BUDUCHNIST CREDIT UNION LIMITED**  
Applicant

- and -

**2321197 ONTARIO INC. et al.**  
Respondents

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

PROCEEDING COMMENCED AT TORONTO

**JUDGMENT**

**DENTONS CANADA LLP**

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

[Insolvency.Toronto@dentons.com](mailto:Insolvency.Toronto@dentons.com)

**Barbara Grossman** (LSO # 20947K)

Tel: (416) 863-4417

Fax: (416) 863-4592

[barbara.grossman@dentons.com](mailto:barbara.grossman@dentons.com)

**Kenneth Kraft** (LSO # 31919P)

Tel: (416) 863-4374

[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)

*Lawyers for Buduchnist Credit Union Limited*

## Appendix “G”



Court File No. CV-18-00608356-00CL

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

THE HONOURABLE	)	WEDNESDAY, THE 26th
	)	
JUSTICE CONWAY	)	DAY OF AUGUST, 2020

**BUDUCHNIST CREDIT UNION LIMITED**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED, VICAR HOMES LTD. and  
TRADE CAPITAL FINANCE CORP.**

Respondents

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

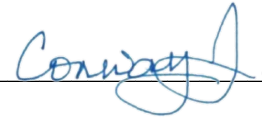
**JUDGMENT**

**THIS MOTION**, made by the Applicant, Buduchnist Credit Union Limited (“**BCU**”), on consent, for Judgment as against the Defendant, Sandra Demaria (“**Sandra**”), for amounts owing in respect of BCU’s mortgage registered against 6216 Fifth Line RR #1, Egbert, Ontario (the “**Cottage Property**”) as instrument number SC431876 registered on April 28, 2006 and assigned to BCU pursuant to the Transfer of Charge registered against the Cottage Property on May 12, 2009 as instrument number SC734513 (collectively, the “**Cottage Mortgage**”), was read this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Consent of BCU and Sandra, filed,

1. **THIS COURT ORDERS AND ADJUDGES** that Sandra shall pay to BCU the sum of \$207,393.29, plus interest from December 7, 2019, to the date of payment at the rate of 3.29 per cent per year, payable monthly, in respect of the Cottage Mortgage.
2. **THIS COURT ORDERS** that the entitlement to the net proceeds of the receivership of the Cottage Property shall be determined by separate distribution Order made in the receivership proceedings on notice to all interested persons.
3. **THIS COURT ORDERS** that Sandra shall pay BCU's costs of this Application referable to the Cottage Property in an amount to be agreed or determined by the Court in accordance with the terms of the Cottage Mortgage and in accordance with paragraph 28 of the Third Amended and Restated Receivership Order dated February 22, 2019.

**THIS JUDGMENT BEARS INTEREST** at a rate of 3.29 per cent per year, payable monthly, commencing on the date hereof.

A handwritten signature in blue ink, appearing to read "Conway J.", is written over a horizontal line.

Court File No: CV-18-00608356-00CL

**BUDUCHNIST CREDIT UNION LIMITED**  
Applicant

- and -

**2321197 ONTARIO INC. et al.**  
Respondents

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

PROCEEDING COMMENCED AT TORONTO

**JUDGMENT**

**DENTONS CANADA LLP**

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

[Insolvency.Toronto@dentons.com](mailto:Insolvency.Toronto@dentons.com)

**Barbara Grossman** (LSO # 20947K)

Tel: (416) 863-4417

Fax: (416) 863-4592

[barbara.grossman@dentons.com](mailto:barbara.grossman@dentons.com)

**Kenneth Kraft** (LSO # 31919P)

Tel: (416) 863-4374

[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)

*Lawyers for Buduchnist Credit Union Limited*

## **Appendix “H”**

Court File No. CV-18-00608356-00CL

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

THE HONOURABLE	)	FRIDAY, THE 28TH
	)	
JUSTICE CONWAY	)	DAY OF AUGUST, 2020

**BUDUCHNIST CREDIT UNION LIMITED**

Applicant

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED, VICAR HOMES LTD. and  
TRADE CAPITAL FINANCE CORP.**

Respondents

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

**JUDGMENT**

**THIS MOTION**, made by the Applicant, Buduchnist Credit Union Limited (“**BCU**”), on consent, for Judgment as against the Defendant, Sandra Demaria (“**Sandra**”), for amounts owing in respect of BCU’s first and second mortgages registered against 211 Woodland Acres Crescent, Vaughan, Ontario, L6A 1G1 (the “**Woodland Property**”) as instrument number YR1534099 registered on August 16, 2010 (the “**Woodland 1<sup>st</sup> Mortgage**”) and instrument number YR1920510 registered on December 5, 2012 (the “**Woodland 2<sup>nd</sup> Mortgage**”) (together with the Woodland 1<sup>st</sup> Mortgage, the “**Woodland Mortgages**”), was read this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Consent of BCU and Sandra, filed,

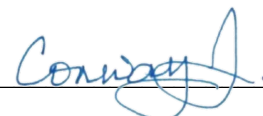
1. **THIS COURT ORDERS** that Sandra shall pay to BCU the sum of \$1,049,319.69, plus interest from December 7, 2019, to the date of payment at the rate of 4.50 per cent per year, payable monthly, in respect of the Woodland 1<sup>st</sup> Mortgage.
2. **THIS COURT ORDERS** that Sandra shall pay to BCU in respect of the Woodland 2<sup>nd</sup> Mortgage the sum of \$2,239,906.38, plus interest from December 7, 2019, to the date of payment at a rate of 22 per cent per year, payable monthly, in respect of that portion of the Woodland 2<sup>nd</sup> Mortgage indebtedness in excess of \$2,080,000, and at the rate of 4.50 per cent per year, payable monthly, in respect of that portion of the Woodland 2<sup>nd</sup> Mortgage indebtedness up to \$2,080,000.
3. **THIS COURT ORDERS** that the entitlement to the net proceeds of the receivership of the Woodland Property shall be determined by separate distribution Order made in the receivership proceedings on notice to all interested persons.
4. **THIS COURT ORDERS** that Sandra shall pay BCU's costs of this Application referable to the Woodland Mortgages in an amount to be agreed or determined by the Court in accordance with the terms of the Woodland Mortgages and in accordance with paragraph 28 of the Third Amended and Restated Receivership Order dated February 22, 2019.

**THIS JUDGMENT BEARS INTEREST:**

with respect to the amount in paragraph 1 herein, at the rate of 4.50 per cent per year, payable monthly, commencing on the date hereof; and

with respect to the amount in paragraph 2 herein, at a rate of 22 per cent per year, payable monthly, in respect of that portion of the Woodland 2<sup>nd</sup> Mortgage indebtedness in excess of \$2,080,000, and at the rate of 4.50 per cent per year, payable monthly, in respect of that portion of the Woodland 2<sup>nd</sup> Mortgage indebtedness up to \$2,080,000, commencing on the date hereof.

with respect to the costs amount in paragraph 4 herein, at the rate of 3.0 per cent per year commencing on the date that costs are quantified by agreement or by determination of the Court.

  
\_\_\_\_\_

Court File No: CV-18-00608356-00CL

**BUDUCHNIST CREDIT UNION LIMITED**  
Applicant

- and -

**2321197 ONTARIO INC. et al.**  
Respondents

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

PROCEEDING COMMENCED AT TORONTO

**JUDGMENT**

**DENTONS CANADA LLP**

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

[Insolvency.Toronto@dentons.com](mailto:Insolvency.Toronto@dentons.com)

**Barbara Grossman** (LSO # 20947K)

Tel: (416) 863-4417

Fax: (416) 863-4592

[barbara.grossman@dentons.com](mailto:barbara.grossman@dentons.com)

**Kenneth Kraft** (LSO # 31919P)

Tel: (416) 863-4374

[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)

*Lawyers for Buduchnist Credit Union Limited*

## **Appendix “I”**





**Sixth Report of KSV Kofman Inc.  
as Receiver and Manager of  
87 Elm Grove Avenue, 46 Puccini Drive  
6216 Fifth Line and  
211 Woodland Acres Crescent**

**May 20, 2020**

<b>Contents</b>		<b>Page</b>
1.0	Introduction.....	1
1.1	Purposes of this Report.....	2
1.2	Currency .....	2
2.0	Background .....	2
2.1	Elm Grove Property.....	2
2.2	Puccini Property .....	3
2.3	Cottage Property .....	4
2.4	Woodland Property .....	4
3.0	Receiver’s Correspondence with Mr. DeMaria’s Legal Counsel .....	5
4.0	Proposed Occupancy Terms .....	6
4.1	Recommendation .....	7
5.0	Sale Process .....	8
5.1	Request for Proposals from Realtors.....	8
5.2	Sale Process.....	9
5.3	Sale Process Recommendation .....	9
6.0	Conclusion and Recommendation .....	10

## **Appendices**

<b>Appendix</b>	<b>Tab</b>
Second Amended and Restated Receivership Order dated January 17, 2019.....	A
Stay Extension Agreement .....	B
Email from Dentons LLP dated February 25, 2020 .....	C
Email from Ms. Mazo dated February 25, 2020 .....	D
Email Correspondence of LOLG dated February 26, 2020.. .....	E
Endorsement of Justice Conway dated March 13, 2020 .....	F
Proposed Occupancy Agreement .....	G
Email Correspondence of Chaitons dated March 29, 2020 .....	H

COURT FILE NO: CV-18-00608356-00CL

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

**BETWEEN:**

**BUDUCHNIST CREDIT UNION LIMITED**

**Applicant**

**- and -**

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED AND VICAR HOMES LTD.**

**Respondents**

**SIXTH REPORT OF KSV KOFMAN INC.  
AS RECEIVER AND MANAGER**

**MAY 20, 2020**

## **1.0 Introduction**

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") as receiver and manager (the "Receiver") of certain real property described below.
2. The receivership proceedings commenced on application made by Buduchnist Credit Union Limited ("BCU"), which held mortgages on all four properties subject to these proceedings.
3. Pursuant to orders of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on November 13, 2018, KSV was appointed as Receiver of the property at 87 Elm Grove Avenue, Richmond Hill, Ontario (the "Elm Grove Property") (the "Receivership Order") and as interim receiver of the property at 46 Puccini Drive, Richmond Hill, Ontario (the "Puccini Property"). On December 4, 2018, the interim receivership of the Puccini Property was converted to a receivership. On January 17, 2019, the Receivership Order was amended for a second time (the "Second Amended and Restated Receivership Order") to include the property at 6216 Fifth Line, Egbert, Ontario (the "Cottage Property") and a property at 211 Woodland Acres Crescent, Vaughan, Ontario (the "Woodland Property"). A copy of the Second Amended and Restated Receivership Order is attached as Appendix "A".

4. As described below, enforcement of the Second Amended and Restated Receivership Order over the Woodland Property was stayed by agreement between BCU and Carlo DeMaria, and subject to Mr. DeMaria's compliance with certain terms after the expiry of a time limited Court ordered stay. On February 25, 2020, the stay with respect to the Woodland Property terminated and the Receiver's appointment over that property became effective.
5. The principal purpose of these proceedings is for the Receiver to maximize value by realizing on the properties subject to the Second Amended and Restated Receivership Order. Of the four properties, the Woodland Property is the only one that has not yet been realized upon by the Receiver.

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
  - a) provide background information and a status update in respect of the properties subject to these receivership proceedings;
  - b) summarize the Receiver's efforts to enter into an occupancy agreement with Mr. DeMaria and his family (the "Occupants") for their continued occupation of the Woodland Property during the receivership proceedings;
  - c) set out the basis on which the Receiver is recommending that the Court order the Occupants to comply with certain terms and conditions of their continued occupancy of the Woodland Property until it is sold by the Receiver;
  - d) summarize the proposed sale process for the Woodland Property ("Sale Process"), including the Receiver's intention to engage a realtor to list the Woodland Property for sale at the appropriate time; and
  - e) recommend that the Court issue an order, *inter alia*:
    - directing the Occupants to comply with the Receiver's proposed terms of occupancy at the Woodland Property; and
    - approving the Sale Process for the Woodland Property.

## 1.2 Currency

1. All currency references in this Report are to Canadian dollars.

## 2.0 Background

### 2.1 Elm Grove Property

1. At the commencement of these proceedings, the Elm Grove Property was comprised of land and a new, partially constructed residential home. 2321197 Ontario Inc. ("197") was the registered owner of the Elm Grove Property. Mr. DeMaria is listed as the sole director and officer of 197.

2. BCU holds a charge/mortgage against the proceeds realized by the Receiver from the sale of the Elm Grove Property securing the principal amount of \$2.2 million. There were no other mortgages registered against the Elm Grove Property at the time it was sold.
3. Pursuant to a Court order made on March 29, 2019, the Court approved a transaction for the sale of the Elm Grove Property to an arm's length purchaser (the "Elm Grove Transaction"). The Elm Grove Transaction closed on April 16, 2019.
4. As at the date of this Report, there is approximately \$1.4 million on deposit in the Receiver's trust account<sup>1</sup>, which largely represents the net proceeds of the Elm Grove Transaction.
5. There is an ongoing court proceeding commenced under Brampton Court File No. CV-15-2110-00 by Trade Capital Finance Corp. ("Trade Capital") against various defendants, including Mr. DeMaria and certain corporations with which Mr. DeMaria is alleged to have been involved (the "Mareva Order"). Trade Capital has taken the position that the Mareva Order and the related proceedings affects the priorities and/or entitlement to the proceeds of sale realized in these proceedings. BCU brought a motion scheduled to be heard on April 17, 2020 for the distribution of the funds held by the Receiver from the sale of the various properties it has sold to date (the "Distribution Motion"). As a result of the ongoing COVID-19 pandemic, the Distribution Motion was adjourned.

## 2.2 Puccini Property

1. The Puccini Property is a residential home in Richmond Hill, Ontario. At the commencement of these proceedings, 2321198 Ontario Inc. ("198") was the registered owner of the Puccini Property. Mr. DeMaria is listed as the sole director and officer of 198.
2. BCU holds a charge/mortgage against the proceeds realized by the Receiver from the sale of the Puccini Property securing the principal amount of \$2.5 million. There were no other mortgages registered against the Puccini Property. The Mareva Order was registered against the Puccini Property when it was sold.
3. Pursuant to a Court order made on February 27, 2019, the Court approved a transaction for the sale of the Puccini Property to an arm's length purchaser (the "Puccini Transaction"). The Puccini Transaction closed on April 5, 2019.
4. As at the date of this Report, there is approximately \$2.1 million on deposit in the Receiver's trust account<sup>2</sup>, which largely represents the net proceeds of the Puccini Transaction. Distributions of these funds will be subject to the outcome of the Distribution Motion.

---

<sup>1</sup> \$1.3 million has been invested by the Receiver in a fully redeemable term deposit bearing interest at 2.1%. The balance is on deposit in the Receiver's trust account.

<sup>2</sup> \$2 million has been invested by the Receiver in a fully redeemable term deposit bearing interest at 2.1%. The balance is on deposit in the Receiver's trust account.

### 2.3 Cottage Property

1. The Cottage Property is a residential cottage in Egbert, Ontario. Mr. DeMaria and his wife, Sandra DeMaria, were the registered owners of the Cottage Property.
2. BCU holds a charge/mortgage against the proceeds realized by the Receiver from the sale of the Cottage Property securing the principal amount of \$317,240. There are no other mortgages registered against the Cottage Property; however, the Mareva Order was registered against the Cottage Property on June 18, 2015.
3. Pursuant to a Court order made on July 25, 2019, the Court approved a transaction for the sale of the Cottage Property to an arm's length purchaser (the "Cottage Transaction"). The Cottage Transaction closed on August 15, 2019.
4. As at the date of this Report, there is approximately \$347,000 on deposit in the Receiver's trust account, which largely represents the net proceeds of the Cottage Transaction. Distributions of these funds will be subject to the outcome of the Distribution Motion.

### 2.4 Woodland Property

1. The Woodland Property is a residential home in Vaughan, Ontario which the Occupants presently occupy. Carlo and Sandra DeMaria are the registered owners of the Woodland Property.
2. BCU holds two registered charges/mortgages against the Woodland Property securing the principal amount of \$4.49 million. There are no other mortgages registered against the Woodland Property. On March 5, 2019, the Minister of National Revenue registered a lien against the Woodland Property in the amount of \$63,408 in respect of Sandra DeMaria's income tax obligations.
3. Enforcement of the Second Amended and Restated Receivership Order over the Woodland Property was stayed on certain terms by Court order, as amended and extended on several occasions, and subsequently when the last Court ordered stay expired it was stayed pursuant to an agreement between the parties, a copy of which is attached as Appendix "B".
4. On February 25, 2020, BCU terminated the stay of enforcement with respect to the Woodland Property by reason of payment defaults by the DeMarias, with the result that the receivership with respect to the Woodland Property was effective as of that date. Attached as Appendix "C" is a copy of the email message from Dentons LLP ("Dentons"), BCU's legal counsel, confirming the termination of the stay with respect to the Woodland Property.
5. As described below, notwithstanding that the receivership with respect to the Woodland Property has been in effect since February 25, 2020, the DeMarias have not cooperated with the Receiver for the marketing and sale of the property.

### 3.0 Receiver's Correspondence with Mr. DeMaria's Legal Counsel

1. Immediately upon being advised that the Stay Extension Agreement had terminated on February 25, 2020, the Receiver and its counsel, Chaitons LLP ("Chaitons"), engaged in a dialogue with Mr. DeMaria's legal counsel, which is summarized below.
  - a) Following the email sent to Mr. DeMaria's legal counsel on February 25, 2020 by Dentons, an email was sent by one of Mr. DeMaria's lawyers, Aliza Mazo, directing the Receiver to call Ms. Mazo as she would be liaising with the DeMaria family in respect of the Woodland Property. A copy of this email message is attached as Appendix "D".
  - b) The Receiver did not get a response to its emails or voicemails left for Ms. Mazo on February 25 and 26, 2020.
  - c) On February 26, 2020, Mr. DeMaria's then counsel of record, Lax O'Sullivan Lisus Gottlieb LLP ("LOLG"), sent an email advising that Mr. DeMaria has instructed LOLG to: "*bring a motion to set aside the agreement as being void ab initio and to seek court-imposed terms to extend the stay of the Receivership Order concerning Woodland on different terms than those currently in place*". A copy of LOLG's email is attached as Appendix "E". Although the Court was also advised that Mr. DeMaria would be bringing this motion at a case conference on March 13, 2020, no such motion has ever been brought. A copy of the endorsement issued by Justice Conway following the March 13th case conference is attached as Appendix "F".
  - d) On February 27, 2020, the Receiver sent a draft occupancy agreement (the "Occupancy Agreement") to LOLG. The Occupancy Agreement was in the same form as the Court-approved occupancy agreement used in the context of the Puccini Property. Mr. DeMaria did not oppose the motion for approval of the occupancy agreement for the Puccini Property on January 16, 2019. A copy of the Occupancy Agreement is attached as Appendix "G".
  - e) On March 5, 2020, LOLG sent a revised draft of the Occupancy Agreement. The comments were unacceptable to the Receiver as substantially all of the critical provisions of the Occupancy Agreement had been removed, including authorizing the Receiver to list the Woodland Property for sale, granting access for showings/open houses, and the provision requiring the occupants to vacate the Woodland Property to permit completion of its sale.
  - f) On March 6, 2020, LOLG advised that Mr. DeMaria was not agreeable to allowing realtors to perform walk-throughs in order to submit listing proposals to the Receiver.
  - g) On March 16, 2020, the Receiver and Mr. DeMaria agreed to a monthly rental rate of \$4,500. As at the date of this Report, Mr. DeMaria has paid \$18,000 to the Receiver, which represents rent for February, March, April and May, 2020.
  - h) On March 20, 2020, LOLG advised that it was being replaced by Gardiner Roberts LLP ("Gardiner Roberts") as counsel of record for Mr. DeMaria.

- i) On March 23, 2020, Gardiner Roberts provided another draft of an occupancy agreement. The terms proposed were unacceptable to the Receiver as it, like the comments previously provided by LOLG, did not provide for the key listing and vacating provisions.
  - j) On March 29, 2020, Chaitons sent an email to Gardiner Roberts, a copy of which is attached as Appendix “H”. In addition to confirming that the occupancy agreement was unacceptable to the Receiver, Chaitons requested that Mr. DeMaria provide evidence on a monthly basis that property taxes, insurance and utility costs associated with the Woodland Property are being kept current by Mr. DeMaria. Chaitons’ email also advised that the Receiver would be bringing its motion for approval of a sale process.
  - k) As at the date of this Report, Gardiner Roberts has not responded to Chaitons’ March 29<sup>th</sup> email other than to provide supporting documentation on May 1, 2020 reflecting that the property taxes and utilities are being kept current. Gardiner Roberts has not yet provided contact information for the insurance provider despite being requested repeatedly to do so. This information is required so the Receiver can confirm that the policy is current and so it can be added as a loss payee on the applicable insurance policy.
2. Based on the foregoing, the Receiver is bringing this motion for an order, among other things, compelling Mr. DeMaria to comply with the occupancy terms summarized in the following section of this Report.

#### 4.0 Proposed Occupancy Terms

1. A summary of the occupancy terms that the Receiver is seeking to have included in the proposed Court order is as follows:
  - a) Payment Obligations: rent of \$4,500 shall be paid on the first of each month.
  - b) Term: month to month or as otherwise terminated (a) to provide vacant possession to complete a transaction for the sale of the property, or (b) for non-compliance on the basis noted below.
  - c) Expenses: the Occupants shall pay on a timely basis all property taxes, insurance, telephone, utility and other charges and expenses billed directly to the Woodland Property by the supplier of such services and shall provide evidence that these expenses have been paid on the last day of every month.
  - d) Occupation: the Occupants shall occupy the Woodland Property solely for residential purposes and shall maintain the Woodland Property in a clean and safe condition.
  - e) Vacating Premises: within 45 days written notice to be provided by the Receiver or such longer period as the Receiver may determine, in its sole discretion, the Occupants must vacate the property in order to permit the Receiver to complete a sale of the property.



- f) Writ of Possession: the proposed Court order would grant possession of the Woodland Property to the Receiver and a writ of possession in favour of the Receiver upon confirmation by the Receiver that the Receiver has provided the Occupants with a notice to vacate the property in accordance with the notice requirements set out in e) above.
- g) Cure Period: three days of written notification by the Receiver of any default. Otherwise, the Occupants shall vacate the property within seven days of receiving a demand from the Receiver to vacate the property.
- h) Other:
- no alterations or additions are permitted to be made by the Occupants without the prior written approval of the Receiver;
  - upon exit, the Occupants shall remove all of their furniture and belongings and shall leave the property in a clean and broom swept condition. A listing of material items that are to be excluded from any sale and removed by the Occupants shall be provided to the listing agent so that it may be appended to any Agreement of Purchase and Sale for the Woodland Property. The Receiver is not aware of any dispute to the Occupants' ownership of any contents at the Woodland Property;
  - the Receiver and any firm authorized by it has the right to enter the property for showings or otherwise upon providing the Occupants with 24 hours prior notice of any such attendance; and
  - the Occupants shall fully cooperate with the sales efforts of the Receiver and the listing agent and shall not engage in conduct that delays, hinders, impedes or obstructs their ability to market and sell the Woodland Property.

#### 4.1 Recommendation

1. The Receiver recommends that the Court order the Occupants to comply with the proposed occupancy terms at the Woodland Property for the following reasons:
  - a) notwithstanding the Receiver's efforts since February 25, 2020 (as summarized in Section 3.0 of this Report), it does not appear that the Occupants will agree to the terms of the Occupancy Agreement absent a Court order;
  - b) based on feedback provided by real estate agents approached by the Receiver, the rental rate of \$4,500 to be paid during the occupancy period is consistent with market and has been agreed to by the Occupants;
  - c) the proposed terms include a 45-day notice period by which the Occupants would be required to vacate the Woodland Property. In the Receiver's view, this period is reasonable and appropriate as it should not jeopardize any potential sale transaction for the property and should enable the Occupants to prepare for a move and exit the premises on an orderly basis;

- d) notwithstanding having advised BCU and the Receiver on February 26, 2020 and the Court on March 13, 2020, Mr. DeMaria has not filed any motion materials to reimpose a stay of the receivership over the Woodland Property;
- e) the proposed terms do not impair the pending listing and marketing of the Woodland Property. On the contrary, the Woodland Property will likely show more favourably in its current state (i.e. with the Occupants' furnishings in place) as opposed to it being empty and vacant during the listing period; and
- f) BCU supports the relief sought.

## 5.0 Sale Process

### 5.1 Request for Proposals from Realtors

1. Immediately following the expiry of the Stay Extension Agreement on February 25, 2020, the Receiver solicited proposals from three realtors to act as listing agent for the Woodland Property. The Receiver requested that each realtor provide:
  - a) a detailed marketing plan;
  - b) an estimate of the value and suggested list price;
  - c) an estimate of the rental value for the Woodland Property;
  - d) background information concerning their firm, including relevant and comparable experience in the Vaughan area of their staff who will be leading this assignment (including résumés for any agents involved);
  - e) commission rate; and
  - f) a statement confirming that the agent is clear of any conflict of interest.
2. The request for proposals was sent on February 28, 2020 and contemplated a deadline to submit proposals of March 6, 2020.
3. As a result of the COVID-19 pandemic, the agents were unable to walk through the Woodland Property. Each agent qualified its listing proposal stating that a walk-through is required in order to properly assess the property, formulate a listing strategy and provide valuation guidance. Accordingly, the Receiver has not yet selected a listing agent. At this time, the Receiver intends to wait until the COVID-19 pandemic subsides so that the listing agents can submit a comprehensive listing proposal, following which the Receiver, in consultation with BCU, will select a listing agent and negotiate a listing agreement with that party.

## 5.2 Sale Process

1. The Receiver recommends that the Court issue an order approving the Sale Process, which is summarized as follows:
  - a) a listing agent selected by the Receiver in consultation with BCU will market the Woodland Property on a basis consistent with how residential homes are sold in the Greater Toronto Area, including arranging for open houses, site visits and listing the Woodland Property on the MLS system;
  - b) the Woodland Property would be marketed and sold on an “as is, where is” basis;
  - c) the Receiver would be able to market and sell the Woodland Property on a vacant possession basis;
  - d) the Receiver will have the right to reject any and all offers, including the highest dollar value offer(s); and
  - e) any transaction will be subject to Court approval.

## 5.3 Sale Process Recommendation

1. The Receiver recommends that the Court issue an order approving the Sale Process for the following reasons:
  - a) the relief sought is already contemplated in the Second Amended and Restated Receivership Order, paragraph 3(g) of which provides the Receiver with the power to “*market any or all of the Real Properties, including advertising and soliciting offers in respect of the Real Properties or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate*”;
  - b) the Sale Process is a fair, open and transparent process intended to canvass the market broadly in order to obtain the highest and best offer for the Woodland Property and, accordingly, in the Receiver’s view, is appropriate in the circumstances;
  - c) the Sale Process is consistent with the conventional manner residential real properties are sold. With BCU’s consent, the Receiver intends to select a reputable listing agent with considerable experience selling comparable homes in the Vaughan area;
  - d) the duration of the Sale Process will depend on the offers submitted following the listing of the property. Given the ongoing COVID-19 pandemic, the Woodland Property will be listed for sale when it is possible to accommodate showings and open houses;
  - e) the Sale Process is consistent with how the Elm Grove Property, the Puccini Property and the Cottage Property were sold on an unopposed basis over the course of these proceedings;

- f) selecting an agent when the COVID-19 pandemic subsides is appropriate, in the Receiver's view, as it will allow for agents to access the Woodland Property in order to submit comprehensive listing proposals to the Receiver. Should an agent be selected prior to the return of this motion, the Receiver will file a supplemental report identifying the proposed agent and the terms of its listing agreement; and
- g) BCU supports the relief sought.

## 6.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that the Court make an order granting the relief detailed in Section 1.1(1)(e) of this Report.

\* \* \*

All of which is respectfully submitted,

*KSV Kofman Inc*

**KSV KOFMAN INC.,  
SOLELY IN ITS CAPACITY AS COURT-APPOINTED  
RECEIVER AND MANAGER OF  
87 ELM GROVE PROPERTY, 46 PUCCINI AVENUE,  
6216 FIFTH LINE AND  
211 WOODLAND ACRES CRESCENT  
AND NOT IN ITS PERSONAL CAPACITY**

## Appendix “J”



**Supplement to the Sixth Report of KSV  
Kofman Inc.  
as Receiver and Manager of  
87 Elm Grove Avenue, 46 Puccini Drive  
6216 Fifth Line and  
211 Woodland Acres Crescent**

August 11, 2020

<b>Contents</b>		<b>Page</b>
1.0	Introduction.....	1
1.1	Purposes of this Report.....	1
2.0	Developments Since the Sixth Report.....	2
3.0	The Listing Agreement.....	2
3.1	Recommendation .....	3
4.0	Disputed Items.....	4
5.0	Conclusion and Recommendation .....	4

## **Appendices**

<b>Appendix</b>	<b>Tab</b>
Notice of Abandonment dated July 10, 2020 .....	A
Form of Listing Agreement .....	B
Inventory Listing .....	C
Disputed Items Listing and Photos .....	D

COURT FILE NO: CV-18-00608356-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**BETWEEN:**

**BUDUCHNIST CREDIT UNION LIMITED**

**Applicant**

- and -

**2321197 ONTARIO INC., CARLO DEMARIA, SANDRA DEMARIA,  
2321198 ONTARIO INC., SASI MACH LIMITED AND VICAR HOMES LTD.**

**Respondents**

**SUPPLEMENT TO THE SIXTH REPORT OF KSV KOFMAN INC.  
AS RECEIVER AND MANAGER**

**AUGUST 11, 2020**

## **1.0 Introduction**

1. This report (the “Supplemental Report”) supplements the sixth report of the Receiver dated May 20, 2020 (the “Sixth Report”).
2. Defined terms in the Supplemental Report have the meanings provided to them in the Sixth Report.

### **1.1 Purposes of this Report**

1. The purposes of this Supplemental Report are to:
  - a) update the Court on the status of the motion returnable August 12, 2020;
  - b) summarize the proposed listing agreement with Avenue Realty Inc. (“Avenue”), pursuant to which the Receiver intends to engage Avenue to list the Woodland Property for sale at a list price between \$3.5 million and \$3.75 million (depending on the resolution or judicial determination with respect to the Disputed Items (as defined below)) (the “Listing Agreement”); and



- c) recommend that the Court issue an order, *inter alia*, approving the Sale Process, as described in the Sixth Report, and the Listing Agreement for the Woodland Property, as described herein.

## 2.0 Developments Since the Sixth Report

1. On July 10, 2020, the Occupants delivered a Notice of Abandonment of their motion returnable August 12, 2020 seeking to, *inter alia*, vacate or amend the Receivership Order. A copy of the Notice of Abandonment is attached as Appendix "A".
2. As a result, the Receiver's motion on August 12, 2020 will proceed.
3. The Occupants (through their counsel) have notified the Receiver that they intend to vacate the Property by August 31, 2020.
4. As at the date of this Report, the Occupants have not paid their occupancy fee for the month of August (\$4,500) and insurance expense for July and August (\$3,030.12)<sup>1</sup>. In accordance with a Court order made on June 4, 2020, the Occupants will be required to pay those amounts plus all heat, hydro, property taxes, water/sewage and other utility charges accrued through to their exit from the Woodland Property on August 31, 2020.

## 3.0 The Listing Agreement

1. The Sixth Report sets out the process the Receiver carried out to solicit listing proposals for the Woodland Property. Three proposals were submitted by real estate brokerage firms.
2. The Receiver, in consultation with BCU, is proposing to select Avenue to act as the listing broker on this assignment. The Receiver considered, among other things, Avenue's experience selling similar properties in the Woodland Acres area and its commission rate (5%).
3. Subject to Court approval, the Listing Agreement to be entered into between Avenue and the Receiver is substantially in the form of a standard Ontario Real Estate Association ("OREA") agreement, with a schedule prepared by the Receiver which provides for the following customary receivership provisions:
  - a) Avenue will not be paid any fees or commissions if the Woodland Property is sold to the Occupants or any party related to them;
  - b) Avenue will market the Woodland Property on an "as is, where is" basis, meaning that the Receiver will not be making any representations or warranties regarding the Woodland Property;
  - c) The Receiver will have the right to reject any and all offers submitted for the Woodland Property, including the highest dollar value offer(s);

---

<sup>1</sup> The Receiver arranged for a new insurance policy which came into effect June 30, 2020 after being notified that the Occupants' policy had been terminated and the Occupants were unable to arrange for replacement insurance. The monthly cost of the new policy is \$1,515.06.

- d) The Receiver is entering into the Listing Agreement and all related documentation from time to time solely in its capacity as Court-appointed receiver and manager of the Woodland Property, with no personal or corporate liability; and
  - e) The form of agreement of purchase and sale submitted by any buyer will include a condition in favour of the Receiver providing that completion of the sale transaction will be subject to Court approval, to be obtained by the Receiver.
4. Subject to Court approval, the Listing Agreement to be finalized will be substantially in the form of the agreement attached as Appendix "B".

### **3.1 Recommendation**

1. The Receiver recommends that the Court issue an order approving the Listing Agreement, the retention of Avenue as the listing agent and the list price of between \$3.5 million and \$3.75 million (depending on the resolution or judicial determination with respect to the Disputed Items), for the following reasons:
- a) the terms and conditions of the Listing Agreement, including the commission rate (5%), are consistent with market and, in the Receiver's view, commercially reasonable;
  - b) Avenue is a reputable listing agent with considerable experience selling comparable homes in the Woodland Acres neighborhood. In this regard, Avenue concentrates its practice on this area as evidenced by its market share from 2017 to 2019, during which Avenue sold five (54%), two (67%) and four (80%) of the estates sold in the Woodland Acres area, respectively;
  - c) Avenue has suggested a list price of between \$3.5 million and \$3.75 million (depending on the resolution or judicial determination with respect to the Disputed Items) based on its attendance at the Woodland Property, its inspection of the Disputed Items and recent list and ultimate sale prices of comparable homes in the Woodland Acres area;
  - d) the Listing Agreement provides the Receiver with the right to reject any and all offers, including the highest dollar value offer(s);
  - e) any transaction resulting from the Sale Process will be subject to Court approval; and
  - f) BCU supports the relief sought.

## 4.0 Disputed Items

1. The Occupants provided an inventory listing to the Receiver detailing the contents of the Woodland Property, including furniture, appliances, electrical fixtures and other items (the "Inventory Listing").
2. The Occupants, through their counsel, have notified the Receiver that they would like to remove various items when they vacate the Woodland Property, and that they intend to leave certain other items behind. The Occupants have also indicated that, of the items they intend to leave behind, their position is that they are legally entitled to remove certain items but are leaving them behind on a "without prejudice" basis (i.e., reserving the right to take the position that they are entitled to remove other similar items). Attached hereto as Appendix "C" is a colour-coded version of the Inventory Listing showing the items that the Occupants would like to remove and those that they intend to leave behind when they vacate the Woodland Property.
3. The Receiver has been advised by Avenue that certain<sup>2</sup> of the items listed in Appendix "D" attached hereto, which the Occupants would like to remove from the Woodland Property (the "Disputed Items"), are expected to affect the ultimate sale price if removed from the Woodland Property, and would result in a reduction of the list price from \$3.75 million to \$3.5 million. Removal of the chandeliers and wall sconces will also impair Avenue's ability to facilitate evening showings of the Woodland Property.
4. Appendix "D" also includes pictures of the Disputed Items.
5. The Receiver understands that BCU is taking the position that the Disputed Items are all fixtures, not chattels, and accordingly that the Occupants should not be entitled to remove them from the Woodland Property, whereas the Occupants are taking the position that they are legally entitled to remove the Disputed Items from the Woodland Property.

## 5.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that the Court make an order granting the relief detailed in Section 1.1(1)(e) of the Sixth Report and 1.1(1)(c) of this Supplemental Report.

\* \* \*

All of which is respectfully submitted,

*KSV Kofman Inc.*

**KSV KOFMAN INC.,  
SOLELY IN ITS CAPACITY AS COURT-APPOINTED  
RECEIVER AND MANAGER OF 87 ELM GROVE PROPERTY,  
46 PUCCINI AVENUE, 6216 FIFTH LINE AND 211 WOODLAND ACRES CRESCENT  
AND NOT IN ITS PERSONAL CAPACITY**

---

<sup>2</sup> According to Avenue, the Disputed Items that will materially impact the list/sale price are the chandeliers/wall sconces and, to a lesser extent, the pizza oven and kitchen appliances.

## **Appendix “K”**



# Offer Summary Document

## For use with Agreement of Purchase and Sale

### Form 801

for use in the Province of Ontario

#### For Brokerage submitting the offer on behalf of the Buyer:

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

**REAL PROPERTY ADDRESS:** 211 Woodland Acres Cres Vaughan ON L6A1G1 (the "property")  
(municipal address and/or legal description)

**for an Agreement of Purchase and Sale dated:** the 22 day of September, 2020 ("offer")

This offer was submitted by: **BROKERAGE:** ROYAL LEPAGE YOUR COMMUNITY REALTY

**SALES REPRESENTATIVE/BROKER:** NIMA HAGHIGHIAN ROODSARI

I/We, Shadi Alipourmemarizadeh, have signed an offer for the property.

Name of Buyer(s) Shadi Alipourmemarizadeh  
(Date) 09/22/2020  
(Signature of Buyer) [Signature] (Date) 24th  
6:30 [Signature] (Date) 24th  
12:00 [Signature]

This offer was submitted, email to the Listing Brokerage at 12:00 on the 22nd day of

September, 2020 Irrevocable until 11:59 on the 25th day of September, 2020  
(a.m./p.m.) (a.m./p.m.)  
X

(For Buyer counter offer - complete the following)

I/We, Shadi Alipourmemarizadeh, have signed an offer for the property.

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

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

, 20 Irrevocable until on the day of , 20  
(a.m./p.m.)

#### For Listing Brokerage receiving the offer:

**SELLER(S):** Ksv Restructuring Inc., Court Appointed Receiver Of The Property

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

**LISTING BROKERAGE:** AVENUE REALTY INC., BROKERAGE

**SALES REPRESENTATIVE/BROKER:** CHRISTOPHER FUSCO

This offer was received, Email by the Listing Brokerage at 11:52 on the 22nd day of September, 2020.  
(by fax, by email or in person) (a.m./p.m.)

This offer was presented, Email/Phone to the Seller(s) at 1:39 on the 22nd day of September, 2020.  
(by fax, by email or in person) (a.m./p.m.)

Offer was:  Accepted  Signed Back/Countered  Expired/Declined

**Comments:**

The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.

© 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.



# Confirmation of Co-operation and Representation

## Form 320

for use in the Province of Ontario

**BUYER:** Shadi Alipourmemarizadeh

**SELLER:** Ksv Restructuring Inc., Court Appointed Receiver Of The Property

For the transaction on the property known as: 211 Woodland Acres Cres Vaughan ON L6A1G1

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

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

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

### 1. LISTING BROKERAGE

- a)  The Listing Brokerage represents the interests of the Seller in this transaction. It is further understood and agreed that:
  - 1)  The Listing Brokerage is not representing or providing Customer Service to the Buyer. (If the Buyer is working with a Co-operating Brokerage, Section 3 is to be completed by Co-operating Brokerage)
  - 2)  The Listing Brokerage is providing Customer Service to the Buyer.
- b)  **MULTIPLE REPRESENTATION:** The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction. The Listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage. However, the Listing Brokerage shall not disclose:
  - That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
  - That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
  - The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
  - The price the Buyer should offer or the price the Seller should accept;
  - And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.

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

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

### 2. PROPERTY SOLD BY BUYER BROKERAGE - PROPERTY NOT LISTED

- The Brokerage .....represent the Buyer and the property is not listed with any real estate brokerage. The Brokerage will be paid (does/does not)
  - by the Seller in accordance with a Seller Customer Service Agreement
- or:  by the Buyer directly

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


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

  
BUYER

  
CO-OPERATING/BUYER BROKERAGE

  
SELLER

  
LISTING BROKERAGE

 The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.  
© 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

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

CO-OPERATING BROKERAGE- REPRESENTATION:

- a) [X] The Co-operating Brokerage represents the interests of the Buyer in this transaction.
b) [ ] The Co-operating Brokerage is providing Customer Service to the Buyer in this transaction.
c) [ ] The Co-operating Brokerage is not representing the Buyer and has not entered into an agreement to provide customer service(s) to the Buyer.

CO-OPERATING BROKERAGE- COMMISSION:

- a) [X] The Listing Brokerage will pay the Co-operating Brokerage the commission as indicated in the MLS® information for the property 2.5% + HST to be paid from the amount paid by the Seller to the Listing Brokerage.
b) [ ] The Co-operating Brokerage will be paid as follows: of the purchase price

Handwritten initials 'SMA' and 'DS' in a red circle, with a blue arrow pointing to the commission section.

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

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

COMMISSION TRUST AGREEMENT: If the above Co-operating Brokerage is receiving payment of commission from the Listing Brokerage, then the agreement between Listing Brokerage and Co-operating Brokerage further includes a Commission Trust Agreement, the consideration for which is the Co-operating Brokerage procuring an offer for a trade of the property, acceptable to the Seller.

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

ROYAL LEPAGE YOUR COMMUNITY REALTY
8854 YONGE STREET RICHMOND HILL ON L4C0T4
Tel: (905) 731-2000 Fax: (905) 886-7556
Authorized to bind the Co-operating/Buyer Brokerage 09/22/2020
NIMA HAGHIGHIAN ROODSARI

AVENUE REALTY INC., BROKERAGE
11685 Yonge St. Ste B-106 Richmond Hill ON L4E0K7
Tel: 905-737-6060 Fax: 905-737-9550
Authorized to bind the Listing Brokerage 9/24/2020
CHRISTOPHER FUSCO

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction)
The Buyer/Seller consent with their initials to their Brokerage representing more than one client for this transaction.
BUYER'S INITIALS SELLER'S INITIALS

ACKNOWLEDGEMENT

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

Signature of Buyer: Shadi Alipourmemarizadeh
Date: 09/22/2020

Signature of Seller: David Suradski
Date: 9/24/2020

The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license. © 2020, Ontario Real Estate Association ("OREA"). All rights reserved.

Authenticsign ID: 263F9630-50CD-48C7-B94F-843110E35BA1



# Agreement of Purchase and Sale

## Form 100

for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 22 day of September, 2020

**BUYER:** Shadi Alipourmemarizadeh, agrees to purchase from  
(Full legal names of all Buyers)

**SELLER:** Kav Restructuring Inc., Court Appointed Receiver Of The Property, the following  
(Full legal names of all Sellers)

### REAL PROPERTY:

Address 211 Woodland Acres Cres Vaughan ON L6A1G1

fronting on the North side of Woodland Acres Cres SHA SHA

in the City of Vaughan (Maple)

and having a frontage of 213.16 feet more or less by a depth of 250.24 feet (west side) & 234.46 feet (east side)  
213-14 250-24/234-46  
Total site area of 43,809.07 feet squared as per Land Registry

and legally described as Lot 23, Plan M1732 As stipulated in Schedule B  
SHA SHA SHA SHA  
(Legal description of land including easements not described elsewhere)

**PURCHASE PRICE:** 160,000.00 Dollars (CDN\$)

**DEPOSIT:** Buyer submits upon acceptance (Herewith/Upon Acceptance/as otherwise described in this Agreement)  
One Hundred Sixty Thousand Dollars (CDN\$) 250 160,000.00

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

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

**SCHEDULE(S) A:** attached hereto form(s) part of this Agreement.

**1. IRREVOCABILITY:** This offer shall be irrevocable by Seller until 11:59 PM on the 29th day of September, 2020, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

**2. COMPLETION DATE:** This Agreement shall be completed by no later than 1st day of December, 2020. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S): SHA

INITIALS OF SELLER(S): SHA

**R** The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.  
© 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.



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

FAX No.: ..... 905-737-9550 .....  
(For delivery of Documents to Seller)

FAX No.: ..... 905-886-7556 .....  
(For delivery of Documents to Buyer)

Email Address: ..... cfusco@avenurealty.com .....  
(For delivery of Documents to Seller)

Email Address: ..... nima.yourrealty@gmail.com .....  
(For delivery of Documents to Buyer)

4. **CHATELS INCLUDED:**  
~~As Per MLS #N4907183~~

Schedule B [DS] [SHA]

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

5. **FIXTURES EXCLUDED:**  
~~As Per MLS #N4907183~~

Schedule B [DS] [SHA]

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

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

[DS] [SHA]

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

[DS] [SHA]

INITIALS OF BUYER(S): [SHA]

INITIALS OF SELLER(S): [DS]

November  
~~October~~ 20  
17 ~~30~~ 15  
20 ~~21~~ 21  
109

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 15 day of January, 2021, (Requisition Date) to examine the title to the property at Buyer's own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy Buyer that there are no outstanding

work orders or deficiency notices affecting the property, and that its present use (Single Family Residential) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

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

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

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

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

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

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

INITIALS OF BUYER(S): 

INITIALS OF SELLER(S): 

- 15. PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at Seller's expense to obtain any necessary consent by completion.
- 16. DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.
- 17. RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada; (b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
- 18. ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
- 19. PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
- 20. TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 21. TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
- 22. FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless the spouse of the Seller has executed the consent hereinafter provided.
- 23. UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
- 24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice.
- 25. CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.**
- 26. AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
- 27. TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):





The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.

© 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.

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

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)  Nima Haghighian Roodsari  
(Witness)

(Buyer)  Shadi Alipourmemarizadeh (Seal) 09/22/2020 (Date)  
(Buyer) (Seal) (Date)

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

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)  David Szwed  
(Witness)


(Seller)  David Szwed (Seal) 9/24/2020 (Date)  
(Seller) (Seal) (Date)

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

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

**CONFIRMATION OF ACCEPTANCE:** Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at


6:10 pm this 30 day of September, 2020 (a.m./p.m.)

(Signature of Seller or Buyer)  Shadi Alipourmemarizadeh 9/30/2020 8:56:13 PM EDT

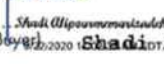
INFORMATION ON BROKERAGE(S)		
Listing Brokerage	AVENUE REALTY INC., BROKERAGE	905-737-6060 (Tel.No.)
	CHRISTOPHER FUSCO (Salesperson/Broker/Broker of Record Name)	
Co-op/Buyer Brokerage	ROYAL LEPAGE YOUR COMMUNITY REALTY	(905) 731-2000 (Tel.No.)
	NIMA HAGHIGHIAN ROODSARI (Salesperson/Broker/Broker of Record Name)	

**ACKNOWLEDGEMENT**

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer. 10/1/2020

(Seller)  David Szwed (Date)  
(Seller) (Date)  
Address for Service (Tel. No.)  
Seller's Lawyer  
Address  
Email  
(Tel. No.) (Fax. No.)

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer. 09/22/2020

(Buyer)  Shadi Alipourmemarizadeh (Date)  
(Buyer) (Date)  
Address for Service (Tel. No.)  
Buyer's Lawyer  
Address  
Email  
(Tel. No.) (Fax. No.)

FOR OFFICE USE ONLY	COMMISSION TRUST AGREEMENT
To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:	
In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.	
DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.	Acknowledged by:
 Christopher Fusco (Authorized to bind the Listing Brokerage)	 Shadi Alipourmemarizadeh (Authorized to bind the Co-operating Brokerage)

The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license. © 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.



# Schedule A Agreement of Purchase and Sale

## Form 100

for use in the Province of Ontario

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

**BUYER:** Shadi Alipourmemarizadeh....., and

**SELLER:** Kev Restructuring Inc., Court Appointed Receiver Of The Property.....

for the purchase and sale of 211 Woodland Acres Cres..... Vaughan

ON L6A1G1..... dated the 22 day of September, 2020

Buyer agrees to pay the balance as follows:

The Buyer agrees to pay the balance of the purchase price, subject to adjustments, to the Seller on completion of this transaction, with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

~~This offer is conditional upon the Buyer arranging, at the Buyer's own expense, a new first charge/mortgage. Unless the Buyer gives notice in writing delivered to the Seller not later than Five (5) Business Days from acceptance, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller within the time period stated herein.~~

The Seller hereby acknowledges that it may be the requirement of the Buyer's Lender to have an appraiser access the subject property prior to closing. The Seller covenants and agrees to provide the appraiser representing the Buyer's lender with access to the subject property for such purposes. Access to the property shall be deemed to include the dwelling and any outbuildings as may be required.

~~This Offer is conditional upon the inspection of the subject property by a qualified home inspector at the Buyer's own expense, and the obtaining of a report satisfactory to the Buyer in the Buyer's sole and absolute discretion. Unless the Buyer gives notice in writing delivered to the Seller not later than Five (5) Business Days from acceptance, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. The Seller agrees to co-operate in providing access to the property for the purpose of this inspection. This condition is included for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller within the time period stated herein.~~

The Buyer shall have the right at any time prior to closing, to assign the within Offer to any person, persons or corporation, either existing or to be incorporated, and upon delivery to the Seller of notice of such assignment, together with the assignee's covenant in favour of the Seller to be bound hereby as Buyer, the Buyer herein before named shall NOT stand released from all further liability hereunder. ~~The buyer named herein and the new buyer shall remain jointly and severally liable for the terms contained herein and any default that may occur.~~

~~The Seller represents and warrants that the fixtures and chattels as included in this Agreement of Purchase and Sale will be in good working order and free from all liens and encumbrances on completion. The Parties agree that this representation and warranty shall survive and not merge on completion of this transaction, but apply only to the state of the property at completion of this transaction.~~

~~The Seller represents and warrants, to the best of the Seller's knowledge and belief, that, during the Seller's occupancy of the building, the sewage system has been and will be in good working order on closing. The Parties agree that this representation and warranty shall survive and not merge on completion of this transaction, but apply only to the state of the property existing at completion of this transaction.~~

The Buyer shall have the right to visit the property Three (3) further time(s) prior to completion, at a mutually agreed upon time. The Seller agrees to provide access to the property for the purpose of this visit.

The Seller agrees to leave the premises, including the floors, in a clean and broom swept condition.

~~The seller agrees to allow the buyer, at the buyer's own expense, to perform a home inspection on the property at any point prior to the date set for title search noted herein and subsequent the removal of any seller conditions included herein. It is understood between buyer and seller that this inspection is not a condition in any way shape or form on the purchase of the property~~

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

INITIALS OF BUYER(S): SJA

INITIALS OF SELLER(S): DS



# Schedule A Agreement of Purchase and Sale

## Form 100

for use in the Province of Ontario

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

**BUYER:** ..... Shadi Alipourmemarizadeh ....., and

**SELLER:** ..... Kev Restructuring Inc., Court Appointed Receiver Of The Property .....

for the purchase and sale of ..... 211 Woodland Acres Cres ..... Vaughan .....

..... ON ..... L6A1G1 ..... dated the ..... 22 ..... day of ..... September ....., 2020 .....

~~The parties herein acknowledge and agree that they are required to close this transaction notwithstanding any impacts of COVID-19, save and except the closing of the Land Registry Office(s) and all financial institutions. In the event the closing cannot occur due to a shutdown/disruption of the Land Registry system and/or banking system, then the closing date shall be automatically extended to the fifth (5th) business day following the date upon which said systems have returned to operational status and can clear funds accordingly.~~

SJA

DS

SJA

~~The Buyer and Seller agree and acknowledge that in the event that the Buyer or Seller to the Agreement becomes the subject of a mandatory COVID-19 virus quarantine at the time of performance here under that results in the parties' inability to complete the transaction as scheduled, the closing shall be automatically extended at the request of either affected party for a period of fourteen (14) calendar days, unless the parties otherwise mutually agree to extend the Completion Date further. If this clause is invoked, the Buyer and Seller shall continue to act in good faith and use their reasonable best efforts to ensure the completion of the transaction occurs on as timely a basis as possible, and will not use this as a means to delay closing in anticipation of any such quarantine or closures, or for reasons unrelated to COVID-19. Time shall remain of the essence for any extended closing date as a result of this clause.~~

SJA

DS

SJA

~~As stipulated in Schedule B relative to any COVID19 related clause(s).  
The parties acknowledge and agree that all closing documentation can be signed electronically and forwarded by email or fax in accordance with the Electronic Commerce Act, 2000, S.O.2000,c.17~~

DS

DS


SJA

SJA

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

**INITIALS OF BUYER(S):** 

**INITIALS OF SELLER(S):** 

 The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estate Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.  
© 2020, Ontario Real Estate Association ("OREA"). All rights reserved. This form was developed by OREA for the use and reproduction by its members and licensees only. Any other use or reproduction is prohibited except with prior written consent of OREA. Do not alter when printing or reproducing the standard pre-set portion. OREA bears no liability for your use of this form.



# Schedule B Agreement of Purchase and Sale



**Form 105**  
for use in the Province of Ontario

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

**BUYER:** ..... SHADI ALIPOURMEMARIZADEH ....., and

**SELLER:** ..... KSV RESTRUCTURING INC., ..... COURT-APPOINTED RECEIVER OF THE PROPERTY

for the property known as ..... 211 Woodland Acres ..... Cres ..... Vaughan

ON ..... L6A 1G1 ..... dated the ..... 22 ..... day of ..... September ..... , 20.20

LEGAL DESCRIPTION: PCL 23-1 SEC M1732; LT 23 PL M1732; S/T LT135993 ; VAUGHAN

**CHATELS INCLUDED:**

All existing window coverings; All existing electrical light fixtures; Garage door openers with remote(s); All kitchen appliances including: Wolf stainless steel built-in gas stove/oven combination, Hood fan with cabinet facade, SubZero stainless steel built-in refrigerator/freezer combination, KitchenAid stainless steel built-in oven, microwave & warming drawer, Fischer & Paykel stainless steel built-in dishwasher, Bosh dishwasher; Danby stainless steel built-in wine cooler, All built-in speakers; Built-in desk; All built-in shelving; Built-in benches; Stackable LG front load washer and dryer; All wall-mounted televisions; TWO (2) Magic Chef temperature-controlled refrigerators in lower level Bar area; Outdoor kitchenette appliances including: Wolf stainless steel BBQ with burner and THREE (3) bar refrigerators; TWO (2) boilers; TWO (2) hot water tanks; TWO (2) Lennox furnaces; TWO (2) Lennox air filters; TWO (2) humidifiers; TWO (2) Keep Rite air conditioners and Sprinkler system.

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

**'AS IS' CONDITION CLAUSE**

Regardless as otherwise stated herein the Agreement of Purchase and Sale or any attached Schedule(s), the chattels, fixtures and structure are provided in 'as is' condition.

This Offer is conditional upon the Seller receiving approval of the Ontario Superior Court of Justice, to be obtained at the Seller's sole cost, satisfactory to the Seller in the Seller's sole and absolute discretion. Unless the Seller gives notice in writing delivered to the Buyer personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than 11:59 p.m. on the THIRTIETH (30) business day after all, if any, buyer conditions have been removed, waived or fulfilled from this offer, unless extended by written agreement between the Buyer and the Seller, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of the Seller and may be waived at the Seller's sole option by notice in writing to the Buyer as aforesaid within the time period stated herein.

The Deposit Holder, Avenue Realty Inc., Brokerage, advises that the Deposit referred to herein shall be placed into a non-interest bearing Real Estate Trust Account.

The Buyer and the Seller hereby acknowledge that the Deposit may be invested in an Interest Bearing Security, based on the criteria as specified by the Toronto Dominion Bank at time of purchase. If the interest on the Interest Bearing Security amounts to more than \$50.00, the interest earned will be paid to the buyer following completion or other termination of the transaction, providing the Agreement of Purchase and Sale contains a clause requesting that the interest be paid to the buyer. It is provided further that if the Agreement of Purchase and Sale does not contain a clause requesting that the interest (if any) be paid to the buyer, then the full amount of the interest earned (if any) will be retained by the deposit holder. Any interest under \$50.00 will be retained by the Deposit Holder [No accounting statement will be provided].

When interest is paid (\$50.00 or more), a mandatory Revenue Canada T5 Form must be issued to the buyer for tax purposes. [THE BUYER MUST SUPPLY THE DEPOSIT HOLDER IN WRITING WITH A SOCIAL INSURANCE NUMBER FOR USE ON THE MANDATORY T5 FORM UPON ACCEPTANCE OF THIS TRANSACTION. FAILURE TO DO SO WILL MAKE THE PROVISION RELATING TO THE PAYMENT OF INTEREST NULL AND VOID AND THE FULL AMOUNT OF INTEREST WILL BE RETAINED BY THE DEPOSIT HOLDER.] Any interest cheques issued by the Deposit Holder not negotiated within SIX (6) months following completion of the herein transaction shall be forfeited to the Deposit.

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

**INITIALS OF BUYER(S):**

*SHA*

**INITIALS OF SELLER(S):**

*DS*



# Schedule B Agreement of Purchase and Sale

## Form 105

for use in the Province of Ontario

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

**BUYER:** ..... SHADI ALIPOURMEMARIZADEH ....., and

**SELLER:** ..... KSV RESTRUCTURING INC., ..... COURT-APPOINTED RECEIVER OF THE PROPERTY .....

for the property known as ..... 211 Woodland Acres ..... Cres ..... Vaughan .....

ON ..... L6A 1G1 ..... dated the ..... 22 ..... day of ..... September ..... 20<sup>20</sup> .....

Deposit cheques must be either a Bank Draft or Certified Cheque (CDN funds). Any deposit cheque that is a personal cheque received by the Brokerage on a weekend or holiday will be replaced with a Bank Draft or Certified Cheque (in CDN funds) on the first business day following the weekend or holiday on which the Agreement of Purchase and Sale was accepted. The Brokerage will not accept electronic money transfers as deposit funds.

For the purposes of this Agreement, the terms "banking days" or "business days" shall mean any day other than a Saturday, Sunday, or a Statutory Holiday in Toronto/G.T.A, Ontario, Canada and the banking/business day will end at 11:59 p.m.

The Buyers and Sellers acknowledge having been advised by the sales representatives prior to the execution of this Offer that they and their Brokerage are insured as required by the Real Estate and Business Brokers Act, 2002 and its Regulations.

The Sellers and Buyers agree and/or acknowledge that all measurements and information provided by Avenue Realty Inc., Brokerage in the MLS listing, feature sheet and any other marketing materials have been obtained from sources deemed reliable, and that such details have been provided for information purposes only and as such, Avenue Realty Inc., Brokerage does not warrant their accuracy. The Buyers is advised to verify any measurements or information upon which he or she is relying.

The Buyers further acknowledge that all marketing and MLS documents provided by the Sellers are for information purposes only and the Buyers are not relying on them for any other purpose. The Buyers agree to indemnify and hold harmless the Sellers, Listing Brokerage, and Listing Broker/Sales Representative for any errors, omissions, and representations, expressed or implied, contained in the above mentioned documents.

~~THE BUYERS AND SELLERS HEREBY GRANT CONSENT ALLOWING THE LISTING BROKERAGE, AVENUE REALTY INC., BROKERAGE, TO USE THIS PROPERTY IN FUTURE MARKETING MATERIALS WHICH MAY INCLUDE (BUT NOT LIMITED TO) REFERENCES TO ADDRESS AND/OR PRICE AND A PHOTO AT ANY TIME IN THE FUTURE, INCLUDING AFTER CLOSING.~~

In the event a transaction is mutually released and becomes null and void, Avenue Realty Inc., Brokerage will issue a trust account cheque for return of the deposit, to the party designated by the fully and properly executed mutual release, not before TEN (10) business days (for certified cheques or Bank drafts) and not before TWENTY ONE (21) business days (for uncertified cheques) from the date the funds were deposited into our trust account as stated on our deposit receipts. A business day includes all weekdays except Saturday, Sunday or statutory holidays. This policy is in place on the advice of the banking system, to protect your trust deposit from fraud.

The parties acknowledge and agree that all closing documentation can be signed electronically and forwarded by email or fax in accordance with the Electronic Commerce Act, 2000, S.O.2000,c.17

The parties herein acknowledge and agree that they are required to close this transaction notwithstanding any impacts of COVID-19, save and except the closing of the Land Registry Office(s) and all financial institutions. In the event the closing cannot occur due to a shutdown/disruption of the Land Registry System and/or banking system, then the closing date shall be automatically extended to the fifth (5th) business day following the date upon which said systems have returned to operational status and can clear funds accordingly.

HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. Any HST on chattels, If applicable, is not included in the Purchase Price.

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

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):



## Appendix “L”

87 Elm Grove Avenue, 46 Puccini Drive, 6216 Fifth Line and 211 Woodland Acres

**Interim Statement of Receipts and Disbursements**

For the period November 13, 2018 to October 20, 2020

(CAD\$)

	<u>46 Puccini Dr.</u>	<u>87 Elm Grove Ave.</u>	<u>6216 Fifth Line</u>	<u>211 Woodland</u>
<u>Receipts</u>				
Sale proceeds	2,250,000	1,750,000	405,000	-
Extension fees paid by Purchaser	26,000	-	-	-
Advances from BCU under Receiver's Borrowings Charge	20,000	45,000	5,000	40,000
Rental income	23,453	-	3,850	31,500
Interest	4,866	4,253	4,942	8
Total Receipts	<u>2,324,319</u>	<u>1,799,253</u>	<u>418,792</u>	<u>71,508</u>
<u>Disbursements</u>				
HST remitted to CRA on new residential home (87 Elm Grove only)	-	204,089	-	-
Real estate commissions (including HST)	108,056	72,744	20,594	-
Property taxes	18,226	6,199	1,739	-
Maintenance and contractor costs	12,985	18,680	3,432	16,597
Professional fees (Receiver and legal counsel)	68,224	80,506	35,868	40,437
Repayment of receivership advances to BCU (principal and interest)	21,161	45,385	5,208	-
HST on disbursements	10,836	13,134	5,396	7,011
Sundry expenses	3,121	2,741	3,046	497
Total Disbursements	<u>242,609</u>	<u>443,477</u>	<u>75,283</u>	<u>64,542</u>
<b>Balance in Receiver's accounts and/or Term Deposits</b>	<b><u>2,081,710</u></b>	<b><u>1,355,776</u></b>	<b><u>343,509</u></b>	<b><u>6,966</u></b>

Note: This statement has been prepared on a cash basis and excludes accrued obligations (if any).

BUDUCHNIST CREDIT UNION LIMITED

- and -

2321197 ONTARIO INC., CARLO DEMARIA, SANDRA  
DEMARIA, 2321198 ONTARIO INC., SASI MACH LIMITED,  
VICAR HOMES LTD. and TRADE CAPITAL CORP.

Applicant

Respondents

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

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD**

**CHAITONS LLP**

5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**George Benchetrit**

Tel: (416) 218-1141

Fax: (416) 218-1841

Email: [george@chaitons.com](mailto:george@chaitons.com)

**Lawyers for KSV Restructuring Inc., in its capacity  
as Court-Appointed Receiver**