

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

**MERIDIAN CREDIT UNION LIMITED**

**Applicant**

**-and-**

**STATEVIEW HOMES (ELM&CO) INC.**

**Respondent**

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND  
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

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**APPLICATION RECORD  
(Returnable May 18, 2023)**

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May 8, 2023

**FOGLER, RUBINOFF LLP**  
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PO Box 95  
TD Centre North Tower  
Toronto, ON M5K 1G8

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Meridian Credit Union Limited

**TO: SERVICE LIST**

## SERVICE LIST

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

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**Respondent**

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BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND  
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

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# **TAB 1**



Court File No.

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SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**NOTICE OF APPLICATION**

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing on May 18, 2023, at 10:00 a.m., before a Judge presiding over the Superior Court of Justice (Commercial List).

- In writing
- In person
- By telephone conference
- By video conference

at the following location:

Zoom link to be uploaded on Caselines.

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IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date May 5, 2023 Issued by \_\_\_\_\_  
Local Registrar

Address of Superior Court of Justice  
court office: 330 University Avenue  
Toronto ON M5G 1R7

TO: **STATEVIEW HOMES (ELM&CO) INC.**  
410 Chrislea Road, Unit 16  
Woodbridge, ON L4L 8B5

## APPLICATION

1. The Applicant, Meridian Credit Union Limited ("**Meridian**"), makes application for:
  - (a) an Order, if necessary, abridging the time for service of this Notice of Application and the Application Record, validating service of the Notice of Application and Application Record, and dispensing with further service thereof;
  - (b) an Order (the "**Receivership Order**") appointing KSV Restructuring Inc. ("**KSV**") as receiver (the "**Receiver**"), without security, of all of the property, assets and undertaking of Stateview Homes (Elm&Co) Inc. ("**Stateview Homes (Elm)**" or the "**Debtor**") (the "**Property**") including all proceeds thereof and the real property known municipally as 12942 York Durham Line, Stouffville, Ontario (the "**Stouffville Property**") 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**");
  - (c) costs of the Application, plus all applicable taxes; and
  - (d) such further and other relief as this Honourable Court may deem just and appropriate in the circumstances.
  
2. The grounds for the application are:

### The Parties

- (a) Stateview Homes (Elm) is an Ontario-incorporated company that owns the Stouffville Property. The Stouffville Property is currently raw land or a pre-

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construction development property. The proposed development of the land was for 206 low-rise residential units (townhouses). Carlo Taurasi and Daniel Ciccone are or were officers and directors of Stateview Homes (Elm);

- (b) Stateview Homes (Elm) is in the business of building residential homes, and is based in York Region, with its registered office address in Woodbridge, Ontario. It is a part of a group of separate corporations in the construction and development business that operates under the name "**Stateview Homes**";
- (c) There are approximately 25 to 30 separate corporations, including Stateview Homes (Elm), associated with Stateview Homes (the "**Stateview Homes Corporations**"). Carlo Taurasi ("**Carlo**"), Dino Taurasi (his brother) ("**Dino**") and Daniel Ciccone ("**Daniel**") are or were directors and officers of most or many of the Stateview Homes Corporations;
- (d) Meridian is a Canadian credit union, which operates from several branches located in Ontario and has its headquarters in St. Catharines, Ontario;

### **The Loan and Security**

- (e) Stateview Homes (Elm) is indebted to Meridian under a credit agreement dated December 5, 2022 (the "**Credit Agreement**"). Under the Credit Agreement, Stateview Homes (Elm), among other things, borrowed from Meridian and agreed to repay the principal sum of approximately \$17.8 million (the "**Loan**");
- (f) The Loan is secured or supported by, among other things, a general security agreement from the Debtor dated December 6, 2022 and executed December 8,

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2022 (the "**GSA**"); a first, registered charge or mortgage registered as YR3506925 on December 9, 2022, in the principal amount of \$17.8 million against title to the Stouffville Property from the Debtor (the "**Mortgage**"); a first, registered general assignment of leases and rents from the Debtor dated December 8, 2022 and registered as YR3506926 on December 9, 2022 against title to the Stouffville Property (the "**GAR**"); and unlimited guarantees and postponements of claim each dated December 8, 2022 (the "**Guarantees**") respectively from Carlo, Dino, Daniel and Stateview Construction Ltd. (the "**Guarantors**") (collectively, the "**Security**");

- (g) The Credit Agreement, GSA and/or Mortgage provide for the appointment of a receiver over the Debtor's assets upon default by the Debtor;
- (h) Under the Credit Agreement, the Debtor shall not grant further mortgages or encumbrances against the Debtor's assets including against title to the Stouffville Property, without the prior written consent of Meridian;
- (i) Pursuant to the Credit Agreement, it is an event of default if a material adverse change occurs in the financial condition of the Debtor or legal proceedings have been commenced, including liquidation proceedings, detrimental to the affairs of the Debtor;
- (j) Meridian has registered a financing statement against the Debtor pursuant to the provisions of the *Personal Property Security Act* (Ontario) (the "**PPSA**") to perfect its security interest in the personal property secured under the GSA;



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- (k) The Personal Property Security Registration System Search Results for the Debtor confirms that Meridian has a perfected security interest in the personal property of the Debtor secured under the GSA;
- (l) As noted above, Meridian's interest in the Stouffville Property is secured by the Mortgage and GAR, which have been registered on title in the applicable land titles or registry office;

### **Subsequent Mortgagees and Creditors**

- (m) The other mortgagees and secured creditors of the Debtor include Dorr Capital Corporation ("**Dorr**") (the second mortgagee) and 797377 Ontario Inc. ("**797**") (the third mortgagee), which appear to have mortgages (in the principal amounts of \$4 million and \$2.5 million respectively) and assignment of rents registered on title of the Stouffville Property and security interests registered under the PPSA. Dorr, 797 and Meridian entered into a subordination and standstill agreement dated December 9, 2022 (the "**SSA**"), in which they generally agreed, among other things, that Meridian's Security in the Debtor's Property, including the Stouffville Property, would rank in priority to the security interest of Dorr and 797. The Debtor was also a party of the SSA and acknowledged receiving a copy of the SSA;
- (n) Under paragraph 6 of the SSA, Dorr and 797, defined as the "Subordinate Lender" in the SSA, agree, among other things, not to take any enforcement action related to the Debtor, Property or Guarantees for a period of 120 days from the date that Meridian receives written notice of a default. On or about April 11,

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2023, Meridian received notice of default from Dorr's lawyer, whereby Meridian was informed that the Debtor is in default of the Dorr loan, in that it has failed to pay the interest payment that was due on April 1, 2023 and numerous unauthorized charges have been registered on title to the Stouffville Property (i.e., a fourth charge in favour of Bergo Investment Limited et al for \$20.85 million and a fifth charge in favour of The Toronto-Dominion Bank ("**TD** ") for approximately \$37 million);

- (o) Unauthorized charges or mortgages are also defaults or events of default under Meridian's Credit Agreement and Security. Meridian did not consent or agree to the fourth and/or fifth charge or mortgage referred to above and therefore both or either were not authorized by Meridian. In particular, the fourth mortgage (the "**Bergo Mortgage**") granted by the Debtor to Bergo Investment Limited, MCO Management Inc. and Tony Karamitsos (collectively, "**Bergo**") in the principal amount of \$20.85 million was registered on December 16, 2022 against title to the Stouffville Property (Bergo also has a PPSA registration against the personal property of the Debtor); and the fifth mortgage granted by the Debtor to TD in the approximate principal amount of \$37 million was registered on April 6, 2023 against title to the Stouffville Property (the "**TD Mortgage**");
- (p) The Debtor granted the TD Mortgage as part of a settlement agreement dated March 31, 2023 (the "**Settlement Agreement**") between TD and all or many of the Stateview Homes Corporations including the Debtor, Carlo and Dino (the "**Stateview Settling Parties**"). In March, 2023, TD commenced legal actions in the Ontario Superior Court of Justice against several defendants including all or

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many of the Stateview Homes Corporations including the Debtor, Carlo, Dino and other family members, and Daniel (the "**TD Actions**"). In the TD Actions, TD alleged, among other things, that the accounts at TD of all or many of the Stateview Homes Corporations including the Debtor were used to perpetrate an extensive cheque kiting scheme against TD, resulting in TD suffering losses in excess of \$37 million. The TD Actions sought various relief including equitable and other relief to recover TD's alleged losses. TD and the Stateview Settling Parties agreed under the Settlement Agreement to resolve the TD Actions on the basis of TD being repaid all of its alleged losses and being granted certain security including the TD Mortgage from the Debtor;

- (q) Some of the terms of the Settlement Agreement include the following:
- (i) an acknowledgement from the Stateview Settling Parties including the Debtor that they are jointly and severally liable to TD for approximately \$37 million plus interest and costs (the "**TD Obligation**");
  - (ii) an agreement from the Stateview Settling Parties including the Debtor that they shall repay the TD Obligation over the following months, with the balance of the TD Obligation due on or before July 14, 2023;
  - (iii) the Stateview Settling Parties including the Debtor will provide security for the full value of the TD Obligation in the form of mortgages on various properties. As noted above, the Debtor granted the TD Mortgage in the approximate principal amount of \$37 million, which was registered on April 6, 2023 against title to the Stouffville Property; and
  - (iv) if the Stateview Settling Parties including the Debtor make all the timely payments under the Settlement Agreement in satisfaction of the TD Obligation without default, TD will discontinue the Actions.
- (r) On April 4, 2023, by Order of the Honourable Justice Koehnen (the "**Settlement Agreement Order**"), the Court, among other things, authorized and directed the

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Stateview Settling Parties including the Debtor to make payments to TD in accordance with the Settlement Agreement, and appointed BDO Canada Limited ("**BDO**") as an officer of the Court to act as Information Officer in respect of the Stateview Homes Corporations including the Debtor, with certain information-gathering, monitoring and reporting powers or obligations;

- (s) On or about late April, 2023, four separate receivership applications/motions were commenced by other lenders or mortgagees against other Stateview Homes Corporations or related parties, with the following style of causes: (1) *Kingsett Mortgage Corporation and Dorr Capital Corporation v. Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (On The Mark) Inc., TLSFD Taurasi Holdings Corp. and Stateview Homes (High Crown Estates) Inc.*(Court File No. CV-23-00698576-00CL); (2) *Atrium Mortgage Investment Corporation and Dorr Capital Corporation v. Stateview Homes (Nao Towns II) Inc., Dino Taurasi and Carlo Taurasi* (Court File No. CV-23-00698395-00CL); (3) *Dorr Capital Corporation v. Highview Building Corp. Inc.* (Court File No. CV-23-00698632-00CL); and (4) *Dorr Capital Corporation v. Stateview Homes (Bea Towns) Inc.* (Court File No. CV-23-00698637-00CL) (collectively, the "**Dorr Receiverships**");
- (t) In the Dorr Receiverships, KSV was appointed as receiver in each separate receivership;
- (u) The Dorr Receiverships generally do not apply to the Debtor and the Debtor's Property including the Stouffville Property;

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- (v) The TD Actions and Dorr Receiverships have recently received media attention including coverage in the Globe & Mail and CBC;

### **Defaults and Demands**

- (w) The interest payment due to Meridian on April 9, 2023 was returned as "Funds not Cleared" by TD on or about April 12, 2023;
- (x) On April 18, 2023, a notice of cancellation of insurance was issued by Masters Insurance Limited regarding the Debtor, indicating that the insurance on the Stouffville Property is set to expire on May 3, 2023 (the "**Notice of Insurance Cancellation**");
- (y) The following are, or have given rise to, defaults, events of default or breaches of the Credit Agreement and Security including, without limiting the foregoing: (i) the unauthorized Bergo Mortgage and/or TD Mortgage; (ii) the notice of default from Dorr or Dorr's counsel pursuant to the SSA; (iii) the TD Actions; (iv) the appointment of BDO as Information Officer pursuant to the Settlement Agreement Order; (v) the loan payment not made as scheduled; and (vi) the Notice of Insurance Cancellation (collectively, the "**Defaults**"). Meridian is also concerned about the Dorr Receiverships regarding the other Stateview entities and the media attention generated at the national level about these entities, the TD Actions and the Dorr Receiverships;
- (z) As a result of these continuing Defaults: (i) Meridian's lawyer delivered to the Debtor a demand for payment and a Notice of Intention to Enforce Security

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pursuant to section 244(1) of the BIA, each dated April 19, 2023; (ii) Meridian's lawyer delivered to the Debtor and other parties a Notice pursuant to section 63(4) of the PPSA, dated April 19, 2023; and (iii) Meridian's lawyer delivered to Carlo, Dino, Daniel and Stateview Construction Ltd. a demand for payment under their respective Guarantees, each letter dated April 19, 2023 (collectively, the "**Demands**");

- (aa) As of April 18, 2023, the Debtor was indebted to Meridian in the approximate amount of \$17,975,000.00, plus accruing interest and legal costs and disbursements (the "**Meridian Obligation**");
- (bb) All statutory notice periods in relation to the Demands have expired, and the Debtor has failed to repay the Meridian Obligation due despite the Demands, which constitutes a further default or breach of the Credit Agreement and/or Security;

### **The Rationale and Authority for the Receivership Order**

- (cc) The terms of the Security authorize Meridian to appoint a Receiver over the personal property of the Debtor and over the Stouffville Property, as a result of the Defaults;
- (dd) The Meridian Obligation is due, pursuant to the Demands, and has not been paid. The Debtor is in default of the Loan or Credit Agreement;
- (ee) The unauthorized Bergo Mortgage and/or TD Mortgage; the allegations of fraud or cheque kiting in the TD Actions; the appointment of BDO as Information

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Officer; the failure to make interest payments when due as per the Credit Agreement; the Dorr Receiverships regarding the other Stateview entities; the national media coverage of the TD Actions and Dorr Receiverships; and the Notice of Insurance Cancellation, also raise serious concerns for Meridian. In the circumstances, Meridian is of the view that the Debtor and/or the Guarantors are not in a position to bring and maintain the Loan into good standing;

- (ff) Given these Defaults and Meridian's concerns described above, Meridian believes that the appointment of a receiver is just and convenient, and is the most effective and appropriate manner to address the realization of the Stouffville Property and all related issues, including the distribution of net sale proceeds to creditors;
- (gg) Meridian proposes that KSV be appointed as Receiver, without security, over all of the assets, undertakings and properties of the Debtor, including the Stouffville Property. Given KSV's appointment as receiver in each of the separate Dorr Receiverships, KSV is familiar with the background of the Stateview Homes Corporations and would bring that knowledge and expertise to this receivership. There are also expected efficiencies and cost savings by appointing the same or a single receiver, instead of different or multiple receivers, for related Stateview entities that are in receivership;
- (hh) KSV is a licensed trustee under the BIA and has agreed to act as Receiver, if so appointed, and has provided their consent to the appointment (the "**Consent**");
- (ii) Section 243 of the BIA;

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- (jj) Section 101 of the CJA;
  - (kk) Rules 3.02 and 14.05 of the *Rules of Civil Procedure*, R.R.O. 1990, as amended;  
and
  - (ll) Such further and other grounds as the lawyers may advise.
3. The following documentary evidence will be used at the application:
- (a) The affidavit of Amber Waheed;
  - (b) The Consent of KSV to act as the Receiver; and
  - (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

May 5, 2023

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Union Limited



-and- STATEVIEW HOMES (ELMI&CO) INC.  
Respondent

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**NOTICE OF APPLICATION**

**FOGLER, RUBINOFF LLP**

Lawyers

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Suite 3000, P.O. Box 95

TD Centre North Tower

Toronto, ON M5K 1G8

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Email: [vdare@foglers.com](mailto:vdare@foglers.com)

Lawyers for the Applicant, Meridian Credit Union Limited

# **TAB 2**

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**MERIDIAN CREDIT UNION LIMITED**

**Applicant**

**-and-**

**STATEVIEW HOMES (ELM&CO) INC.**

**Respondent**

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE  
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND  
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**AFFIDAVIT OF AMBER WAHEED**

I, **AMBER WAHEED**, of the Town of Milton, in the regional municipality of Halton, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Commercial Credit Specialist with the Applicant, Meridian Credit Union Limited ("**Meridian**"), and am the individual responsible for managing the loan account of Stateview Homes (Elm&Co) Inc. ("**Stateview Homes (Elm)**" or the "**Debtor**"). As such, I have knowledge of the facts stated herein, except where I have been informed of such facts, in which case I have stated the source of such facts, and that I believe such facts to be true.
2. This affidavit is sworn and filed in support of the application by Meridian for the appointment of KSV Restructuring Inc. ("**KSV**") as receiver (the "**Receiver**") over all of

the assets, property and undertakings of Stateview Homes (Elm) (the "**Property**") including all proceeds thereof and the real property known municipally as 12942 York Durham Line, Stouffville, Ontario (the "**Stouffville Property**").

### **The Parties**

3. Stateview Homes (Elm) is an Ontario-incorporated company, with its registered office in Woodbridge, Ontario. It owns the Stouffville Property, which is currently raw land or a pre-construction development property. The Debtor's proposed development of the land was for the construction of approximately 206 low-rise residential units (townhouses). Carlo Taurasi and Daniel Ciccone are or were officers and directors of Stateview Homes (Elm). A copy of the Debtor's corporate profile is attached hereto as **Exhibit "A"**.
4. Stateview Homes (Elm) is in the business of constructing or building residential homes. It is based in Woodbridge or York Region in Ontario. The Debtor is part of a group of separate companies, many of which own separate parcels of land for development purposes. In this regard, Stateview Homes (Elm) is related to or associated with a number of separate corporations in the construction and development business based in York Region that operate under the name of "**Stateview Homes**".
5. There are approximately 25 to 30 separate corporations, including Stateview Homes (Elm), associated with or related to Stateview Homes (the "**Stateview Homes Corporations**"). Carlo Taurasi ("**Carlo**"), Dino Taurasi (his brother) ("**Dino**") and Daniel Ciccone ("**Daniel**") are or were directors and officers of most or many of the Stateview Homes Corporations.

6. Meridian is a Canadian credit union, which operates from several branches located in Ontario and has its headquarters in St. Catharines, Ontario.

### **The Loan and Security**

7. Stateview Homes (Elm) is indebted to Meridian pursuant to a credit agreement dated December 5, 2022 (the "**Credit Agreement**"). Under the Credit Agreement, Stateview Homes (Elm), among other things, borrowed from Meridian and agreed to repay the principal sum of approximately \$17.8 million (the "**Loan**"). A copy of the Credit Agreement is attached hereto as **Exhibit "B"**.
8. The Loan is secured or supported by, among other things, a general security agreement from the Debtor dated December 6, 2022 and executed December 8, 2022 (the "**GSA**"); a first, registered charge or mortgage registered as YR3506925 on December 9, 2022, in the principal amount of \$17.8 million against title to the Stouffville Property from the Debtor (the "**Mortgage**"); a first, registered general assignment of leases and rents from the Debtor dated December 8, 2022 and registered as YR3506926 on December 9, 2022 against title to the Stouffville Property (the "**GAR**"); and unlimited guarantees and postponements of claim each dated December 8, 2022 (the "**Guarantees**") respectively from Carlo, Dino, Daniel and Stateview Construction Ltd. (the "**Guarantors**") (collectively, the "**Security**"). Copies of the GSA, Mortgage, GAR and Guarantees are respectively attached hereto as **Exhibits "C", "D", "E" and "F"**.
9. The Credit Agreement, GSA and/or Mortgage provide for the appointment of a receiver over the Debtor's assets upon default by the Debtor.

10. Under the Credit Agreement, the Debtor is not to grant further mortgages or encumbrances against the Debtor's assets including against title to the Stouffville Property, without the prior written consent of Meridian.
11. Pursuant to the Credit Agreement, an event of default includes a material adverse change in the financial condition of the Debtor or legal proceedings, including liquidation proceedings, that are detrimental to the affairs of the Debtor.
12. Meridian has registered a financing statement against the Debtor pursuant to the provisions of the *Personal Property Security Act* (Ontario) (the "**PPSA**") to perfect its security interest in the personal property secured under the GSA.
13. The Personal Property Security Registration System Search Results for the Debtor confirms that Meridian has a perfected security interest in the personal property of the Debtor secured under the GSA. Attached hereto as **Exhibit "G"** is a copy of the PPSA search or enquiry result regarding the Debtor, as of April 16, 2023. The PPSA search lists the following registrants or possible secured creditors of the Debtor, other than Meridian: Dorr Capital Corporation; 797377 Ontario Inc.; Bergo Investment Limited, MCO Management Inc. and Tony Karamitsos.
14. Meridian's interest in the Stouffville Property is secured by the Mortgage and GAR, which have been registered on title in the applicable land titles or registry office. Attached hereto as **Exhibit "H"** is a copy of the land titles search regarding the Stouffville Property, as of April 12, 2023. The land titles search identifies the following five mortgages or charges granted by the Debtor as registered on title of the Stouffville Property: (i) the first Mortgage to Meridian in the principal amount of \$17.8 million; (ii)

the second mortgage to Dorr Capital Corporation in the principal amount of \$4 million; (iii) the third mortgage to 797377 Ontario Inc. in the principal amount of \$2.5 million; (iv) the fourth mortgage to Bergo Investment Limited, MCO Management Inc. and Tony Karamitsos in the principal amount of \$20.85 million; and (v) the fifth mortgage to The Toronto-Dominion Bank in the approximate principal amount of \$37 million.

### **Subsequent Mortgagees and Creditors**

15. As noted above, the other mortgagees and secured creditors of the Debtor include Dorr Capital Corporation ("**Dorr**") (the second mortgagee) and 797377 Ontario Inc. ("**797**") (the third mortgagee), which appear to have mortgages (in the principal amounts of \$4 million and \$2.5 million respectively) and assignment of rents registered on title of the Stouffville Property, and security interests in the personal property of the Debtor, as registered under the PPSA. Dorr, 797 and Meridian entered into a subordination and standstill agreement dated December 9, 2022 (the "**SSA**"), in which they generally agreed, among other things, that Meridian's Security in the Debtor's Property, including the Stouffville Property, would rank in priority to the security interest of Dorr and 797. The Debtor was also a party of the SSA and acknowledged receiving a copy of the SSA. A copy of the SSA is attached hereto as **Exhibit "I"**.
16. Under paragraph 6 of the SSA, Dorr and 797, defined as the "Subordinate Lender" in the SSA, agree, among other things, not to take any enforcement action related to the Debtor, Property or Guarantees for a period of 120 days from the date that Meridian receives written notice of a default. On or about April 11, 2023, Meridian received notice of default from Dorr's lawyer, whereby Meridian was informed that the Debtor is in default of the Dorr loan, in that it has failed to pay the interest payment that was due on April 1,

2023 and numerous unauthorized charges have been registered on title to the Stouffville Property (i.e., a fourth charge in favour of Bergo Investment Limited et al for \$20.85 million and a fifth charge in favour of The Toronto-Dominion Bank ("**TD**") for approximately \$37 million). A copy of the said notice of default in the email dated April 11, 2023 from Dorr's lawyer is attached hereto as **Exhibit "J"**.

17. Unauthorized charges or mortgages are also defaults or events of default under Meridian's Credit Agreement and Security. Meridian did not consent or agree to the fourth and/or fifth charge or mortgage referred to above and therefore both or one of these mortgages were not authorized, approved or consented to by Meridian. In particular, the fourth mortgage (the "**Bergo Mortgage**") granted by the Debtor to Bergo Investment Limited, MCO Management Inc. and Tony Karamitsos (collectively, "**Bergo**") in the principal amount of \$20.85 million was registered on December 16, 2022 against title to the Stouffville Property (Bergo also has a PPSA registration against the personal property of the Debtor); and the fifth mortgage granted by the Debtor to TD in the approximate principal amount of \$37 million was registered on April 6, 2023 against title to the Stouffville Property (the "**TD Mortgage**"). A copy of the Bergo Mortgage is attached hereto as **Exhibit "K"** and a copy of the TD Mortgage is attached hereto as **Exhibit "L"**.
18. The Debtor granted the TD Mortgage as part of a settlement agreement dated March 31, 2023 (the "**Settlement Agreement**") between TD and all or many of the Stateview Homes Corporations including the Debtor, Carlo and Dino (the "**Stateview Settling Parties**"). In March, 2023, TD commenced legal actions in the Ontario Superior Court of Justice against several defendants including all or many of the Stateview Homes



Corporations including the Debtor, Carlo, Dino and other family members, and Daniel (the "**TD Actions**"). In the TD Actions, TD alleged, among other things, that the accounts at TD of all or many of the Stateview Homes Corporations including the Debtor were used to perpetrate an extensive cheque kiting scheme against TD, resulting in TD suffering losses in excess of \$37 million. The TD Actions sought various relief including equitable and other relief to recover TD's alleged losses. TD and the Stateview Settling Parties agreed under the Settlement Agreement to resolve the TD Actions on the basis of TD being repaid all of its alleged losses and being granted certain security including the TD Mortgage from the Debtor. A copy of the TD Actions is attached hereto as **Exhibit "M"**.

19. Some of the terms of the Settlement Agreement include the following:
  - (i) an acknowledgement from the Stateview Settling Parties including the Debtor that they are jointly and severally liable to TD for approximately \$37 million plus interest and costs (the "**TD Obligation**");
  - (ii) an agreement from the Stateview Settling Parties including the Debtor that they shall repay the TD Obligation over the following months, with the balance of the TD Obligation due on or before July 14, 2023;
  - (iii) the Stateview Settling Parties including the Debtor will provide security for the full value of the TD Obligation in the form of mortgages on various properties. As noted above, the Debtor granted the TD Mortgage in the approximate principal amount of \$37 million, which was registered on April 6, 2023 against title to the Stouffville Property; and
  - (iv) if the Stateview Settling Parties including the Debtor make all the timely payments under the Settlement Agreement in satisfaction of the TD Obligation without default, TD will discontinue the Actions.
  
20. On April 4, 2023, by Order of the Honourable Justice Koehnen (the "**Settlement Agreement Order**"), the Court, among other things, authorized and directed the Stateview Settling Parties including the Debtor to make payments to TD in accordance

with the Settlement Agreement, and appointed BDO Canada Limited ("**BDO**") as an officer of the Court to act as Information Officer in respect of the Stateview Homes Corporations including the Debtor, with certain information-gathering, monitoring and reporting powers or obligations. A copy of the Settlement Agreement Order is attached hereto as **Exhibit "N"**.

21. On or about late April, 2023, four separate receivership applications/motions were commenced by other lenders or mortgagees regarding other Stateview Homes Corporations or related parties and other properties, with the following style of cause in each proceeding: (1) *Kingsett Mortgage Corporation and Dorr Capital Corporation v. Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (On The Mark) Inc., TLSFD Taurasi Holdings Corp. and Stateview Homes (High Crown Estates) Inc.*(Court File No. CV-23-00698576-00CL); (2) *Atrium Mortgage Investment Corporation and Dorr Capital Corporation v. Stateview Homes (Nao Towns II) Inc., Dino Taurasi and Carlo Taurasi* (Court File No. CV-23-00698395-00CL); (3) *Dorr Capital Corporation v. Highview Building Corp. Inc.* (Court File No. CV-23-00698632-00CL); and (4) *Dorr Capital Corporation v. Stateview Homes (Bea Towns) Inc.* (Court File No. CV-23-00698637-00CL) (collectively, the "**Dorr Receiverships**").
22. In the Dorr Receiverships, KSV was court-appointed as receiver in each separate receivership pursuant to the respective Order (Appointing Receiver) granted by the Honourable Justice Steele on May 2, 2023. Attached hereto as **Exhibit "O"** are copies of the four Orders appointing KSV as receiver in the Dorr Receiverships.

23. The Dorr Receiverships generally do not apply to or include, the Debtor and the Debtor's Property including the Stouffville Property.
24. The TD Actions and Dorr Receiverships have recently received national media attention including coverage in the Globe & Mail and CBC.

### **Defaults and Demands**

25. The interest payment due to Meridian on April 9, 2023 was returned as "Funds not Cleared" by TD on or about April 12, 2023.
26. On April 18, 2023, a notice of cancellation of insurance was issued by Masters Insurance Limited regarding the Debtor, indicating that the insurance on the Stouffville Property is set to expire on May 3, 2023 (the "**Notice of Insurance Cancellation**"). A copy of the Notice of Insurance Cancellation is attached hereto as **Exhibit "P"**.
27. The following are, or have given rise to, defaults, events of default or breaches of the Credit Agreement and Security including, without limiting the foregoing: (i) the unauthorized Bergo Mortgage and/or TD Mortgage; (ii) the notice of default from Dorr or Dorr's counsel pursuant to the SSA; (iii) the TD Actions; (iv) the appointment of BDO as Information Officer pursuant to the Settlement Agreement Order; (v) the loan payment not made as scheduled; and (vi) the Notice of Insurance Cancellation (collectively, the "**Defaults**"). Meridian is also concerned about the Dorr Receiverships regarding the other Stateview entities, and the media attention generated at the national level about these entities, the TD Actions and the Dorr Receiverships.

28. As a result of these continuing Defaults: (i) Meridian's lawyer delivered to the Debtor a demand for payment and a Notice of Intention to Enforce Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**"), each dated April 19, 2023; (ii) Meridian's lawyer delivered to the Debtor and other parties a Notice pursuant to section 63(4) of the PPSA, dated April 19, 2023; and (iii) Meridian's lawyer delivered to Carlo, Dino, Daniel and Stateview Construction Ltd. a demand for payment under their respective Guarantees, each letter dated April 19, 2023 (collectively, the "**Demands**"). Copies of the Demands are attached hereto as **Exhibit "Q"**.
29. As of April 18, 2023, the Debtor was indebted to Meridian in the approximate amount of \$17,975,000.00, plus accruing interest and legal costs and disbursements (the "**Meridian Obligation**").
30. All statutory notice periods in relation to the Demands have expired or will shortly, and the Debtor has failed to repay the Meridian Obligation due despite the Demands, which constitutes a further default or breach of the Credit Agreement and/or Security.

### **The Rationale and Authority for the Receivership Order**

31. The terms of the Security authorize Meridian to appoint a Receiver over the personal property of the Debtor and over the Stouffville Property, as a result of the Defaults.
32. The Meridian Obligation is due, pursuant to the Demands, and has not been paid. The Debtor is in default of the Loan or Credit Agreement.
33. Meridian has serious concerns about the Debtor given the unauthorized Bergo Mortgage and/or TD Mortgage; the allegations of fraud or cheque kiting in the TD Actions; the appointment of BDO as Information Officer pursuant to the Settlement Agreement Order;

the failure to make interest payments when due as per the Credit Agreement; the Dorr Receiverships regarding the other Stateview entities; the national media coverage of the TD Actions and Dorr Receiverships; and the Notice of Insurance Cancellation. In the circumstances, Meridian doubts that the Debtor and/or Guarantors are currently in a position to bring and maintain the Loan into good standing.

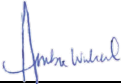
34. Given these Defaults and concerns about the Debtor, Meridian believes that the appointment of a receiver is just and convenient, and is the most effective and appropriate manner to address the realization of the Stouffville Property and all related issues, including the distribution of net sale proceeds to the creditors.
35. Meridian proposes that KSV be appointed as Receiver, without security, over all of the assets, undertakings and properties of the Debtor, including the Stouffville Property. Given KSV's court-appointment as receiver in each of the separate Dorr Receiverships, KSV is familiar with the background of the Stateview Homes Corporations and would bring that knowledge and expertise to this receivership. There are also expected efficiencies and cost savings by appointing the same or a single receiver, instead of different or multiple receivers, for related Stateview entities that are in receivership.
36. KSV is a licensed trustee under the BIA and has agreed and consented to act as Receiver (the "**Consent**"), if so appointed by the Court. Attached hereto and marked as **Exhibit "R"** is a copy of the Consent signed by KSV.

37. I swear this Affidavit in support of an application for the appointment of the Receiver over the Property of the Debtor, and for no other or improper purpose.

SWORN by Amber Waheed of the Town )  
of Milton in the Province of Ontario, )  
on May 5, 2023 in accordance with )  
O. Reg. 431/20, Administering Oath or )  
Declaration Remotely )



\_\_\_\_\_  
A Commissioner for taking affidavits.



\_\_\_\_\_  
AMBER WAHEED

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

This is Exhibit "A" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

Ministry of Public and  
Business Service Delivery

## Profile Report

STATEVIEW HOMES (ELM&amp;CO) INC. as of April 21, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	STATEVIEW HOMES (ELM&CO) INC.
Ontario Corporation Number (OCN)	1000197162
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	May 06, 2022
Registered or Head Office Address	410 Chrislea Road, Suite 16, Woodbridge, Ontario, Canada, L4L 8B5

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

A handwritten signature in black ink, appearing to read "V. Quintanilla W.".

Director/Registrar

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



**Active Director(s)**

Minimum Number of Directors 1  
Maximum Number of Directors 10

**Name** DANIEL CICCONE  
**Address for Service** 410 Chrislea Road, Suite 16, Woodbridge, Ontario, Canada,  
L4L 8B5  
**Resident Canadian** Yes  
**Date Began** May 06, 2022

**Name** CARLO TAURASI  
**Address for Service** 410 Chrislea Road, Suite 16, Woodbridge, Ontario, Canada,  
L4L 8B5  
**Resident Canadian** Yes  
**Date Began** May 06, 2022

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

*V. Quintanilla W.*

Director/Registrar

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**Active Officer(s)****Name**

DANIEL CICCONE

**Position**

Secretary

**Address for Service**410 Chrislea Road, Suite 16, Woodbridge, Ontario, Canada,  
L4L 8B5**Date Began**

May 06, 2022

**Name**

CARLO TAURASI

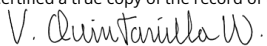
**Position**

President

**Address for Service**410 Chrislea Road, Suite 16, Woodbridge, Ontario, Canada,  
L4L 8B5**Date Began**

May 06, 2022

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**Corporate Name History****Name**

STATEVIEW HOMES (ELM&amp;CO) INC.

**Effective Date**

May 06, 2022

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*V. Quintanilla W.*

Director/Registrar

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### Active Business Names

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

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

*V. Quintanilla W.*

Director/Registrar

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### Expired or Cancelled Business Names

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

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*V. Quintanilla W.*

Director/Registrar

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**Document List**

<b>Filing Name</b>	<b>Effective Date</b>
CIA - Initial Return PAF: Perry CHEUNG	May 24, 2022
BCA - Articles of Incorporation	May 06, 2022

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

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

*V. Quintanilla W.*

Director/Registrar

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This is Exhibit "B" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

Business Banking Centre – Greater  
Toronto Area (GTA)  
50 Ronson Drive Unit 155  
Toronto, ON  
M9W 1B3  
MeridianCU.ca



December 05, 2022

Stateview Homes (Elm&Co) Inc.  
410 Chrislea Rd Unit 16  
Woodbridge, Ontario  
L4L 8B5

Attention Mr. Carlo Taurasi:

**Re: Credit Agreement**

On the basis of the financial and other information provided to us, Meridian Credit Union Limited ("**Meridian**") has authorized the following credit facilities ("**Credit Facilities**") on the terms and conditions set out below.

This agreement ("**Credit Agreement**") and the other Financing Documents constitute the entire agreement between you and us pertaining to the credit facilities and supersedes all prior correspondence, agreements, negotiations, discussions and understandings, whether written or oral. This Credit Agreement may not be amended except by an agreement in writing that makes express reference to this agreement and is signed by you and us.

The attached Schedule A is an integral part of this Credit Agreement. Capitalized terms used and not otherwise defined shall have the meanings set out in Schedule A.

**BORROWER:** Stateview Homes (Elm&Co) Inc. ("**Member**")

**GUARANTORS:** Stateview Construction Ltd ("Corporate Guarantor")  
Dino Taurasi ("Individual Guarantor")  
Carlo Taurasi ("Individual Guarantor")  
Daniel Ciccone ("Individual Guarantor")  
(Individual Guarantors and Corporate Guarantor, each a Guarantor and collectively, the "**Guarantors**")

**CREDIT FACILITIES AND AUTHORIZED AMOUNTS:**

1. Demand Loan	To a maximum of	\$17,800,000
	Land	



**PURPOSE:** 1. Demand Loan Land To assist with the acquisition of 23.67 acres (9.39 acres developable) development site located at 12942 York Durham Line, Whitchurch-Stouffville, Ontario. The proposed development is for 206 low-rise residential units (townhomes).

Sources		Uses	
Meridian Demand Loan	\$ 17,800,000	Land Purchase	\$ 34,000,000
Mezz Loan 1 (Dorr Capital)	\$ 4,000,000	Closing Costs	\$ 752,000
Mezz Loan 2 (797377 Ontario Inc)	\$ 2,500,000	Commitment Fees	\$ 635,800
Equity at Closing	\$ 11,270,050	Placement Fees	\$ 182,250
<b>Total</b>	<b>\$ 35,570,050</b>	<b>Total</b>	<b>\$ 35,570,050</b>

\*Mezz loan facilities will have pari-passu second charge on the subject property.

**REPAYMENT:** All Credit Facilities are available on a demand basis only and Meridian may terminate the Credit Facilities at any time. Any prepayment shall be subject to the provisions of Schedule A.

1. Demand Loan Land Interest only on a monthly basis.

Full repayment expected within 24 months of the initial advance.


Full repayment is due at the earlier of demand by Meridian, 24 months from the date of initial drawdown or December 9, 2024.

Subject to there having been no default by the Member or the Guarantor during the original term of the loan, two extension periods of up to 6 months each (the "Extension Period") may be granted at the Meridian's option subject to payment of the Extension Fee.

Interest on the facility shall accrue at the Interest Rate. All monthly interest must be paid by the Member as billed by Meridian. Interest will be paid by way of pre-authorized debits to the Member's Project account.

**INTEREST RATES:** Interest on the daily principal balance of the Credit Facilities shall be paid monthly in arrears, unless otherwise specified, computed daily, compounded monthly, and accrue at an annual rate equal to:

1. Demand Loan Land Prime Rate plus 2.25% per annum.

Meridian's Current Prime Rate is 5.95% per annum. 

**CREDIT FEES:** Arrangement Fee: \$222,500, of which \$25,000 has previously been collected and is non-refundable, is payable upon signed acceptance of this Credit Agreement.

Annual Renewal Fee: An annual administration fee of \$2,000 is payable within 120 days following each fiscal year end for review of the account.

Amendment Fee: Amendments to this Credit Agreement, as requested by the Member, will be subject to a minimum fee to be determined by Meridian per request, subject to the complexity and circumstances of each request as mutually agreed upon between the Member and Meridian.

Additional Fees: Covenant Breaches/Late Reporting/Events of Default will each be subject to a minimum fee to be determined by Meridian, per occurrence where such condition has not previously been approved by Meridian in writing.

**EXPENSES:** The Member shall pay all reasonable legal fees and disbursements in respect of this Credit Agreement, the preparation, issuance, amendment, renewal or extension of the Security Documents, the enforcement and preservation of Meridian's rights and remedies, and all reasonable fees and costs relating to appraisals, insurance consultation, credit reporting and responding to demands of any government or any agency or department thereof, whether or not the documentation is completed or any funds are advanced under this Credit Agreement.

**SECURITY:** The present and future indebtedness and liability of the Member and the Guarantor(s) to Meridian shall be secured by the following security, evidenced by documents in form satisfactory to Meridian (collectively, the 'Security Documents') registered or recorded as required by Meridian in first position (unless specifically noted or consented to otherwise), and provided prior to any advances or availability being made under this Credit Agreement:

- 1) General Security Agreement registered in first position over all of the Member's present and after acquired Personal Property.
- 2) Collateral Mortgage for \$17,800,000 registered in first position in the name of Stateview Homes (Elms & Co) Inc. on the property and buildings located at 12942 York Durham Line, Whitchurch-Stouffville, Ontario.

Notwithstanding the face amount of the mortgage being registered as security, the Member acknowledges that Meridian has made no commitment to provide additional funding.


- 3) Guarantee and Postponement of Claim in favour of Meridian in the Unlimited amount provided by Stateview Construction Ltd together with authorizing resolution.
- 4) Guarantee and Postponement of Claim in favour of Meridian in the Unlimited amount provided by Mr. Dino Taurasi, Mr. Carlo Taurasi and Mr. Daniel Ciccone (Personal Guarantors) on a joint and several basis.
- 5) Comprehensive General Liability Insurance for a minimum of \$5,000,000 to be carried by the Member with Meridian shown as Additional Insured.

- 6) Assignment of the Member's rights and interest, but not obligations, in all construction and other contracts, plans and specification, working drawings, budgets and scheduled for the provision of material equipment and services to the Project.
- 7) Assignment of Rents and Leases on the property and buildings located at 12942 York Durham Line Whitchurch-Stouffville, Ontario.
- 8) Subordination and Standstill Agreement from Dorr Capital Corporation and 797377 Ontario Inc. for a period of 120 days.
- 9) Such other documentation as Meridian's legal counsel may require.

**CONDITIONS:** The availability of the Credit Facilities is contingent upon compliance and satisfaction of each of the following conditions and covenants together with those set out in the Security Documentation and Schedule A:

Conditions  
Precedent:

Meridian shall have received each of the following:

- 1) Duly executed copy of this Credit Agreement.
- 2) All the Security Documents duly authorized, executed and delivered and registered or recorded as Meridian may require.
- 3) Such financial and other information or documents relating to the Member as Meridian may reasonably require.
- 4) Full drawdown to be completed on or before December 9, 2022.  
  
In the event that the first advance of funds is not made for any reason whatsoever on or before that date, at the option of Meridian, its obligations under this Commitment shall cease and it shall be released of any present or further obligations. Notwithstanding the foregoing, the Member and Guarantor shall remain liable for any outstanding fees and costs as set out herein.
- 5) Payment of the Arrangement Fee.
- 6) A current market value appraisal report prepared by an independent AACI appraiser pre-approved by Meridian on the property located at 12942 York Durham Line, Whitchurch-Stouffville, Ontario providing a minimum value of \$34,000,000. The Member is responsible for the appraisal report fees.
- 7) Letter of Transmittal from the Appraiser confirming the appraisal report may be relied upon by Meridian.
- 8) Phase (I/II/III) – Environmental Site Assessment (ESA) Report for the real property located at 12942 York Durham Line, Whitchurch-Stouffville, Ontario prepared by an external consultant pre-approved by Meridian. The contents and the conclusions of the report must be acceptable to Meridian. The Member is responsible for the payment of all charges relative to the preparation of the report.
- 9) Reliance Letter from the external consultant confirming the ESA report may be relied upon by Meridian.
- 10) Reliance Letter from the external consultant confirming the Geotechnical Investigation Report may be relied upon by Meridian. 

- 11) A Geotechnical Investigation Report for the real property located at 12942 York Durham Line, Whitchurch-Stouffville, Ontario, prepared by an Engineering firm acceptable to Meridian, confirming the suitability of the site for the proposed development.
- 12) Satisfactory credit reports from existing lenders for the Member and Guarantors.
- 13) Documents confirming the development / zoning status of the land (status letter from planner or municipality, development status reports from municipal Planning Department, minutes form Municipal Council meetings, Draft Plan of Subdivision, Subdivision Agreement, Condominium Agreement, etc). As confirmed by a Third Party Planner in an updated Planning Letter.
- 14) A current survey prepared by a licensed and qualified surveyor, showing the lots lines and the lot is free from all encroachments, easements and registered restrictions. If a current survey is unavailable from the vendor or other source, title insurance is a requirement.
- 15) Completion of the Commercial Borrower Environmental Questionnaire.
- 16) Confirmation that property taxes are current through copy of a paid tax receipt or interim billing showing no arrears amount.
- 17) Meridian to be satisfied, at its sole discretion, that the Member and Guarantor have the capacity to make monthly debt service payments.
- 18) Satisfactory review of the ownership structure of Project and Borrower shall be certified by Borrower's legal counsel.
- 19) Third-party Planner's opinion letter indicating planning approval within the next 24 months.
- 20) Review of leases (if any) by MCU and its counsel.
- 21) Member is to confirm which other group loans are not covered by interest reserves and what the annual cash interest requirement is.
- 22) Meridian's Solicitor is to review the Intercreditor Agreement between Dorr Capital Corporation and 797377 Ontario Inc. and they are to confirm to Meridian that it is acceptable.
- 23) Meridian's solicitor is to confirm that the reduction in the collateral charge amount would still allow Meridian to collect any accrued interest generated if there was a default.

Disbursement Conditions: Funds under the Credit Facilities shall only be disbursed upon satisfaction of each of the following conditions:

**Facility #1**

- 1) Full/Initial drawdown to be completed on or before December 9, 2022.

In the event that the first advance of funds is not made for any reason whatsoever on or before that date, at the option of Meridian, its obligations under this Commitment shall cease and it shall be released of any present or further obligations. Notwithstanding the foregoing, the Member and Guarantor shall remain liable for any outstanding fees and costs as set out herein.

- 2) Meridian's Solicitor is to sub search title at the time of disbursement at the expense of the Member, and there shall be no liens or encumbrances prior to Meridian's security or subsequent thereto unless Meridian has given its prior approval.
- 3) The Borrower will open an Operating Account with the Lender and shall make its Membership in good standing while any portion of the credit facility remains outstanding. **R**


**Reporting Covenants - The Member shall provide Meridian with each of the following:**

Description	Frequency	Timing of Receipt (days)
1. Financial Statements as at the Member's fiscal year end, prepared by a Chartered Professional Accountant on an Audit basis.	Annual	120
2. Financial Statements as at the Guarantor's fiscal year end, prepared by a Chartered Professional Accountant on a Compilation Engagement (Notice to Reader) Report basis.	Annual	120
3. Updated Third Party Planner's Letter confirming the status of the planning process and outlining any obstacles encountered or changes in timeline. Group Cash Flow Projection is also to be provided outlining the expected net cash flow on a group basis along with associated timing.	Semi-Annual	60
4. Confirmation property taxes are current through copy of a paid tax receipt or interim billing showing no arrears.	Annual	120
5. Updated Personal Financial Statements for the individual guarantors, as requested, with supporting documentation confirming asset and liability values and verifying income.	As Requested by Meridian	
6. Confirmation of valid insurance coverage as stipulated under Security through copy of certificate of renewal.	Annual	120

**Positive Covenants - The Member and the Guarantors will:**

1. Ensure that any Construction Liens or other actions registered against the property are cleared from title immediately from their own resources
2. Ensure that Meridian, or its agents, have full access to the Project as required to monitor construction progress.
3. Provide Meridian the first right of refusal at the time of construction loan financing for the development of the project.
4. Provide Meridian to have the right to erect financing signs at the site
5. Promptly notify Meridian of any material issues impacting the secured properties, residential vacancy in excess of 15% or amendments to the lease agreement with the commercial tenant.
6. Additionally, See Schedule "A" Credit Covenants (a).

**Negative Covenants - The Member and the Guarantors shall not, without the prior written consent of Meridian:**

1. Create, incur, assume or permit the existence of any other financing or liens related to the project.
2. Sell or transfer the land herein secured or effect any change in ownership of the Member.
3. Additionally, See Schedule "A" Credit Covenants (b). 

**EVENTS OF DEFAULT**

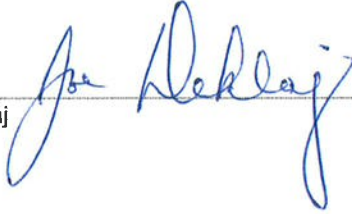
See Schedule A.

Kindly indicate your acceptance of this Credit Agreement by signing and returning to us the enclosed duplicate of this letter by no later than January 04, 2023 at which point this letter and all agreements contained herein shall become null and void.

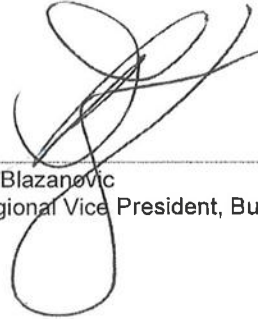
Yours truly,

**MERIDIAN CREDIT UNION LIMITED**

Joe Deklaj  
Director



Liz Blazanovic  
Regional Vice President, Business Banking

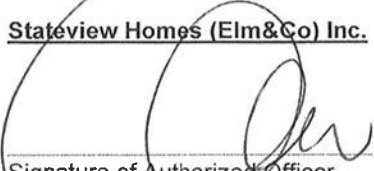


Will the above Credit Facilities be used on behalf of or by a third party? No  Yes   
(if Yes has been checked please ensure that a New Product Form – Business is completed)

**ACKNOWLEDGEMENT:**


The arrangements set out above are hereby acknowledged and accepted by:

**Stateview Homes (Elm&Co) Inc.**

  
Signature of Authorized Officer  
(I have the authority to bind the Corporation)

CARLO TAURASI  
Name/Title

05/12/22  
Date

  
Signature of Authorized Officer  
(I have the authority to bind the Corporation)

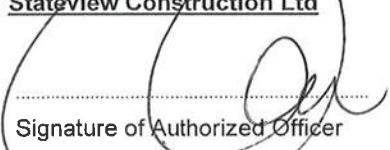
DINO TAURASI  
Name/Title

05/12/22  
Date

**GUARANTORS**


Each of the Guarantors hereby acknowledges and confirms that it understands all the terms & conditions contained therein with respect to its respective Guarantee and Postponement of Claim:

**Stateview Construction Ltd**

  
Signature of Authorized Officer  
(I have the authority to bind the Corporation)

CARLO TAURASI  
Name & Title


05/12/22  
Date

  
Signature of Authorized Officer  
(I have the authority to bind the Corporation)

DINO TAURASI  
Name & Title

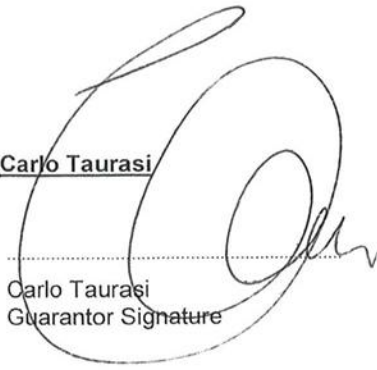
05/12/22  
Date

**Dino Taurasi**

  
Dino Taurasi  
Guarantor Signature

05/12/22  
Date

Carlo Taurasi



Carlo Taurasi  
Guarantor Signature

05/12/22

Date

Daniel Ciccone



Daniel Ciccone  
Guarantor Signature

05/12/22

Date



## SCHEDULE "A" TO CREDIT AGREEMENT

The Credit Facilities as described in the Credit Agreement shall be governed by the following terms and conditions:

### Definitions

For the purpose of the Credit Agreement, the following terms shall have the meanings indicated below:

**"Acceptable Inventory"** means the lower of cost or net realizable value, as determined by Meridian from a review of the most recent financial statements and inventory declaration provided by the Member, of all materials owned by the Member for resale or for production of goods for resale, as defined by GAAP, over which the security constituted by the Security Documents shall rank as a valid first mortgage, first ranking transfer or first security interest and which is not subject to any security interest or other encumbrance or any other right or claim which ranks or is capable of ranking in priority to the security constituted by the Security Documents including, without limitation, rights of unpaid suppliers under the *Bankruptcy and Insolvency Act* (Canada) to repossess inventory within thirty (30) days after delivery.

**"Acceptable Receivables"** means the aggregate of accounts receivable of the Member, as defined by GAAP, and as determined by the most recent financial statements and/or aged list of accounts receivable of the Member, over which the security constituted by the Security Documents shall rank as a valid first assignment or first security interest, from customers approved by Meridian.

**"Business Day"** means a day upon which Meridian is open for business.

**"COF Rate"** means the fixed annual rate of interest established and recorded as such by Meridian from time to time as being the aggregate cost of the requested funds on an annual fixed rate basis for a period of 30, 60, 90, or 180 days or 1, 2, 3, 4, 5 or greater than 5 years, as selected by the Member (but maturing not later than the final date for payment of the subject Loan, in any event), including dealer commissions and such reserves as are applicable.

**"Credit Agreement"** means the letter from Meridian to the Member to which this Schedule is attached, together with this Schedule, and includes all amendments and replacements thereof.

**"Environmental Disclosure Reports"** means any and all reports, assessments, studies and tests with regard to any Hazardous Substances that have been Released, discharged or disposed of on, in, under or adjacent to the Property, including, without limitation, sample data and historical use reviews relating to the environmental condition of the Property and properties adjacent thereto.

**"Environmental Laws"** means any and all federal, provincial, municipal, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, licenses, agreements or other governmental restrictions having the force of law and any amendments thereto relating to the environment, land use, occupational health and safety, health protection or environmental conditions relating to Hazardous Substance.

**"Financing Documents"** means the present Credit Agreement, the Visa Business Card Agreement, the Visa Business Card Fee and Rate Agreement, the Security Documents and all other documents, instruments, certificates and contracts that the Member or an officer of the Member [or a Guarantor or an officer of a Guarantor] has signed and delivered in accordance herewith, directly or indirectly, or which are mentioned or contemplated in these presents or in such documents, instruments, certificates or contracts.

**"GAAP"** means, generally accepted accounting principles in effect in Canada from time to time applied consistently, including the International Financial Reporting Standards.

**"Government Authority"** means any government legislature, regulatory authority, agency, commission, board or court or other law, regulation or rule making entity having or purporting to have jurisdiction on behalf of any nation, state, country or other subdivision.

**"Hazardous Substance(s)"** means any pollutant or contaminant or hazardous, dangerous, regulated or toxic chemical, material or substance in such form and amount as is defined as "**hazardous**", "**toxic**" or "**dangerous**" within the meaning of any Environmental Laws and any amendments thereto, relating to or imposing liability or standards of conduct concerning any such hazardous, toxic substances and vapors, radioactive substances, liquid or industrial waste, Release, pollutants or dangerous waste, including without limitation, any substance or material that is actually, or allegedly to be, harmful to human life, animal life, or vegetation or any other portion of the environment.

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**"Legal Requirement"** means all laws, statutes, codes, ordinances, orders, awards, judgments, decrees, injunctions, rules, regulations, authorizations, consents, approvals, orders, permits, franchises, licenses, directions and requirements of any Governmental Authority.

**"Loan Confirmation Letter"** means a letter issued by Meridian to confirm the particulars of a given loan, including, *inter alia*, the interest rate and monthly payment obligations.

**"Personal Property"** has the meaning given to that term in the Personal Property Security Act (Ontario) and includes chattel paper, documents of title, goods, instruments, intangibles, money, investment property and fixtures but does not include building materials that have been affixed to real property.

**"Potential Preferred Claims"** means, at any time and from time to time, all claims secured by a lien created by or arising under statute or regulation or arising under common law without the explicit consent of the obligor, which rank or are capable of ranking prior to or *pari passu* with the security constituted by the Security Documents against all or any part of property and assets secured thereby, whether then existing or, in Meridian's sole judgment, likely to arise including, without limitation, claims on amount of unremitted source deductions, income tax, goods and services tax, sales tax, workers compensation premiums, director liabilities and such other claims given priority to the claims of secured creditors or excluded from the property of a bankrupt divisible among creditors under the *Bankruptcy and Insolvency Act* (Canada).

**"Prime Rate"** means the floating annual rate of interest established and recorded as such by Meridian from time to time as a reference rate for purposes of determining rates of interest it will charge on loans denominated in Canadian dollars.

**"Property"** for the purpose of this Schedule "A" means any and all real properties secured by a registered charge/mortgage of land in favour of Meridian.

**"Release(d)"** means discharge, spray, inject, deposit, spill, leak, seep, pour, emit, empty, dispose, dump, escape, leach, disperse, migrate or exhaust into the environment, and when used as a noun (as applicable) has a similar meaning.

**"US Base Rate"** means the annual rate of interest established and recorded as such by Meridian from time to time as a reference rate for purposes of determining rates of interest it will charge on loans denominated in United States dollars.

**"Business Visa Credit Card Agreement"** means the Meridian Business Visa Card Agreement between Member, each Guarantor (if any), Meridian (including, without limitation, its successors and assigns) and others named therein as parties thereto, as such agreement may be amended, restated, supplemented or replaced from time to time in accordance with its terms.

**"Business Visa Application and Disclosure Agreement"** means the document executed by the Member and others named as parties thereto that (i) discloses certain interest rates, grace period, minimum payments, foreign currency conversion fees and certain other fees and (ii) includes certain terms and conditions and privacy notices and consents, as such document may be amended, restated, supplemented or replaced from time to time in accordance with its terms and this Schedule "A".


1. **Governing Law**

This Credit Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Member and each Guarantor (if any) attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

2. **Currency**

All dollar amounts expressed in this Credit Agreement shall refer to Canadian dollars unless otherwise specified.

3. **Currency Indemnity**

Loans denominated in Canadian currency must be repaid with Canadian currency and loans denominated in United States currency must be repaid in United States currency and the Member shall indemnify Meridian for any loss suffered by Meridian if a loan denominated in United States currency is repaid with Canadian currency or vice versa, whether or not such payment is made pursuant to an order of a court or otherwise. 

4. **Evidence of Indebtedness**

Meridian's accounts, books, and records constitute, in absence of manifest error, conclusive evidence of the advances made under all Credit facilities, repayments on account thereof and the indebtedness of the Member and each Guarantor (if any) to Meridian.

5. **Authorization**


The Member for good and valuable consideration authorizes Meridian to accept telecopier and electronic communications on behalf of the Member as full and sufficient authority to act in accordance with communications as received by Meridian from the Member.

The Member shall be bound by all such telecopier and electronic communications from itself in the same manner and extent as if such communications were originally handwritten and signed by the Member, and the Member at all times save harmless, indemnify and defend Meridian from and against all claims, demands and losses, contingent or otherwise in respect of all such instructions, in the event such telecopier and electronic communications, were made without authority or otherwise.

6. **Interest, Fees and Payment**

- (a) Interest on the daily balance of principal advanced under the Credit Agreement and remaining unpaid from time to time shall be payable by the Member as set out in the Credit Agreement both before and after maturity or demand, default and judgment.

At the discretion of Meridian, each payment under the Credit Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of outstanding principal in inverse order of maturity.

- (b) The fees collected by Meridian shall be its property as consideration for the time, effort and expense incurred by it in the review of documents and financial statements, and the Member acknowledges and agrees that the determination of these costs is not feasible and that the fees set out in the Credit Agreement represent a reasonable estimate of such costs.
- (c) The Member shall pay all fees and expenses in connection with the preparation, registration and ongoing administration of the enforcement of Meridian's rights and remedies under this Credit Agreement effective from the date which is five (5) Business Days, following notification. The Member will pay interest on unpaid amounts due for all costs and expenses pursuant to this paragraph at an annual rate equal to Meridian's Prime Rate plus five percent (5%). Fees and expenses shall include, but not limited to, all outside counsel fees and expenses, all in-house legal fees and expenses and all outside professional advisory fees and expenses. Such fees and expenses are deemed to be secured by any security taken by Meridian pursuant to the terms hereof and all payments or credits to the account of the Member shall be deemed to have been applied first to the repayment of any such fees and expenses.
- (d) In the event Meridian authorizes for the Member a higher debit balance than the maximum amount authorized under this Credit Agreement, the Member agrees to repay such excess amount on demand with interest accruing on the excess amount from the date of the advance of the excess amount, both before and after demand and default, at Meridian's prescribed rate for such excess advances from time to time, being twenty one percent (21%) per annum. Such excess amounts are deemed to be secured by any security taken by Meridian pursuant to the terms hereof and all payments or credits to the account of the Member shall be deemed to have been applied first to the repayment of any such excess amounts.
- (e) All payments by the Member to Meridian shall be made at the address of the branch of Meridian set out on the Credit Agreement or at such other place as Meridian may specify in writing from time to time. Any payment delivered or made to Meridian by 3:00 p.m. local time at the place where such payment is to be made shall be credited as of that day, but if made afterwards shall be credited as of the next Business Day.
- (f) Notwithstanding anything to the contrary contained in the Credit Agreement, Meridian may, in its sole and unfettered discretion, make an advance under a Credit Facility to pay any unpaid interest or fees which have become due under the terms of the Credit Agreement.
- (g) The obligation of the Member and the Guarantors (if any) to make all payments under the Credit Agreement and the Security Documents and other Financing Documents shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation: 

- (i) any set-off, compensation, counterclaim, recoupment, defense or other right which the Member or any Guarantor (if any) may have against Meridian or anyone else for any reason whatsoever; or
  - (ii) any insolvency, bankruptcy, reorganization or similar proceedings by or against the Member or any Guarantor (if any).
- (h) The imposition or collection of a fee does not constitute an express or implied waiver by Meridian of any Event of Default or of any of the terms or conditions of the lending arrangements, security or rights arising from any Event of Default. Fees may be charged to the Member's deposit account when incurred.

## 7. Prepayment

Floating Rate Loans: Permitted at any time without penalty unless otherwise stipulated herein.

Fixed Rate Loans: The Member may not make any payments in addition to those required on the stipulated dates prior to the term maturity date except for an annual prepayment provision, not exceeding ten percent (10%) of the original principal amount. This right of prepayment is not cumulative such that if the Member does not use this privilege in a calendar year, the Member cannot carry forward this right of prepayment for that calendar year to any following calendar year.


Any additional prepayment, in whole or in part, will be applied in inverse order of maturity, by payment in full of all outstanding principal, interest, applicable expenses and discharge costs, and subject to a prepayment penalty consisting of the greater of:

- (a) three (3) months interest, based on the unpaid principal balance as at the payout date,  
and
- (b) the interest rate differential, being an amount calculated by multiplying the difference between the "existing" annual interest rate and the then "current" annual interest rate as at prepayment date, by the unpaid principal balance as at the requested payout date, and calculated with respect to the remaining portion of the term of the loan.

In the event that the due date of the loan is accelerated by demand following default by the Member, the Prepayment Penalty is applicable and recoverable by Meridian.

## 8. Credit Covenants

In addition to the covenants previously set out, each of the following shall apply until all the Credit Facilities are repaid in full and cancelled:

- (a) The Member will:
  - (i) maintain its membership with Meridian while any portion of the facilities remains outstanding or committed. A \$1.00 share deposit is required;
  - (ii) permit Meridian or associated agents access at all reasonable times to any real property, including the Property, where collateral covered Meridian security may be located and Meridian or its agents may inspect such collateral and all related documents and records;
  - (iii) agree that Meridian will provide all day to day business banking services for the Member;
  - (iv) advise Meridian of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender;
  - (v) advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Member or a Guarantor (if any) or the occurrence of any Event of Default or default under the Credit Agreement or under any other agreement for borrowed money; 

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\* defined and based on COF Rate for a term closest to the remaining term of the loan, plus applicable interest rate spread similar to that used for existing rate

- (vi) inform Meridian of any actual or probable litigation and promptly furnish Meridian with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Member; and
  - (vii) do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts and other arrangements in full force and effect.
- (b) The Member shall not, without the prior written consent of Meridian:
- (i) grant or allow any lien, charge, privilege, hypothec or other encumbrance, whether fixed or floating, to be registered against or exist on any of its assets, and in particular, without limiting the generality of the foregoing, shall not grant a trust deed or other instrument in favour of a trustee;
  - (ii) become guarantor or endorser or otherwise become liable upon any note or other obligation other than in the normal course of business of the Member;
  - (iii) declare or pay dividends on any class or kind of its shares, repurchase or redeem any of its shares or reduce its capital in any way whatsoever or repay any shareholders' advances. Such approval will not be unreasonably withheld so long as financial results and account performance is satisfactory;
  - (iv) amalgamate with or permit all, or substantially all, of its assets to be acquired by any other person, firm or corporation or permit any reorganization or change of control of the Member; or
  - (v) change the nature of its business.
- (c) The scheduled property tax payments are to be paid up to date at all times. If the Member fails to keep the tax payments up to date, Meridian reserves the right to pay the taxes and to collect from the Member an amount sufficient to pay the taxes in full. If the Member fails to timely provide Meridian with evidence of payment status, the Member authorizes Meridian to obtain the document from the municipality at the immediate sole cost and expense of the Member plus costs incurred.
- (d) Insurance coverage is to be maintained, sufficient to substantially replace all assets in the event of loss over all real and Personal Property that the Member and Guarantors (if any) have charged and/or granted security over or against in favour of Meridian. If the Member fails to take out and keep in force such minimum insurance as is required hereunder, then Meridian may, but not be obliged to, take out and keep in force such insurance at the immediate sole cost and expense of the Member plus costs incurred, or use other means at its disposal under the terms of the Security Documents.
- (e) The regular rent/lease payments on all rented/leased Property and equipment are to be maintained up to date at all times.
- (f) Meridian shall have the right in its sole and unfettered discretion to waive the delivery of any Security Documents or the performance of any term or condition of the Credit Agreement, and may advance all or any portion of the Credit Facility prior to satisfaction of any conditions precedent referred to in the Credit Agreement, but any such waiver by Meridian of any obligation or condition shall not constitute a waiver of such obligation or condition for any future advance.
- (g) All financial terms and covenants shall be determined in accordance with GAAP, applied consistently.
- (h) Any amount payable by the Member to Meridian under the Credit Agreement or the Security Documents or the other Financing Documents may be debited to any account of the Member with Meridian even if that debiting creates an overdraft in any such account.

9. **No Material Changes**

No material adverse change in, or development likely to have a material adverse effect on the condition (financial or otherwise) of the operation, business, properties, prospects or capitalization of the Member shall have occurred since the date of the Credit Agreement.

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10. **Letters of Credit**

Meridian shall be permitted, in its sole and unfettered discretion to restrict the maturity date of any Letters of Credit it issues.

11. **Cash Management and Foreign Exchange**

Meridian may, and the Member hereby authorizes, Meridian to, drawdown under any Credit Facility hereunder to satisfy any obligation of the Member to Meridian in connection with any cash management service and/or foreign exchange service provided by Meridian to the Member. Meridian may draw under any Credit Facility hereunder even if the drawdown results in amounts outstanding in excess of the authorized limit for such Credit Facility.

12. **Visa Business Card**

If a "Visa Business Cash Back Card", "Visa Business Infinite Cash Back Card" and/or "Visa Business Flex Cash Back Card" is included as a Credit Facility, then the provisions of this paragraph shall apply. The terms and conditions of the Visa Business Card Agreement and the Visa Business Card Fee and Rate Agreement are incorporated herein by this reference mutatis mutandis. The Member and each Guarantor, if any, represents and warrants that it has received and read in full the Visa Business Card Agreement and the Visa Business Card Fee and Rate Agreement. The Member agrees that (i) the reference to the "application by the Primary Cardholder or, as applicable, the Authorized Officer Cardholder" contained within the definition of "Business" in the Visa Business Card Agreement is and shall be deemed to be a reference to the Credit Agreement and the execution on behalf of the Member of the Credit Agreement, (ii) it is the "Business" as defined and referred to in the Visa Business Card Agreement, (iii) it is bound by the Visa Business Card Agreement and (iv) it is jointly and severally liable with the other parties named therein for all debts, liabilities and obligations owing or accruing due under the Visa Business Card Agreement. Each Guarantor, if any, agrees to be bound by the Visa Business Card Agreement [and the Visa Business Card Fee and Rate Agreement] in the capacity of the "Guarantor" as defined and referred to thereunder and each Guarantor agrees that its guarantee of the debts, liabilities and obligations under the Credit Agreement includes without limitation all debts, liabilities and obligations owing or accruing due under the Visa Business Card Agreement. The Visa Business Card Fee and Rate Agreement may be amended, restated, supplemented or replaced by Meridian from time to time within the time periods contemplated in the Visa Business Card Agreement (generally, 30 days' advance written notice) and any use of a Card (as defined in the Visa Business Card Agreement) after receiving any such notice will constitute Member's and any Guarantor's acceptance of the changes contained in such notice.

13. **Events of Default**

Without limiting the entitlement of Meridian to demand repayment at any time of any Credit Facility or any other rights of Meridian under this Credit Agreement that are repayable on demand, upon the occurrence of any one of the following events (an "Event of Default"), Meridian, may in its sole and unfettered discretion, cease making any further advances under any of the Credit Facilities provided for under this Credit Agreement and, Meridian may, by written notice to the Member, declare all the unpaid principal of and accrued interest for all Credit Facilities to be immediately due and payable whereupon the same shall become due and payable forthwith:

- (a) The Member fails to make any payment of interest or principal when due pursuant to this Credit Agreement or any other Financing Document;
- (b) There is a breach by the Member of any other term, covenant or condition, contained in this Credit Agreement or any other Financing Document;
- (c) A representation or warranty made or given herein or in any other Financing Document is false or incorrect in any material respect when made, given or delivered;
- (d) Any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other proceedings for the relief of debtors are instituted by or against the Member and, if instituted against the Member, are allowed against or consented to by the Member or are not dismissed or stayed within five (5) days after such institution;
- (e) There occurs or is reasonably likely to occur as determined, in the sole discretion of Meridian:
  - (i) a material adverse change in the financial condition of the Member;
  - (ii) a change in control or ownership of the Member; or
  - (iii) legal proceedings detrimental to the affairs of the Member;

- (f) Any default occurs under any Security Document or under any other Financing Document;
- (g) Default by the Member under any other agreement, whether now or hereafter existing, with Meridian or in respect of any obligation to Meridian;
- (h) The Member is in default in making a payment of any other indebtedness incurred, assumed or guaranteed by it and the effect of such default is to permit the holder of such obligation to cause such obligation to become due prior to its stated maturity; or
- (i) Meridian believes in good faith that the ability of the Member to pay any of its obligations to Meridian or to perform any of the covenants contained herein is impaired or the security referred to herein is impaired or is in jeopardy.

The above Events of Default applicable to the Member also extend to the Member's subsidiary(s) and any Guarantors.

#### 14. Remedies of the Lender

- (a) Upon the occurrence of an Event of Default, Meridian may declare all, or any portion outstanding of the indebtedness and other obligations under the Financing Documents to be immediately due and payable and Meridian may proceed to realize on its security and to enforce its rights under the Security Documents, including without limitation, the right to appoint a receiver or receivers over all or any part of the assets and undertakings of the Member. The receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of Meridian or not, and Meridian may remove any receiver or receivers so appointed and appoint another or others in their stead; or by proceeding in a court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the assets and undertakings of the Member or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Member.
- (b) Any such receiver or receivers so appointed shall have power:
  - (i) to take possession of the assets and undertakings of the Member or any part thereof and to carry on the business of the Member;
  - (ii) to borrow money required for the maintenance, preservation or protection of the assets and undertakings of the Member or any part thereof or the carrying on of the business of the Member;
  - (iii) to further charge the Member's assets and undertakings in priority to its Security as security for money so borrowed; and
  - (iv) to sell, lease or otherwise dispose of the whole or any part of the Member's assets or undertakings on such terms and conditions and in such manner as they shall determine.

In exercising any powers any such receiver or receivers shall be deemed to act as agent or agents for the Member and Meridian shall not be responsible for the actions of such agent or agents.

- (c) In addition, Meridian may enter upon and lease or sell the whole or any part or parts of the Member's assets and undertakings, and any such sale may be made hereunder by public auction, by public tender or by private contract, with or without notice, advertising or any other formality, all of which are hereby waived by the Member, and such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to Meridian in its sole discretion may deem advantageous, and such sale may take place whether or not Meridian has taken such possession of such assets and undertakings.
- (d) No remedy for the realization upon the Security or for the enforcement of the rights of Meridian shall be exclusive of, or dependent on, any other such remedy, and any one or more of such remedies may from time to time be exercised independently or in combination.
- (e) The term "**receiver**" as used herein includes a receiver and manager.

#### 15. Representations

The Member and Guarantors (if any) hereby represent and warrant that:

- (a) It has full power, authority and legal right to borrow in the manner and on the terms and conditions set out in this Credit Agreement and the other Financing Documents, to execute and deliver the acceptance of this Credit


Agreement and to carry out the terms and conditions of this Credit Agreement and the other Financing Documents;

- (b) The execution and delivery of the acceptance of this Credit Agreement and the other Financing Documents and the carrying out of the terms of this Credit Agreement and of the other Financing Documents do not violate any law, order or regulation applicable to it and have been (or will be) duly and validly authorized by it;
- (c) This Credit Agreement as accepted and the other Financing Documents as delivered are valid, binding and legally enforceable against it in accordance with their respective terms except to the extent that the enforcement thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally;
- (d) It is not in default under the provisions of any agreement evidencing, guaranteeing or relating to any outstanding indebtedness or liability and the execution and acceptance of this Credit Agreement and the delivery of the Financing Documents will not constitute a breach of any agreement to which it is a party;
- (e) There are no actions, suits or proceedings pending or threatened against it before any court or government department, commission, board or agency which, if determined adversely, would have a material adverse effect on its financial condition.

(f) Representations and Covenants re: Hazardous Substances

- (i) To the best of the Member's knowledge after due and diligent inquiry, no Hazardous Substances are being stored on, in, under or adjacent to the Property, nor have any such substances been stored, used or Released on the Property or any adjacent property prior to, or during the Member's ownership, possession or control of the Property. The Member agrees to provide written notice to Meridian immediately upon the Member becoming aware that the Property or any adjacent property are being or have been contaminated with regulated or Hazardous Substances. The Member will not permit any activities on the Property which directly or indirectly could result in the Property or any other property being contaminated with a Hazardous Substances.
- (ii) The Member shall promptly comply with all Environmental Laws, relating to the use, collection, storage, treatment, control, removal or cleanup of regulated, Hazardous Substances in, on, or under the Property or in, on or under any adjacent property that becomes contaminated with any Hazardous Substances as a result of construction, operations or other activities on, or the contamination of the Property or incorporated in any improvements thereon. Meridian may, but shall not be obligated to, enter upon the Property and take such actions and incur such costs and expenses to effect such compliance as it deems advisable and the Member shall reimburse Meridian on demand for the full amount of all costs and expenses (including without limitation legal fees on a full indemnity basis and consulting fees) incurred by Meridian in connection with such compliance activities; and
- (iii) The assets of the Member which are now or in the future encumbered by the Security Documents are hereby further mortgaged and charged to Meridian, and Meridian shall have a security interest in such assets, as security for the repayment of such costs and expenses and interest thereon, as if such costs and expenses had originally formed part of the Credit Agreement.

(g) Representations and Covenants re: Environmental Issues

- (i) To the best of the Member's knowledge, the Property does not contain any Hazardous Substances. To the best of the Member's knowledge, after due inquiry and investigation, no Hazardous Substance has ever been Released into the environment as a result of any of the activities conducted on the Property and the future usage of the Property will be limited to environmentally acceptable activities in compliance with all Environmental Laws;
- (ii) There are no claims, actions, investigations, liens, prosecutions, notices, work orders, control orders, stop orders or directives, written or oral, ("**Orders**") of any kind issued or pending against the Member or the Property by any third party, court or international, federal, provincial or municipal ministry, department or agency ("**Environmental Authority**"). To the best of the Member's knowledge, there are no circumstances, current or contemplated, which might give rise to any such Order;
- (iii) To the best of the Member's knowledge, after due inquiry and investigation, the Property and its existing and prior uses comply and have at all times complied with all Environmental Laws. 



- (iv) The Member shall promptly complete any and all actions for the further testing or investigation of the Property and any adjacent properties and for the treatment, clean-up, removal and remediation of any Hazardous Substances in, on or under the Property or in, on or under any adjacent property which is required, recommended or considered advisable under any environmental assessment report. Meridian may, but shall not be obligated to, enter upon the Property and take such actions and incur such costs and expenses to complete such actions as it deems advisable and the Member shall reimburse Meridian on demand for the full amount of all costs and expenses (including without limitation legal fees on a full indemnity basis and consulting fees) incurred by Meridian in connection with such activities.

The Member shall pay, at the Member's sole cost and expense, the entire cost of any environmental audit deemed necessary by Meridian in Meridian's sole discretion. Such audit shall be performed by a duly licensed engineer acceptable to Meridian. The scope of any environmental audit shall be at Meridian's sole discretion. The auditor performing the environmental audit, its employees and agents shall be granted full access to the Property and all buildings thereon to perform any testing or investigation deemed necessary by the auditor in the auditor's sole discretion.

The Member shall ensure that the representations and warranties of the Member are true and correct at this time and throughout the term of the Credit Facilities.

16. **Waiver or Variation**

No term or condition of the Credit Agreement or any other Financing Document may be waived or varied orally or by any course of conduct of any officer, employee or agent of Meridian. Any amendment to the Credit Agreement or any of the Financing Documents must be in writing and signed by a duly authorized officer of Meridian. A party's consent to or approval of any act shall not be deemed to waive the requirement for any subsequent or ongoing approval requirements pursuant to the terms of this Credit Agreement. Meridian is not required to notify a Guarantor of any change in the Credit Agreement, including any increases in the Credit Facilities.

17. **Credit Reporting**

The Member and each Guarantor consents to Meridian obtaining from any credit reporting agency or from any person such information as Meridian may require at any time, and consents to the disclosure at any time of any information concerning the Member and any Guarantor to any credit grantor with whom the Member and any Guarantors have financial relations or to any credit reporting agency.

18. **Time of Essence**

Time shall be and remain of the essence of this Credit Agreement.

19. **Survival**


All terms, conditions, representations and warranties of the Credit Agreement shall survive the closing of the Credit Facilities contemplated and neither the preparation, nor registration or any documents related to the transaction shall bind Meridian to advance funds under this Credit Agreement or the other Financing Documents.

20. **No Merger**

It is understood and agreed that the execution and delivery of the mortgage and other security documents shall in no way merge or extinguish this Credit Agreement or the other Financing Documents or their terms and conditions.

The terms and conditions of this Credit Agreement and the other Financing Documents shall continue in full force and effect; provided however, in the case of any inconsistency between the provisions of this Credit Agreement, and the provisions of any of the Security Agreements and the other Financing Documents, the provisions of this Credit Agreement shall prevail.

21. **General Indemnity**

The Member agrees to indemnify Meridian from and against any and all claims, losses and liability arising or resulting from any of the Financing Documents. In no event will Meridian be liable to the Member or any Guarantor for any direct, indirect or consequential damages arising under or in connection with any of the Financing Documents. 

22. **Successors and Assigns**

This Credit Agreement and the other Financing Documents shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

This Credit Agreement and the other Financing Documents may not be assigned, transferred or otherwise disposed of by the Member [or any Guarantor] without the prior written consent of Meridian, which consent may be arbitrarily withheld. Meridian may, without notice to and without the consent of the Member or any Guarantor, assign, syndicate, securitize, transfer or grant participation interests in the whole or any part of this Credit Agreement, the Credit Facilities, the Security Documents and any and all right, title, benefits, remedies and obligations relating thereto. The Member and each Guarantor agrees to co-operate with Meridian in connection with any such assignment, syndication, securitization, transfer or grant of participation interests including, without limitation, the delivery of an Estoppel certificate in a form satisfactory to Meridian.

23. **Set Off**

Meridian may (but shall not be obligated), at any time, to apply any credit balance, whether or not then due, to which the Member or any Guarantor is entitled towards satisfaction of the obligations of the Member or any Guarantor under any of the Financing Documents.

24. **Increased Costs**

The Member shall reimburse Meridian for any additional cost or reduction in income arising as a result of (i) the imposition of, or increase in, taxes on payments due to Meridian hereunder (other than taxes on the overall net income of Meridian), (ii) the imposition of, or increase in, any reserve or similar requirements, and (iii) the imposition of, or change in, any other condition affecting the Credit Facilities imposed by any applicable law or the interpretation thereof.

25. **Release of Information**

The Member [and each Guarantor] hereby irrevocably authorizes and directs its accountant (the "**Accountant**") to deliver all financial statements and other financial information concerning it to Meridian and agrees that Meridian and the Accountant may communicate with each other as to its business and financial affairs.

26. **Miscellaneous**

Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with GAAP and all financial statements and information provided will be prepared in accordance with those principles.


27. **Notices**

All notices or other communications required to be given or which may be given under this Credit Agreement shall be in writing duly executed by the party giving such notice or its solicitors, and shall be considered given if served personally, or if mailed by prepaid registered post addressed to the parties as follows: **Meridian at Meridian Credit Union Limited, 75 Corporate Park Drive, St. Catharines, Ontario L2S 3W3 Attention: Business Banking Operations**, and to the Member and Guarantor(s) at the address first written above or as otherwise advised by them in writing. Every such notice shall be deemed to have been given upon the day it was personally served or by delivered by courier, or if mailed, upon the third postal date after it was sent by registered mailed. Either of the parties may designate in writing, a substitute address from that set forth above, and thereafter any notice shall be directed to such substituted address. In the event of a postal strike, or in the event of the interruption of mail service, then all notices must be delivered by personal delivery.

28. **Choice of Law**

This Credit Agreement shall be governed by the laws of the province of Ontario.

29. **Partial Invalidity**

If any term, covenant or condition of this Credit Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Credit Agreement and/or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Credit Agreement shall be separately valid and enforceable to the fullest extent permitted by law. 

30. Confidentiality

By acceptance of these Credit Facilities the Member and the Guarantors (if any) hereby provide consent to Meridian to disclose confidential information about the Member(s), Guarantor(s) and/or the project to financial institutions and lenders which Meridian may invite to participate in these Credit Facilities as well as, any independent third party specialists Meridian may request to provide services.



This is Exhibit "C" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

**THIS SECURITY AGREEMENT** (as amended, modified, renewed, supplemented, replaced or extended from time to time, this “**Agreement**”) dated as of 06-Dec-2022, is made by and between Stateview Homes (Elm&Co) Inc. (the “**Assignor**”), and **MERIDIAN CREDIT UNION LIMITED** (the “**Lender**”).

The Assignor hereby enters into this General Security Agreement with the Lender for valuable consideration and as security for the repayment and discharge of all indebtedness, obligations and liabilities of any kind, now or hereafter existing, direct or indirect, absolute or contingent, joint or several, of the Assignor to the Lender, wheresoever and howsoever incurred whether as principal or surety, together with all expenses (including legal fees on a solicitor and client basis) incurred by the Lender, its receiver or agent in the preparation, perfection and enforcement of security or other agreements held by the Lender in respect of such indebtedness, obligations or liabilities and interest thereon (all of which present and future indebtedness, obligations, liabilities, expenses and interest are herein collectively called the “**Indebtedness**”).

#### **A. Grant of Security Interests**

1. The Assignor hereby grants to the Lender, by way of mortgage, charge, assignment and transfer, a security interest (the “**Security Interest**”) in the undertaking of the Assignor and in all property, real and personal, including, without limitation, all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Accounts, Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money, Securities, Investment Property, now or hereafter owned or acquired by or on behalf of the Assignor and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively call the “**Collateral**”) including without limitation, all of the following now or hereafter owned or acquired by or on behalf of the Assignor:
  - (i) all Inventory of whatever kind and wherever situate;
  - (ii) all Equipment of whatever kind and wherever situate including, without limitation, all machinery, tools, apparatus, plant furniture, fixtures and vehicles of whatsoever nature or kind;
  - (iii) all accounts and book debts and generally all debts, accounts receivable, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Assignor;
  - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Accounts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
  - (v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights and other industrial property;
  - (vi) all monies other than trust monies lawfully belonging to others;
  - (vii) all property and assets, real and personal, moveable or immoveable, of whatsoever nature and kind; and
  - (viii) all present and future investment property held by the Assignor, including securities, shares, options, rights, warrants, joint venture interests, interests in limited partnerships, trust units, bonds, debentures and all other documents which constitute evidence of a share, participation, or other interest of the Assignor in property or in a enterprise or which constitute evidence of an obligation of the issuer, together with all accretions thereto, all substitutions therefor, all dividends and income derived therefrom and all rights and claims in respect thereof.
2. The Security Interest hereby created shall not extend or attach to (i) any personal property held in trust by the Assignor and lawfully belonging to others or (ii) any property of the Assignor that constitutes consumer goods for the personal use of the Assignor; or (iii) the last day of the term of any lease, oral or written or agreement therefor, now held or hereafter acquired by the Assignor, provided that upon the enforcement of the Security Interest the Assignor shall stand possessed of such last day in trust to assign and dispose of the same to any person acquiring such term. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed thereto in the PPSA.

#### **B. Attachment**

3. The Assignor warrants and acknowledges that the Assignor and the Lender intend the Security Interest in existing Collateral to attach upon the execution of this General Security Agreement; that value has been given; that the Assignor has rights in such existing Collateral; and that the Assignor and the Lender intend the Security Interest in hereafter acquired Collateral to attach at the same time as the Assignor acquires rights in the said after acquired Collateral.

#### **C. Representations and Warranties of Assignor**

4. The Assignor hereby represents and warrants to the Lender that:
  - (a) the Collateral is genuine and owned by the Assignor, with good and marketable title, free of all security interests, mortgages, liens, claims, charges or other encumbrances (collectively hereinafter called “**Encumbrances**”), save for the Security Interest
  - (b) no person has any right, title, claim or interest (by way of security interest or other lien) in, against or to the Collateral.
  - (c) all information heretofore, herein or hereafter supplied to the Lender by or on behalf of the Assignor with respect to the Collateral is accurate and complete in all material respects.
  - (d) the Assignor has delivered to the Lender all instruments and chattel paper and other items of Collateral in which a security interest is or may be perfected by possession, together with such additional writings, including assignments, with respect thereto as the Lender shall request.
  - (e) all of the patents, trade-marks, and copyrights of the Assignor have been registered or applied to be registered with the United States Patent and Trademark Office, the United States Copyright Office or the Canadian Intellectual Property Office, as appropriate.
  - (f) the Assignor’s chief executive office is in the Province of Ontario and the Assignor’s records concerning the Collateral are located at its chief executive office.

**D. Covenants and Agreements of Assignor**

5. The Assignor hereby covenants and agrees with the Lender that until all of the Indebtedness is paid in full:
- (a) the Assignor shall not without the prior written consent of the Lender sell or dispose of any of the Collateral in the ordinary course of business or otherwise, and if the amounts on or in respect of the Collateral or Proceeds thereof shall be paid to the Assignor, the Assignor shall receive the same in trust for the Lender and forthwith pay over the same to the Lender upon request; provided however that the Inventory of the Assignor may be sold or disposed of in the ordinary course of business and for the purpose of carrying on the same;
  - (b) the Assignor shall not without the prior written consent of the Lender create or permit any Encumbrances upon or assign or transfer as security or pledge or hypothecate as security the Collateral except to the Lender;
  - (c) the Assignor shall at all times have and maintain insurance over the Collateral against risks of fire (including extended coverage), theft, and such risks as the Lender may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Lender. The Assignor shall duly and reasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Lender as its interest hereunder may appear and shall, if required, furnish the Lender with certificates or other evidence satisfactory to the Lender of compliance with the foregoing insurance provisions. In the event that Assignor fails to pay all premiums and other sums payable in accordance with the foregoing insurance provision, the Lender may make such payments to be repayable by the Assignor on demand and any such payments made by the Lender shall be secured hereby;
  - (d) the Assignor shall keep the Collateral in good condition and repair according to the nature and description thereof, and the Lender may, whenever it deems necessary, either in person or by agent, inspect the Collateral and the reasonable cost of such inspection shall be paid by the Assignor and secured hereby and the Lender may make repairs as it deems necessary and the cost thereof shall be paid by the Assignor and secured hereby;
  - (e) the Assignor shall duly pay all taxes, rates, levies, assessments of every nature which may be lawfully levied, assessed or imposed against or in respect of the Assignor or the Collateral as and when the same become due and payable;
  - (f) the Assignor agrees that the Lender may, at any time, whether before or after a default under this General Security Agreement, notify any account Borrower of the Assignor of the Security Interest, require such account Borrower to make payment to the Lender, take control of any Proceeds of Collateral and may hold all amounts received from any account Borrower and any Proceeds as part of the Collateral and as security for the Indebtedness;
  - (g) the Assignor shall prevent the Collateral from becoming an accession to any personal property not subject to this agreement or becoming affixed to any real property, without the prior written consent of the Lender.
  - (h) the Assignor shall from time to time deliver to the Lender promptly upon request (and, if so requested, from time to time as they are acquired by the Assignor) all items of Collateral comprising Chattel Paper, Instruments, Investment Property (to the extent certificated) and those Documents of Title which are negotiable.
  - (i) the Assignor shall pay or reimburse the Lender for all costs and expenses of the Lender, its agents, officers and employees (including, without limitation, legal fees and disbursements on a substantial indemnity basis) incurred with respect to:
    - (i) the preparation, perfection, execution and filing of this agreement and the filing of financing statement(s) and financing change statement(s) with respect to this agreement;
    - (ii) any person engaged by the Lender to conduct an inspection of the collateral; and
    - (iii) dealing with other creditors of the Assignor in connection with the establishment, confirmation, amendment or preservation of the priority of the Security Interest;

such costs and expenses to be payable by the Assignor to the Lender on demand, to bear interest at the highest rate per annum borne by any of the Indebtedness, calculated and compounded monthly, and (with all such interest) to be added to and form part of the Indebtedness.
  - (j) the Assignor shall promptly notify the Lender in writing of the details of:
    - (i) any amendment to its articles, including without limitation by virtue of the filing of articles of amalgamation, effecting a change in the Assignor's name or authorizing it to use a French version of its name;
    - (ii) any claim, litigation or proceedings before any court, administrative board or other tribunal which either does or could have a material adverse effect on the Collateral or the Assignor;
    - (iii) any claim, lien, attachment, execution or other process or encumbrance made or asserted against or with respect to the Collateral which either does or could have a material adverse effect on the Security Interest;
    - (iv) any transfer of the Assignor's interest in the Collateral, whether or not permitted hereunder; or
    - (v) any material loss of or damage to the Collateral, whether or not such loss or damage is covered by insurance.
  - (k) if any of the Collateral consists of Investment Property, (a) the Assignor authorizes the Lender to transfer such Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that so long as no event of default has occurred, the Lender shall deliver promptly to the Assignor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Assignor or its designee a proxy or proxies to vote and take all action with respect to such property; provided further that after the occurrence of an event of default, the Assignor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Assignor or its designee as aforesaid shall thereafter be effective; and (b) the Assignor further agrees to execute such other documents and to perform such other acts, and to cause any issuer or securities intermediary to execute such other documents and to perform such other acts as may be necessary or appropriate in order to give the Lender "control" of such Investment Property, as defined in the Securities Transfer Act, 2006 (Ontario), which "control" shall be in such manner as the Lender shall designate in its sole judgment and discretion, including, without limitation, an agreement by any issuer or securities intermediary that it will comply with instructions in the case of an issuer or entitlement orders in the case of a securities intermediary, originated by the Lender, whether before or after the occurrence of an event of default, without further consent by the Assignor.
6. The Assignor shall at all times and from time to time do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered any such further act, deed, transfer, assignment, assurance, document or instrument as the Lender may reasonably require for the better granting, mortgaging, charging, assigning and transferring unto the Lender the property and assets hereby subjected or intended to be subject to the Security Interest or which the Assignor may hereafter become bound to mortgage, charge,

assign, transfer or subject to the Security Interest in favour of the Lender for the better accomplishing and effectuating of this General Security Agreement and the provisions contained herein and each and every officer of the Lender is irrevocably appointed attorney to execute in the name and on behalf of the Assignor any document or instrument for the said purposes.

7. The Assignor shall permit the Lender at any time, either in person or by agent, to inspect the Assignor's books and records pertaining to the Collateral. The Assignor shall at all times upon request by the Lender furnish the Lender with such information concerning the Collateral and the Assignor's affairs and business as the Lender may reasonably request including, without limitation, lists of Inventory and Equipment and lists of Accounts showing the amounts owing upon each Account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the Accounts.
8. The Assignor acknowledges and agrees that, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term "Assignor" when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the Security Interest granted hereby:
  - (i) shall extend and attach to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation;
  - (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any "Indebtedness" of the amalgamated corporation to the Lender thereafter arising.

## E. Default

9. The Assignor shall be in default under this General Security Agreement upon the occurrence of any one of the following events:
  - (a) the nonpayment by the Assignor, when due, whether by acceleration or otherwise, of any of the Indebtedness;
  - (b) the death or a declaration of incompetency by a court of competent jurisdiction with respect to the Assignor, if an individual;
  - (c) the failure of the Assignor to observe or perform any covenant, undertaking or agreement heretofore or hereafter given to the Lender, whether contained herein or not;
  - (d) an execution or any other process of the Court becomes enforceable against the Assignor or a distress or an analogous process is levied upon the property of the Assignor or any part thereof;
  - (e) the Assignor becomes insolvent, commits an act of bankruptcy, makes an assignment in bankruptcy or a bulk sale of its assets, any proceeding for relief as a Assignor or liquidation, re-assignment or winding-up is commenced with respect to the Assignor or an application for a bankruptcy order is filed or presented against the Assignor and is not bona fide opposed by the Assignor;
  - (f) the Assignor ceases to carry on business;
  - (g) any representation or warranty of the Assignor contained herein or in any document or certificate furnished in connection herewith proves to have been untrue in any material respect at the time in respect of which it was made;
  - (h) an encumbrancer, whether permitted or otherwise, takes possession of any significant portion of the Collateral;
  - (i) an order is made or legislation enacted for the expropriation, confiscation, forfeiture, escheating or other taking or compulsory divestiture, whether or not with compensation, of all or a significant portion of the Collateral unless the same is being actively and diligently contested by the Assignor in good faith, the Assignor shall have provided to the Lender such security therefor as it may reasonably require and such order or legislation shall have been vacated, lifted, discharged, stayed or repealed within thirty days from the date of being entered, pronounced or enacted, as the case may be;
  - (j) the Assignor is liquidated, dissolved or its corporate charter expires or is revoked; or
  - (k) the Assignor defaults in the observance or performance of any provision relating to indebtedness of the Assignor to any creditor other than the Lender and thereby enables such creditor to demand payment of such indebtedness.
10. The Lender may in writing waive any breach by the Assignor of any of the provisions contained herein or any default by the Assignor in the observance or performance of any covenant or condition required by the Lender to be observed or performed by the Assignor; provided that no act or omission by the Lender in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

## F. Remedies of the Lender

11. (a) Upon any default under this General Security Agreement, the Lender may declare any or all of the Indebtedness to be immediately due and payable and the Lender may proceed to realize the security hereby constituted and to enforce its rights by entry or by the appointment by instrument in writing of a receiver or receivers of all or any part of the Collateral and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Lender or not, and the Lender may remove any receiver or receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any Bankruptcy, winding-up or other judicial proceedings relative to the Assignor.
- (b) Any such receiver or receivers so appointed shall have power:
  - (i) to take possession of the Collateral or any part thereof and to carry on the business of the Assignor;
  - (ii) to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Assignor;
  - (iii) to further charge the Collateral in priority to the Security Interest as security for money so borrowed; and
  - (iv) to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine.

In exercising any powers any such receiver or receivers shall be deemed to act as agent or agents for the Assignor and the Lender shall not be responsible for the actions of such agent or agents.

- (c) In addition, the Lender may enter upon and lease or sell the whole or any part or parts of the Collateral and any such sale may be made hereunder by public auction, by public tender or by private contract, with or without notice, advertising or any other formality, all of which are hereby waived by the Assignor, and such sale shall be on such terms and conditions as to

credit or otherwise and as to upset or reserve bid or price as to the Lender in its sole discretion may seem advantageous. Such sale may take place whether or not the Lender has taken such possession of such Collateral.

- (d) No remedy for the realization of the security hereof or for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy, and any one or more of such remedies may from time to time be exercised independently or in combination.
- (e) The term "receiver" as used in this General Security Agreement includes a receiver and manager.

**G. Rights of the Lender**

- 12. All payments made in respect of the Indebtedness and money realized from any securities held therefor may be applied on such part or parts of the Indebtedness as the Lender may see fit and the Lender shall at all times and from time to time have the right to change any appropriation of any money received by it and to re-apply the same on any other part or parts of the Indebtedness as the Lender may see fit, notwithstanding any previous application by whomsoever made.
- 13. The Assignor grants to the Lender the right to set off against any and all accounts, credits or balances maintained by it with the Lender, the aggregate amount of any of the Indebtedness when the same shall become due and payable whether at maturity, upon acceleration of maturity thereof or otherwise.
- 14. The Lender, without exonerating in whole or in part the Assignor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from and may otherwise deal with the Assignor and all other persons and securities as the Lender may see fit.
- 15. The Lender may assign, transfer and deliver to any transferee any of the Indebtedness or any security or any documents or instruments held by the Lender in respect thereof provided that no such assignment, transfer or delivery shall release the Assignor from any of the Indebtedness; and thereafter the Lender shall be fully discharged from all responsibility with respect to the Indebtedness and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Lender under such security, documents or instruments but the Lender shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Assignor shall not assign any of its rights or obligations hereunder without the prior written consent of the Lender.

**H. Miscellaneous**

- 16. This General Security Agreement is in addition to, not in substitution for and shall not be merged in any other agreement, security, document or instrument now or hereafter held by the Lender or existing at law in equity or by statute.
- 17. Nothing herein shall obligate the Lender to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness of the Assignor to the Lender.
- 18. This General Security Agreement shall be binding upon the Assignor and its heirs, legatees, trustees, executors, administrators, successors and assigns including any successor by reason of amalgamation of or any other change in the Assignor and shall enure to the benefit of the Lender and its successors and assigns.
- 19. In construing this General Security Agreement, terms herein shall have the same meaning as defined in the PPSA, as hereinafter defined, unless the context otherwise requires. Words importing gender shall include all genders. Words importing the singular number shall include the plural and vice versa.
- 20. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 21. The headings in this General Security Agreement are included herein for convenience of reference only and shall not constitute a part of this General Security Agreement for any other purpose.
- 22. Any notice or statement referred to herein may be delivered, sent by facsimile machine or providing that postal service throughout Canada is fully operative, may be mailed by ordinary prepaid mail to the Assignor at his last address known to the Lender and the Assignor shall be deemed to have received such notice or statement on the day of delivery, if delivered, one business day after transmission and confirmation received if sent by facsimile machine and three business days after mailing, if mailed.
- 23. Where any provision or remedy contained or referred to in this General Security Agreement is prohibited, modified or altered by the laws of any province or territory of Canada which governs that aspect of this General Security Agreement and the provision or remedies may be waived or excluded by the Assignor in whole or in part, the Assignor hereby waives and excludes such provision to the fullest extent permissible by law.
- 24. This General Security Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario as the same may be in effect from time to time including, where applicable, the Personal Property Security Act of that Province (as amended or substituted, the "PPSA"). For the purpose of legal proceedings this General Security Agreement shall be deemed to have been made in the said Province and to be performed there and the courts of that Province shall have jurisdiction over all disputes which may arise under this General Security Agreement and the Assignor hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Lender from proceeding at this election against the Assignor in the Courts of any other Province, country or jurisdiction.
- 25. The Assignor acknowledges having received a copy of this General Security Agreement.

This General Security Agreement has been duly executed by the Assignor on the 8th day of December, 2022.

Stateview Homes (Elm&Co) Inc.

< Please print >

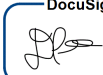
Name: Daniel Ciccone

Title: Secretary

Name: \_\_\_\_\_

Title: \_\_\_\_\_

To be completed by incorporated business

DocuSigned by:   
226D8B82B399415...  
Signature

Signature  
I/We have the authority to bind the Corporation



< Please print >

Name: \_\_\_\_\_

Middle Initial: \_\_\_\_\_ Date of Birth (day month year): \_\_\_\_\_ Gender: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

X  
\_\_\_\_\_  
Signature of Witness

X  
\_\_\_\_\_  
Signature of Assignor

To be completed  
by sole propri-  
etor or partners

Name: \_\_\_\_\_

Middle Initial: \_\_\_\_\_ Date of Birth (day month year): \_\_\_\_\_ Gender: \_\_\_\_\_

Address: \_\_\_\_\_  
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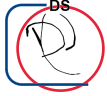
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Signature of Witness

X  
\_\_\_\_\_  
Signature of Assignor

**Meridian™** Specific Resolution of the Board of Directors of  
STATEVIEW HOMES (ELM&CO) INC. (the "Corporation")

**Be it Resolved:**

That as security for the existing and future liabilities of the Corporation to Meridian Credit Union Limited (herein "Meridian"), this Corporation executes and delivers to Meridian a General Security Agreement under the Personal Property Security Act, which shall serve as continuing security for all obligations of the Corporation to Meridian, in the form provided by Meridian; and



~~Any~~ The Secretary \_\_\_\_\_ of the Corporation \_\_\_\_\_ is/are hereby authorized to execute on behalf of this Corporation, documents of security and all other deeds, documents, instruments, and writings, if any, incidental or to give effect thereto, and to all other things, which they may consider to be necessary, desirable, or useful for fulfilling the Corporation's obligation to Meridian, including affixing the Corporation seal to all documents executed by them.

The undersigned Secretary of the Corporation hereby certifies the foregoing to be a true copy of a Resolution of the Board of Directors of the Corporation, passed at a meeting duly held on the 8th day of December, 2022 .

Dated at Vaughan this 8th day of December, 2022 .

**WITNESS** the Corporate Seal of the Corporation

DocuSigned by:  
  
226D8882B399415... c/s  
X  
**Secretary**

OR

The undersigned being all if the Directors of Stateview Homes (Elm&Co) Inc.  
hereby sign the foregoing resolution this \_\_\_\_\_ day of December, 2022 .

X \_\_\_\_\_  
X \_\_\_\_\_  
X \_\_\_\_\_  
X \_\_\_\_\_  
X \_\_\_\_\_

This is Exhibit “D” referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

LRO # 65 Charge/Mortgage

Registered as YR3506925 on 2022 12 09 at 15:42

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 4

**Properties**

PIN 03707 - 0188 LT Interest/Estate Fee Simple  
 Description PART LOT 5, CONCESSION 10 WHITCHURCH, PART 1, PLAN 65R37148; TOWN OF WHITCHURCH-STOUFFVILLE  
 Address 12972 YORK DURHAM LINE  
 STOUFFVILLE

**Chargor(s)**

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name STATEVIEW HOMES (ELM&CO) INC.  
 Address for Service 16-410 Chrislea Road, Vaughan ON L4L  
 8B5

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

**Chargee(s)***Capacity**Share*

Name MERIDIAN CREDIT UNION LIMITED  
 Address for Service 75 Corporate Park Drive St. Catharines, ON L2S 3W3

**Statements**

Schedule: See Schedules

**Provisions**

Principal \$17,800,000.00 Currency CDN  
 Calculation Period  
 Balance Due Date ON DEMAND  
 Interest Rate 24.0% per annum  
 Payments  
 Interest Adjustment Date  
 Payment Date  
 First Payment Date  
 Last Payment Date  
 Standard Charge Terms 200522  
 Insurance Amount Full insurable value  
 Guarantor

**Signed By**

Tracy Yingyi Luo 1401-480 University Ave acting for Signed 2022 12 09  
 Toronto Chargor(s)  
 M5G 1V2

Tel 416-599-8080

Fax 416-599-3131

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

**Submitted By**

HIMELFARB, PROSZANSKI LLP 1401-480 University Ave 2022 12 09  
 Toronto  
 M5G 1V2

Tel 416-599-8080

Fax 416-599-3131

**Fees/Taxes/Payment**

Statutory Registration Fee \$69.00  
 Total Paid \$69.00

**Schedule “A”**

**Payment Provisions**

This Charge is given as continuing security for payment to the Chargee of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Chargor to the Chargee (such debts and liabilities being hereinafter called the “liabilities”), but the Chargor’s liability hereunder being limited to the sum of “the Credit Limit” (being the Principal Amount stated on Page 1 of this Charge/Mortgage) with interest at the rate hereinafter set out;

The Chargor covenants to pay each and every liability to the Chargee punctually as the same falls due; provided that this Charge is void upon payment on demand of the ultimate balance of the liabilities and all promissory notes, bills of exchange, guarantees and any other instruments whatsoever from time to time representing the liabilities or any part thereof, not exceeding the principal sum of “the Credit Limit” (being the Principal Amount stated on Page 1 of this Charge/Mortgage) together with interest thereon at the rate of 24.00 per centum per annum as well after as before maturity and both before and after default and all other amounts payable by the Chargor hereunder.

**SCHEDULE "B"**

**ADDITIONAL PROVISIONS**

**RECEIVER**

Notwithstanding anything herein contained it is declared and agreed that at any time and from time to time when there shall be default under the provisions of these presents the chargee may at such time and from time to time and with or without entry into possession of the charged premises or any part thereof by writing under its corporate seal appoint a receiver of the charged premises or any part thereof and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any receiver and appoint another in his stead and that, in making any such appointment or removal, the chargee shall be deemed to be acting as the agent or attorney for the chargor. Upon the appointment of any such receiver or receivers from time to time the following provisions shall apply:

1. That the statutory declaration of an officer of the chargee as to default under the provisions of these presents shall be conclusive evidence thereof.
2. That every such receiver shall be the irrevocable agent or attorney of the chargor for the collection of all rents falling due in respect of the charged premises or any part thereof whether in respect of any tenancies created in priority to these presents or subsequent thereto;
3. That every such receiver may, in the discretion of the chargee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the chargee;
4. That the chargee may from time to time by such writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the charged premises or the proceeds thereof;
5. That every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the chargor and in no event the agent of the chargee;
6. That the appointment of every such receiver by the chargee shall not incur or create any liability on the part of the chargee to the receiver in any respect and such appointment or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not have the effect of constituting the chargee a chargee in possession in respect of the charged premises or any part thereof;
7. That every such receiver shall from time to time have the power to rent any portion of the demised premises which may become vacant for such term and subject to such provisions as he may deem advisable or expedient and in so doing every such receiver shall act as the attorney or agent of the chargor and he shall have authority to execute under seal any lease of any such premises in the name of and on behalf of the chargor and the chargor undertakes to ratify and confirm whatever any such receiver may do in the premises;
8. That every such receiver shall have full power to take all steps he deems appropriate to complete any unfinished construction upon the charged premises with the intent that the charged premises and the buildings thereof when so completed shall be the complete structure as represented by the chargor to the chargee for the purpose of obtaining this charge loan;
9. That every such receiver shall have full power to manage, operate, amend, repair, alter or extend the charged premises or any part thereof in the name of the chargor for the purpose of securing the payment of rental from the charged premises or any part thereof;
10. That no such receiver be liable to the chargor to account for monies or damages other than cash received by him in respect of the charged premises or any part thereof and out of such cash so received every such receiver shall in the following order pay:

- (a) His remuneration aforesaid;
- (b) All payments made or incurred by him in connection with the management, operation, amendment, repair, alteration or extension of the charged premises or any part thereof; or completion of any unfinished construction upon same;
- (c) In payment of interest, principal and other money which may, from time to time, be or become charged upon the charged premises in priority to these presents, and all taxes, insurance premiums and every proper expenditure made or incurred by him in respect to the charged premises or any part thereof;
- (d) The chargee in payment of all interest due or falling due under this charge and the balance to be applied upon principal due and payable and secured by this charge; and
- (e) Thereafter any surplus remaining in the hands of every such receiver to the chargor, its successors and assigns.

This is Exhibit "E" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**



**Properties**

*PIN* 03707 - 0188 LT  
*Description* PART LOT 5, CONCESSION 10 WHITCHURCH, PART 1, PLAN 65R37148; TOWN OF WHITCHURCH-STOUFFVILLE  
*Address* 12972 YORK DURHAM LINE  
STOUFFVILLE

**Applicant(s)**

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

*Name* STATEVIEW HOMES (ELM&CO) INC.  
*Address for Service* 16-410 Chrislea Road, Vaughan ON L4L  
8B5

A person or persons with authority to bind the corporation has/have consented to the registration of this document.  
This document is not authorized under Power of Attorney by this party.

**Party To(s)**

*Name* MERIDIAN CREDIT UNION LIMITED  
*Address for Service* 75 Corporate Park Drive St. Catharines, ON L2S 3W3

**Statements**

The applicant applies for the entry of a notice of general assignment of rents.  
This notice may be deleted by the Land Registrar when the registered instrument, YR3506925 registered on 2022/12/09 to which this notice relates is deleted  
Schedule: See Schedules

**Signed By**

Tracy Yingyi Luo 1401-480 University Ave acting for Signed 2022 12 09  
Toronto Applicant(s)  
M5G 1V2

Tel 416-599-8080

Fax 416-599-3131

I have the authority to sign and register the document on behalf of all parties to the document.

Tracy Yingyi Luo 1401-480 University Ave acting for Signed 2022 12 09  
Toronto Party To(s)  
M5G 1V2

Tel 416-599-8080

Fax 416-599-3131

I have the authority to sign and register the document on behalf of all parties to the document.

**Submitted By**

HIMELFARB, PROSZANSKI LLP 1401-480 University Ave 2022 12 09  
Toronto  
M5G 1V2

Tel 416-599-8080

Fax 416-599-3131

**Fees/Taxes/Payment**

*Statutory Registration Fee* \$69.00  
*Total Paid* \$69.00

THIS ASSIGNMENT made the 8th day of December, 2022.

**BETWEEN**

Stateview Homes (Elm&Co) Inc.

(hereinafter called the "Assignor")

OF THE FIRST PART

-and-

**MERIDIAN CREDIT UNION LIMITED**

(hereinafter called the "Assignee")

OF THE SECOND PART

**WITNESSES:**

1. WHEREAS the Assignor is the registered owner of the lands and premises described as See schedule "A" including the buildings erected or to be erected thereon (herein called the "Lands"), subject to a Charge to the Assignee which Charge secures the principal amount of \$ 17,800,000.00 (Seventeen Million Eight Hundred Thousand ~~Dollars~~).
2. **NOW THEREFORE** in consideration of Five Dollars (\$5.00) and other valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Assignor), the Assignor transfers and assigns to the Assignee, its successors and assigns, as security only (and not absolutely) for payment of the Principal Amount and interest secured by the said Charge, all its rights, benefits, title and interest under, in and to, and all claims of whatsoever nature or kind which the Assignor now has or may hereafter have under or pursuant to:
  - (a) the benefit of all present and future leases, subleases, agreements to occupy or use and licenses in respect of the whole or any part(s) of the Lands (the "Leases");
  - (b) all present and future incomes, rents, accounts and other moneys reserved or payable under the Leases (the "Rents"); and
  - (c) the benefit of every existing and future guarantee with respect to the Leases of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands.
3. **THE ASSIGNOR COVENANTS AND AGREES THAT:**
  - (a) it has not and will not do or omit to do any act having the effect of terminating, cancelling or accepting surrender of any of the Leases or of waiving, releasing, reducing or abating any rights or remedies of the Assignor or obligations of any other party thereunder or in connection therewith;
  - (b) none of such rights, remedies and obligations are or will be affected by any other agreement, document or understanding or by any reduction, abatement, defence, set-off, or counterclaim;
  - (c) none of the Leases or the Assignor's rights thereunder, including the right to receive the Rents, has been or will be amended, assigned, encumbered, discounted or anticipated by any instrument which might rank prior to or pari passu with the security hereby created or intended to be created save for those that will be discharged out of the advance of funds under the said Charge;
  - (d) none of the Rents has been or will be paid in advance (except those in respect of the first and/or the last months of the terms of any of the Leases when so required thereunder);
  - (e) none of the remainder of the Rents has been or will be paid prior to the due date for payment thereof;
  - (f) there is no current default under any of the Leases by any of the parties thereto;
  - (g) there is no outstanding dispute under any of the Leases between the Assignor and any other party thereto; and
  - (h) the Assignor will observe and perform all of his obligations under each of the Leases.
4. **PROVIDED**, however, and it is hereby specifically agreed as follows:
  - (a) The Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each such Leases, unless and until there is default under the Charge and the Assignee has given notice to the tenant, user, occupier, licensee or guarantor thereunder requiring it to pay the Rents to the Assignee; but nothing herein contained shall permit or authorize the Assignor to collect any of the rents contrary to clauses (d) and (e) above; and
  - (b) Nothing herein contained shall have the effect of making the Assignee, its successors and assigns, responsible for the collection of the Rents or any of them or for the performance of any of the obligations or conditions under or in respect to the Leases or any of them to be observed and performed by the Assignor, and the Assignee shall not, by virtue of this agreement or its receipt of the Rents or any of them, become or be deemed a mortgagee in possession of the Lands and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them; and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less proper collection charges and such moneys may be applied on account of any indebtedness of the Assignor to the Assignee pursuant to the Charge.
5. **THE Assignor** agrees to execute at the Assignor's expense such further assurances as may reasonably be required by the Assignee from time to time to perfect this assignment and, without limiting the generality of the foregoing, whenever any of the Leases not now existing is made or arises, the Assignor will forthwith at the request of the Assignee give the Assignee a specific assignment of the Rents and/or the Leases thereunder similar to this assignment and will obtain from any other parties thereto acknowledgments, such acknowledgments to be in such form as may reasonably be required by the Assignee.

- 6. **THE** Assignor agrees to specifically assign to the Assignee at the Assignor's expense and in registrable form, any of the Leases of part or parts of the Lands whether now existing or which may be created in the future and which the Assignee may from time to time require assigned to it.
- 7. **THE** Assignor further agrees that he will not lease or agree to lease any part of the Lands except at a rent, on terms and conditions, and to tenants, which are not less favourable or desirable to the Assignor than those, which a prudent landlord would expect to receive for the premises to be leased.
- 8. **PROVIDED** that upon repayment of the whole of the moneys secured by the Charge and upon performance of all those covenants therein contained, these presents shall be void and of no further force or effect. The delivery of an executed full and final discharge of the Charge shall operate as a re-assignment of the Rents and Leases to the Assignor.
- 9. **IT IS HEREBY AGREED** that in construing this assignment the words "Assignor" and "Assignee" and the pronoun "it" relating thereto and used therewith, shall be read and construed as "Assignor" or "Assignors", "Assignee" or "Assignees", and "it", "its", "he", "she", "his", "her", "they", "their" or "them" respectively, as the number and gender of the party or parties referred to in each case require and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted.
- 10. **THIS ASSIGNMENT** shall enure to the benefit of and be binding upon the respective heirs, estate trustees, executors, administrators, successors and assigns of the parties hereto. In the event the Assignor is more than one party, all covenants and liabilities and obligations of the Assignor shall be joint and several.

**IN WITNESS WHEREOF** the Assignor has executed this Assignment as of the date first above written.

Stateview Homes (Elm&Co) Inc. \_\_\_\_\_


  
 x \_\_\_\_\_

Name: Daniel Ciccone \_\_\_\_\_

Title: Secretary \_\_\_\_\_

I have the authority to bind the corporation.

\_\_\_\_\_

\_\_\_\_\_

SCHEDULE "A"

PROPERTY:

Municipally known as: 12942 York Durham Line, Whitchurch-Stouffville, ON

Legally described as PIN: 03707-0188; PART LOT 5, CONCESSION 10 WHITCHURCH, PART 1, PLAN 65R37148;  
TOWN OF WHITCHURCH-STOUFFVILLE

This is Exhibit "F" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

To: **MERIDIAN CREDIT UNION LIMITED:**  
(hereinafter called the “**Credit Union**”)

For Valuable Consideration Carlo Taurasi  
(hereinafter called the “**Guarantor**”)

hereby guarantees payment of the liabilities of Stateview Homes (Elm&Co) Inc.  
(hereinafter referred to as the “**Member**”)

to the Credit Union and agrees to the following Terms and Conditions:

1. If more than one Guarantor executes this instrument the provisions hereof shall be read with all necessary grammatical changes, each reference to the Guarantor shall include each and every one of the undersigned severally and this Guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.
2. The Credit Union may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Member, with other parties and with securities as the Credit Union may see fit. The Credit Union may apply all moneys received from the Member or others, or from securities, upon such part of the Member’s liability as it may think best, without prejudice to and without in any way limiting or lessening the liability of the Guarantor under this Guarantee.
3. Neither the failure of the Credit Union to take any security that the parties hereto contemplated it would take nor the failure of the Credit Union to perfect any security taken shall prejudice, or in any way limit or lessen the liability of the Guarantor under, this Guarantee.
4. No loss of or in respect of securities received by the Credit Union from the Member or any other person, whether occasioned through the fault of the Credit Union or otherwise, shall discharge pro tanto, limit or lessen the liability of the Guarantor under this Guarantee.
5. This Guarantee shall be binding on the Guarantor as a continuing guarantee and shall cover any present liabilities of the Member to the Credit Union, all liabilities incurred after the date hereof whether from dealings between the Credit Union and the Member or from any other dealings by which the Member may become in any manner whatever liable to the Credit Union and any ultimate balance due or remaining due to the Credit Union. The Guarantor, or the executors, administrators or successors of the Guarantor, may determine further liability under this Guarantee by written notice to the Credit Union; and this Guarantee shall not apply to any liabilities of the Member to the Credit Union incurred after the expiration of thirty days from the date of receipt of such notice by the Credit Union.
6. Any change in the name of the Member, or any change in the membership of the Member’s firm, shall not affect or in any way limit or lessen the liability of the Guarantor hereunder. This Guarantee shall also extend to any person, firm or corporation acquiring or from time to time carrying on the business of the Member.
7. All moneys, advances, renewals and credits in fact borrowed or obtained from the Credit Union shall be deemed to form part of the liabilities hereby guaranteed notwithstanding any incapacity, disability or lack or limitation of status or of power of the Member or of the directors, partners or agents thereof, notwithstanding that the Member may not be a legal entity, and notwithstanding any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits. Any amount which may not be recoverable from the Guarantor on the basis of a guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Credit Union after demand therefor has hereinafter provided.
8. Any account settled or stated by or between the Credit Union and the Member shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Member to the Credit Union is so due.
9. Should the Credit Union receive from the Guarantor any payment or payments, either in full or on account of the liability under this Guarantee, the Guarantor shall not be entitled to claim repayment against the Member or the Member’s estate until the Credit Union’s claims against the Member have been paid in full. In case of any liquidation, winding up or bankruptcy of the Member, or in the event that the Member shall make a sale of any of the Member’s assets within the bulk transfer provisions of any applicable legislation, or in the case of any composition with creditors or scheme of arrangement, the Credit Union shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue liable up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing to the Credit Union by the Member. In the event of the valuation by the Credit Union of any of its securities and/or the retention thereof the Credit Union, such valuation and/or retention shall not, as between the Credit Union and the Guarantor, be considered as a purchase of such securities, or as payment, satisfaction or reduction of the Member’s liabilities to the Credit Union, or any part thereof.
10. The Guarantor shall make payment to the Credit Union of the amount of the liability of the Member forthwith after demand therefor is made in writing. Such demand shall be deemed to have been made when an envelope containing the demand and addressed to the Guarantor at the last address of the Guarantor known to the Credit Union is deposited, postage prepaid and registered, in the Post Office. The liability of the Guarantor shall bear interest from the date of such demand at the rate or rates then applicable to the liabilities of the Member to the Credit Union. Furthermore, when demand for payment has been made, the Guarantor shall also be liable to the Credit Union for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Credit Union resulting from any action instituted on the basis of this Guarantee.
11. For the further security of the Credit Union the Guarantor agrees that:
  - (a) Any debts and claims against the Member now or at any time hereafter held by the Guarantor are and shall be held by the Guarantor for the further security of the Credit Union, and as between the Guarantor and the Credit Union are hereby postponed to the debts and claims against the Member now or at any time hereafter held by the Credit Union. Any such debts and claims of the Guarantor shall be held in trust for the Credit Union, shall be collected, enforced or proved subject to and for the purposes of this agreement and any moneys received by the Guarantor in respect thereof shall be paid over to the Credit Union on account of the Credit Union’s debts and claims. No such debt or claim of the Guarantor against the Member shall be released or withdrawn by the Guarantor unless the Credit Union’s written consent to such release or withdrawal is first obtained. The Guarantor shall not permit the prescription of any such debt or claim by any statute of limitations, assign any such debt or claim to any person other than the Credit Union, or ask for or obtain any security, negotiable paper or other evidence of any such debt or claim except for the purpose of delivering the same to the Credit Union. The Credit Union may at any time give notice to the Member requiring the Member to pay to the Credit Union all or any of such debts or claims of the Guarantor against the Member, and in such event such debts and claims are hereby assigned and transferred to the Credit Union. In the event of the liquidation, winding up or bankruptcy of the Member, or in the event that the Member shall make a sale of any of the Member’s assets within the bulk transfer provisions of any applicable legislation, or in the event of any composition with creditors or scheme of arrangement, any and all dividends or other moneys which may be due or payable to the Guarantor in respect of the debts or claims of the Guarantor against the Member are hereby assigned and transferred to

and shall be due and be paid to the Credit Union, and for such payment to the Credit Union this shall be a sufficient warranty and authority to any person making the same. The Guarantor shall, at any time and from time to time at the request of and as required by the Credit Union, make execute and deliver all statements of claims, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of the Credit Union under and by virtue of this instrument.

(b) The provisions of this clause are independent of and severable from the provisions of clauses 1-10 of this Guarantee and Postponement of Claim and shall remain in force whether or not the Guarantor is liable for any amount under clauses 1-10 and clause 18 and whether or not the Credit Union has received the notice referred to in paragraph 5. The provisions of this clause may, however, be terminated by the Guarantor, by written notice given to the Credit Union at any time when the Guarantor is not liable for any amount under clauses 1-10 and clause 18 by reason of the fact that the Member is not indebted or liable to the Credit Union.

- 12. The Credit Union shall not be bound to exhaust its recourse against the Member, other parties or the securities it may hold before being entitled to payment from the Guarantor under this Guarantee.
- 13. This Guarantee is given in addition to and without prejudice to any securities of any kind, including any guarantees and postponement agreements, whether or not in the same form as this instrument, now or hereafter held by the Credit Union.
- 14. There are no representations, collateral agreements or conditions with respect to this instrument, or affecting the Guarantor's liability hereunder, other than those contained herein.
- 15. The terms and conditions set out in this Guarantee shall not merge with any judgment which may be obtained against the Guarantor or the Member.
- 16. This instrument shall be construed in accordance with the laws of the Province of Ontario. The Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this instrument may be instituted in the courts of Ontario, and the Guarantor hereby agrees to accept and submit to the jurisdiction of the said courts, to acknowledge their competence, and to be bound by any judgment thereof. Nothing herein shall limit the Credit Union's right to bring proceedings against the Guarantor elsewhere.
- 17. This Guarantee and Postponement of Claim shall extend to and enure to the benefit of the successors and assigns of the Credit Union, and shall be binding upon the Guarantor and the heirs, executors and administrators or the successors and assigns of the Guarantor.
- 18. WITH RESPECT TO THE LIABILITIES OF Stateview Homes (Elm&Co) Inc.

The liability of the Guarantor hereunder shall be unlimited and shall bear interest from the date of demand for payment as heretofore provided.

Signed, Sealed and Delivered this 8th day of December, 2022 at \_\_\_\_\_, Ontario

**To be completed by individuals, partners or sole proprietors**

<p>DocuSigned by: <i>Benjamin Singer</i> B6024DAA3079491...</p> <p>Signature of Witness</p>	<p>DocuSigned by: <i>Carlo Taurasi</i> 30E01E733F9B420...</p> <p>Signature of Guarantor</p>
<p>X</p> <p>Signature of Witness</p>	<p>X</p> <p>Signature of Guarantor</p>

**To be completed by incorporated businesses**

<p>Per X</p> <p>Authorized Signing Official</p>	<p>Title</p>
<p>Per X</p> <p>Authorized Signing Official</p>	<p>Title</p>

To: **MERIDIAN CREDIT UNION LIMITED:**  
(hereinafter called the “**Credit Union**”)

For Valuable Consideration Dino Taurasi  
(hereinafter called the “**Guarantor**”)

hereby guarantees payment of the liabilities of Stateview Homes (Elm&Co) Inc.  
(hereinafter referred to as the “**Member**”)

to the Credit Union and agrees to the following Terms and Conditions:

1. If more than one Guarantor executes this instrument the provisions hereof shall be read with all necessary grammatical changes, each reference to the Guarantor shall include each and every one of the undersigned severally and this Guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.
2. The Credit Union may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Member, with other parties and with securities as the Credit Union may see fit. The Credit Union may apply all moneys received from the Member or others, or from securities, upon such part of the Member’s liability as it may think best, without prejudice to and without in any way limiting or lessening the liability of the Guarantor under this Guarantee.
3. Neither the failure of the Credit Union to take any security that the parties hereto contemplated it would take nor the failure of the Credit Union to perfect any security taken shall prejudice, or in any way limit or lessen the liability of the Guarantor under, this Guarantee.
4. No loss of or in respect of securities received by the Credit Union from the Member or any other person, whether occasioned through the fault of the Credit Union or otherwise, shall discharge pro tanto, limit or lessen the liability of the Guarantor under this Guarantee.
5. This Guarantee shall be binding on the Guarantor as a continuing guarantee and shall cover any present liabilities of the Member to the Credit Union, all liabilities incurred after the date hereof whether from dealings between the Credit Union and the Member or from any other dealings by which the Member may become in any manner whatever liable to the Credit Union and any ultimate balance due or remaining due to the Credit Union. The Guarantor, or the executors, administrators or successors of the Guarantor, may determine further liability under this Guarantee by written notice to the Credit Union; and this Guarantee shall not apply to any liabilities of the Member to the Credit Union incurred after the expiration of thirty days from the date of receipt of such notice by the Credit Union.
6. Any change in the name of the Member, or any change in the membership of the Member’s firm, shall not affect or in any way limit or lessen the liability of the Guarantor hereunder. This Guarantee shall also extend to any person, firm or corporation acquiring or from time to time carrying on the business of the Member.
7. All moneys, advances, renewals and credits in fact borrowed or obtained from the Credit Union shall be deemed to form part of the liabilities hereby guaranteed notwithstanding any incapacity, disability or lack or limitation of status or of power of the Member or of the directors, partners or agents thereof, notwithstanding that the Member may not be a legal entity, and notwithstanding any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits. Any amount which may not be recoverable from the Guarantor on the basis of a guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Credit Union after demand therefor has hereinafter provided.
8. Any account settled or stated by or between the Credit Union and the Member shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Member to the Credit Union is so due.
9. Should the Credit Union receive from the Guarantor any payment or payments, either in full or on account of the liability under this Guarantee, the Guarantor shall not be entitled to claim repayment against the Member or the Member’s estate until the Credit Union’s claims against the Member have been paid in full. In case of any liquidation, winding up or bankruptcy of the Member, or in the event that the Member shall make a sale of any of the Member’s assets within the bulk transfer provisions of any applicable legislation, or in the case of any composition with creditors or scheme of arrangement, the Credit Union shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue liable up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing to the Credit Union by the Member. In the event of the valuation by the Credit Union of any of its securities and/or the retention thereof the Credit Union, such valuation and/or retention shall not, as between the Credit Union and the Guarantor, be considered as a purchase of such securities, or as payment, satisfaction or reduction of the Member’s liabilities to the Credit Union, or any part thereof.
10. The Guarantor shall make payment to the Credit Union of the amount of the liability of the Member forthwith after demand therefor is made in writing. Such demand shall be deemed to have been made when an envelope containing the demand and addressed to the Guarantor at the last address of the Guarantor known to the Credit Union is deposited, postage prepaid and registered, in the Post Office. The liability of the Guarantor shall bear interest from the date of such demand at the rate or rates then applicable to the liabilities of the Member to the Credit Union. Furthermore, when demand for payment has been made, the Guarantor shall also be liable to the Credit Union for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Credit Union resulting from any action instituted on the basis of this Guarantee.
11. For the further security of the Credit Union the Guarantor agrees that:
  - (a) Any debts and claims against the Member now or at any time hereafter held by the Guarantor are and shall be held by the Guarantor for the further security of the Credit Union, and as between the Guarantor and the Credit Union are hereby postponed to the debts and claims against the Member now or at any time hereafter held by the Credit Union. Any such debts and claims of the Guarantor shall be held in trust for the Credit Union, shall be collected, enforced or proved subject to and for the purposes of this agreement and any moneys received by the Guarantor in respect thereof shall be paid over to the Credit Union on account of the Credit Union’s debts and claims. No such debt or claim of the Guarantor against the Member shall be released or withdrawn by the Guarantor unless the Credit Union’s written consent to such release or withdrawal is first obtained. The Guarantor shall not permit the prescription of any such debt or claim by any statute of limitations, assign any such debt or claim to any person other than the Credit Union, or ask for or obtain any security, negotiable paper or other evidence of any such debt or claim except for the purpose of delivering the same to the Credit Union. The Credit Union may at any time give notice to the Member requiring the Member to pay to the Credit Union all or any of such debts or claims of the Guarantor against the Member, and in such event such debts and claims are hereby assigned and transferred to the Credit Union. In the event of the liquidation, winding up or bankruptcy of the Member, or in the event that the Member shall make a sale of any of the Member’s assets within the bulk transfer provisions of any applicable legislation, or in the event of any composition with creditors or scheme of arrangement, any and all dividends or other moneys which may be due or payable to the Guarantor in respect of the debts or claims of the Guarantor against the Member are hereby assigned and transferred to



and shall be due and be paid to the Credit Union, and for such payment to the Credit Union this shall be a sufficient warrant and authority to any person making the same. The Guarantor shall, at any time and from time to time at the request of and as required by the Credit Union, make execute and deliver all statements of claims, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of the Credit Union under and by virtue of this instrument.

(b) The provisions of this clause are independent of and severable from the provisions of clauses 1-10 of this Guarantee and Postponement of Claim and shall remain in force whether or not the Guarantor is liable for any amount under clauses 1-10 and clause 18 and whether or not the Credit Union has received the notice referred to in paragraph 5. The provisions of this clause may, however, be terminated by the Guarantor, by written notice given to the Credit Union at any time when the Guarantor is not liable for any amount under clauses 1-10 and clause 18 by reason of the fact that the Member is not indebted or liable to the Credit Union.

- 12. The Credit Union shall not be bound to exhaust its recourse against the Member, other parties or the securities it may hold before being entitled to payment from the Guarantor under this Guarantee.
- 13. This Guarantee is given in addition to and without prejudice to any securities of any kind, including any guarantees and postponement agreements, whether or not in the same form as this instrument, now or hereafter held by the Credit Union.
- 14. There are no representations, collateral agreements or conditions with respect to this instrument, or affecting the Guarantor's liability hereunder, other than those contained herein.
- 15. The terms and conditions set out in this Guarantee shall not merge with any judgment which may be obtained against the Guarantor or the Member.
- 16. This instrument shall be construed in accordance with the laws of the Province of Ontario. The Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this instrument may be instituted in the courts of Ontario, and the Guarantor hereby agrees to accept and submit to the jurisdiction of the said courts, to acknowledge their competence, and to be bound by any judgment thereof. Nothing herein shall limit the Credit Union's right to bring proceedings against the Guarantor elsewhere.
- 17. This Guarantee and Postponement of Claim shall extend to and enure to the benefit of the successors and assigns of the Credit Union, and shall be binding upon the Guarantor and the heirs, executors and administrators or the successors and assigns of the Guarantor.
- 18. WITH RESPECT TO THE LIABILITIES OF Stateview Homes (Elm&Co) Inc.

The liability of the Guarantor hereunder shall be unlimited and shall bear interest from the date of demand for payment as heretofore provided.

Signed, Sealed and Delivered this 8th day of December, 2022 at \_\_\_\_\_, Ontario

**To be completed by individuals, partners or sole proprietors**

<p>DocuSigned by: <u>Benjamin Singer</u> B6024DAA3079491...</p> <p>X Signature of Witness</p>	<p>DocuSigned by: <u>Dino Taurasi</u> 25F0D1A093894D3...</p> <p>X Signature of Guarantor</p>
<p>X Signature of Witness</p>	<p>X Signature of Guarantor</p>

**To be completed by incorporated businesses**

<p>Per X Authorized Signing Official</p>	<p>_____ Title</p>
<p>Per X Authorized Signing Official</p>	<p>_____ Title</p>

To: **MERIDIAN CREDIT UNION LIMITED:**  
(hereinafter called the “**Credit Union**”)

For Valuable Consideration Daniel Ciccone  
(hereinafter called the “**Guarantor**”)

hereby guarantees payment of the liabilities of Stateview Homes (Elm&Co) Inc.  
(hereinafter referred to as the “**Member**”)

to the Credit Union and agrees to the following Terms and Conditions:

1. If more than one Guarantor executes this instrument the provisions hereof shall be read with all necessary grammatical changes, each reference to the Guarantor shall include each and every one of the undersigned severally and this Guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.
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The liability of the Guarantor hereunder shall be unlimited and shall bear interest from the date of demand for payment as heretofore provided.

Signed, Sealed and Delivered this 8th day of December, 2022 at \_\_\_\_\_, Ontario

**To be completed by individuals, partners or sole proprietors**

<input checked="" type="checkbox"/> Signature of Witness	DocuSigned by: <u>Benjamin Singer</u> B6024DAA3079491...	<input checked="" type="checkbox"/> Signature of Guarantor	DocuSigned by:  226D8B82B399415...
<input type="checkbox"/> Signature of Witness		<input type="checkbox"/> Signature of Guarantor	

**To be completed by incorporated businesses**

Per <input checked="" type="checkbox"/> Authorized Signing Official		Title	
Per <input checked="" type="checkbox"/> Authorized Signing Official		Title	

To: **MERIDIAN CREDIT UNION LIMITED:**  
(hereinafter called the “**Credit Union**”)

For Valuable Consideration Stateview Construction Ltd.  
(hereinafter called the “**Guarantor**”)

hereby guarantees payment of the liabilities of Stateview Homes (Elm&Co) Inc.  
(hereinafter referred to as the “**Member**”)

to the Credit Union and agrees to the following Terms and Conditions:

1. If more than one Guarantor executes this instrument the provisions hereof shall be read with all necessary grammatical changes, each reference to the Guarantor shall include each and every one of the undersigned severally and this Guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.
2. The Credit Union may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Member, with other parties and with securities as the Credit Union may see fit. The Credit Union may apply all moneys received from the Member or others, or from securities, upon such part of the Member’s liability as it may think best, without prejudice to and without in any way limiting or lessening the liability of the Guarantor under this Guarantee.
3. Neither the failure of the Credit Union to take any security that the parties hereto contemplated it would take nor the failure of the Credit Union to perfect any security taken shall prejudice, or in any way limit or lessen the liability of the Guarantor under, this Guarantee.
4. No loss of or in respect of securities received by the Credit Union from the Member or any other person, whether occasioned through the fault of the Credit Union or otherwise, shall discharge pro tanto, limit or lessen the liability of the Guarantor under this Guarantee.
5. This Guarantee shall be binding on the Guarantor as a continuing guarantee and shall cover any present liabilities of the Member to the Credit Union, all liabilities incurred after the date hereof whether from dealings between the Credit Union and the Member or from any other dealings by which the Member may become in any manner whatever liable to the Credit Union and any ultimate balance due or remaining due to the Credit Union. The Guarantor, or the executors, administrators or successors of the Guarantor, may determine further liability under this Guarantee by written notice to the Credit Union; and this Guarantee shall not apply to any liabilities of the Member to the Credit Union incurred after the expiration of thirty days from the date of receipt of such notice by the Credit Union.
6. Any change in the name of the Member, or any change in the membership of the Member’s firm, shall not affect or in any way limit or lessen the liability of the Guarantor hereunder. This Guarantee shall also extend to any person, firm or corporation acquiring or from time to time carrying on the business of the Member.
7. All moneys, advances, renewals and credits in fact borrowed or obtained from the Credit Union shall be deemed to form part of the liabilities hereby guaranteed notwithstanding any incapacity, disability or lack or limitation of status or of power of the Member or of the directors, partners or agents thereof, notwithstanding that the Member may not be a legal entity, and notwithstanding any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or credits. Any amount which may not be recoverable from the Guarantor on the basis of a guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Credit Union after demand therefor has hereinafter provided.
8. Any account settled or stated by or between the Credit Union and the Member shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Member to the Credit Union is so due.
9. Should the Credit Union receive from the Guarantor any payment or payments, either in full or on account of the liability under this Guarantee, the Guarantor shall not be entitled to claim repayment against the Member or the Member’s estate until the Credit Union’s claims against the Member have been paid in full. In case of any liquidation, winding up or bankruptcy of the Member, or in the event that the Member shall make a sale of any of the Member’s assets within the bulk transfer provisions of any applicable legislation, or in the case of any composition with creditors or scheme of arrangement, the Credit Union shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue liable up to the amount guaranteed, less any payments made by the Guarantor, for any balance which may be owing to the Credit Union by the Member. In the event of the valuation by the Credit Union of any of its securities and/or the retention thereof the Credit Union, such valuation and/or retention shall not, as between the Credit Union and the Guarantor, be considered as a purchase of such securities, or as payment, satisfaction or reduction of the Member’s liabilities to the Credit Union, or any part thereof.
10. The Guarantor shall make payment to the Credit Union of the amount of the liability of the Member forthwith after demand therefor is made in writing. Such demand shall be deemed to have been made when an envelope containing the demand and addressed to the Guarantor at the last address of the Guarantor known to the Credit Union is deposited, postage prepaid and registered, in the Post Office. The liability of the Guarantor shall bear interest from the date of such demand at the rate or rates then applicable to the liabilities of the Member to the Credit Union. Furthermore, when demand for payment has been made, the Guarantor shall also be liable to the Credit Union for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Credit Union resulting from any action instituted on the basis of this Guarantee.
11. For the further security of the Credit Union the Guarantor agrees that:
  - (a) Any debts and claims against the Member now or at any time hereafter held by the Guarantor are and shall be held by the Guarantor for the further security of the Credit Union, and as between the Guarantor and the Credit Union are hereby postponed to the debts and claims against the Member now or at any time hereafter held by the Credit Union. Any such debts and claims of the Guarantor shall be held in trust for the Credit Union, shall be collected, enforced or proved subject to and for the purposes of this agreement and any moneys received by the Guarantor in respect thereof shall be paid over to the Credit Union on account of the Credit Union’s debts and claims. No such debt or claim of the Guarantor against the Member shall be released or withdrawn by the Guarantor unless the Credit Union’s written consent to such release or withdrawal is first obtained. The Guarantor shall not permit the prescription of any such debt or claim by any statute of limitations, assign any such debt or claim to any person other than the Credit Union, or ask for or obtain any security, negotiable paper or other evidence of any such debt or claim except for the purpose of delivering the same to the Credit Union. The Credit Union may at any time give notice to the Member requiring the Member to pay to the Credit Union all or any of such debts or claims of the Guarantor against the Member, and in such event such debts and claims are hereby assigned and transferred to the Credit Union. In the event of the liquidation, winding up or bankruptcy of the Member, or in the event that the Member shall make a sale of any of the Member’s assets within the bulk transfer provisions of any applicable legislation, or in the event of any composition with creditors or scheme of arrangement, any and all dividends or other moneys which may be due or payable to the Guarantor in respect of the debts or claims of the Guarantor against the Member are hereby assigned and transferred to

and shall be due and be paid to the Credit Union, and for such payment to the Credit Union this shall be a sufficient warrant and authority to any person making the same. The Guarantor shall, at any time and from time to time at the request of and as required by the Credit Union, make execute and deliver all statements of claims, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of the Credit Union under and by virtue of this instrument.

(b) The provisions of this clause are independent of and severable from the provisions of clauses 1-10 of this Guarantee and Postponement of Claim and shall remain in force whether or not the Guarantor is liable for any amount under clauses 1-10 and clause 18 and whether or not the Credit Union has received the notice referred to in paragraph 5. The provisions of this clause may, however, be terminated by the Guarantor, by written notice given to the Credit Union at any time when the Guarantor is not liable for any amount under clauses 1-10 and clause 18 by reason of the fact that the Member is not indebted or liable to the Credit Union.

- 12. The Credit Union shall not be bound to exhaust its recourse against the Member, other parties or the securities it may hold before being entitled to payment from the Guarantor under this Guarantee.
- 13. This Guarantee is given in addition to and without prejudice to any securities of any kind, including any guarantees and postponement agreements, whether or not in the same form as this instrument, now or hereafter held by the Credit Union.
- 14. There are no representations, collateral agreements or conditions with respect to this instrument, or affecting the Guarantor's liability hereunder, other than those contained herein.
- 15. The terms and conditions set out in this Guarantee shall not merge with any judgment which may be obtained against the Guarantor or the Member.
- 16. This instrument shall be construed in accordance with the laws of the Province of Ontario. The Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this instrument may be instituted in the courts of Ontario, and the Guarantor hereby agrees to accept and submit to the jurisdiction of the said courts, to acknowledge their competence, and to be bound by any judgment thereof. Nothing herein shall limit the Credit Union's right to bring proceedings against the Guarantor elsewhere.
- 17. This Guarantee and Postponement of Claim shall extend to and enure to the benefit of the successors and assigns of the Credit Union, and shall be binding upon the Guarantor and the heirs, executors and administrators or the successors and assigns of the Guarantor.
- 18. WITH RESPECT TO THE LIABILITIES OF Stateview Homes (Elm&Co) Inc.

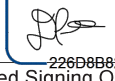
The liability of the Guarantor hereunder shall be unlimited and shall bear interest from the date of demand for payment as heretofore provided.

Signed, Sealed and Delivered this 8th day of December, 2022 at \_\_\_\_\_, Ontario

To be completed by individuals, partners or sole proprietors

X	_____ Signature of Witness	X	_____ Signature of Guarantor
X	_____ Signature of Witness	X	_____ Signature of Guarantor

To be completed by incorporated businesses

<u>Stateview Construction Ltd.</u>			
<small>DocuSigned by:</small>			
Per X	 <small>226D8B82B399415...</small> Authorized Signing Official	Daniel Ciccone, Treasurer	Title
Per X	_____ Authorized Signing Official	Title	_____ Title

**Meridian™ Stateview Construction Ltd.  
Resolution of Directors - Corporate Guarantee**

WHEREAS it is deemed expedient and in the best interest of the Corporation that it lend assistance to Stateview Homes (Elm&Co) Inc. in connection with its borrowings both present and future, from **MERIDIAN CREDIT UNION LIMITED**.

1. That the Corporation do guarantee payment to **MERIDIAN CREDIT UNION LIMITED** of all present and future debts and liabilities, including interest, at any time owing by Stateview Homes (Elm&Co) Inc. to the said Credit Union, and, that the liability of the Corporation shall be unlimited together with interest from the date of demand for payment. The liability of the Guarantor shall bear interest from the date of such demand at the rate or rates then applicable to the liabilities of the member to the Credit Union.
2. That the Corporation do further secure **MERIDIAN CREDIT UNION LIMITED** by postponing all debts and claims, present and future, of the Corporation against Stateview Homes (Elm&Co) Inc. to the debts and claims of the said Credit Union against Stateview Homes (Elm&Co) Inc..
3. That the Guarantee and Postponement of Claim upon the said Credit Union's form no. 3051 a copy of which has been submitted to the Corporation, be and it is hereby approved as containing a correct statement of the terms and conditions upon which the said Guarantee and Postponement are to be made and that the said Guarantee and Postponement of Claim be executed for and in the name of the Corporation and under its corporate seal by the Treasurer with such alterations, additions, amendments and deletions as they may approve; and execution by them shall be conclusive evidence of such approval and that the Guarantee and Postponement of Claim authorized by this resolution.

Where no security will be taken to support the Guarantee, "Delete" and "Initial"

4. ~~That to secure the obligation and liability of this Corporation to the Credit Union under the aforementioned guarantee, this Corporation give security to the Credit Union by way of \_\_\_\_\_ a specimen of which has been submitted to the Corporation.~~



**CERTIFICATE**

It is hereby certified by the undersigned, Secretary of Stateview Construction Ltd. that the foregoing is a true copy of a resolution of the directors of the above-named Corporation in accordance with the Charter and/or Articles and the By-laws of the Corporation and all other laws governing the Corporation, and that the said resolution was in full force and effect at the time the guarantee was signed, and, that there were, at the time of signing of the guarantee, no unanimous shareholder agreements which restrict or limit the ability of the Corporation to enter into or forfeit the terms of the guarantee.

It is further certified that at the time the guarantee was signed by Daniel Ciccone, who held the office(s) of Treasurer in the above-named Corporation.

Given at Vaughan this 8th day of December, 2022.

DocuSigned by:  
  
226D8B82B399415... c/s  
Secretary

OR

The undersigned being all if the Directors of Stateview Construction Ltd. hereby sign the foregoing resolution this \_\_\_\_\_ day of December, 2022.

X \_\_\_\_\_  
X \_\_\_\_\_  
X \_\_\_\_\_  
X \_\_\_\_\_  
X \_\_\_\_\_

This is Exhibit "G" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

# Enquiry Result

File Currency: 16APR 2023

Show All Pages

**Note: All pages have been returned.**

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	STATEVIEW HOMES (ELM&CO) INC.								
<b>File Currency</b>	16APR 2023								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	789115977	1	4	1	11	07DEC 2027			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
789115977		001	1		20221207 1403 1590 1848	P PPSA	5		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	STATEVIEW HOMES (ELM&CO) INC.								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	16-410 CHRISLEA ROAD				WOODBIDGE	ON	L4L 8B5		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	DORR CAPITAL CORPORATION								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	41 SCARSDALE ROAD, UNIT 6				TORONTO	ON	M3B 2R2		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
		X	X	X	X	X			
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>	<b>V.I.N.</b>			
<b>General Collateral Description</b>	<b>General Collateral Description</b>								



<b>Registering Agent</b>	<b>Registering Agent</b>			
	BLANEY MCMURTRY LLP (R. HAWKINS)			
	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>
	1500-2 QUEEN STREET EAST, MARITIME LIFE	TORONTO	ON	M5C 3G5

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	STATEVIEW HOMES (ELM&CO) INC.								
File Currency	16APR 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789119118	2	4	2	11	07DEC 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789119118		001	1		20221207 1517 1590 1893	P PPSA	3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	STATEVIEW HOMES (ELM&CO) INC.								
	Address				City	Province	Postal Code		
	16-410 CHRISLEA ROAD,				VAUGHAN	ON	L4L 8B5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	MERIDIAN CREDIT UNION LIMITED								
	Address				City	Province	Postal Code		
	75 CORPORATE PARK DRIVE ST.				CATHERINES	ON	L2S 3W3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	SECURITY AGREEMENT CONTAINS COVENANT BY DEBTOR NOT TO GRANT SECURITY INTERESTS IN OR TRANSFER TO THIRD PARTIES THE COLLATERAL WITHOUT THE CONSENT OF THE SECURED PARTY.								
Registering Agent	Registering Agent								
	HIMELFARB PROSZANSKI								
	Address				City	Province	Postal Code		
	1401 - 480 UNIVERSITY AVENUE				TORONTO	ON	M5G 1V2		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	STATEVIEW HOMES (ELM&CO) INC.								
File Currency	16APR 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789180048	3	4	3	11	09DEC 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789180048		001	3		20221209 1115 1590 2291	P PPSA	3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	STATEVIEW CONSTRUCTION LTD.					1835835			
	Address				City	Province	Postal Code		
	410 CHISLEA ROAD, UNIT 16,				WOODBIDGE	ON	L4L 8B5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	31MAR1985	DANIEL				CICCONE			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	55 COOPERAGE CRESCENT				RICHMOND HILL	ON	L4C 9M2		
Secured Party	Secured Party / Lien Claimant								
	797377 ONTARIO INC.								
	Address				City	Province	Postal Code		
	5 PAISLEY LANE				UXBRIDGE	ON	L9P 0G5		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
					X			09DEC2025	
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	ASSIGNMENT OF RENTS								
	GUARANTEES								
Registering Agent	Registering Agent								
	STANLEY ROSENFARB								
	Address				City	Province	Postal Code		
	300-2005 SHEPPARD AVE EAST				TORONTO	ON	M2J 5B4		

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	STATEVIEW HOMES (ELM&CO) INC.						
File Currency	16APR 2023						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	789180048	3	4	4	11	09DEC 2025	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
789180048		002	3		20221209 1115 1590 2291		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	24NOV1978	CARLO		TAURASI

Business Debtor	Business Debtor Name			Ontario Corporation Number	
	Address		City	Province	Postal Code
	48A PUCCINI DRIVE		RICHMOND HILL	ON	L4E 1Y6

Individual Debtor	Date of Birth	First Given Name	Initial	Surname
	16MAR1973	DINO		TAURASI

Business Debtor	Business Debtor Name			Ontario Corporation Number	
	Address		City	Province	Postal Code
	48 PUCCINI DRIVE		RICHMOND HILL	ON	L4E 2Y6

Secured Party	Secured Party / Lien Claimant				
	Address		City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description			

Registering Agent	Registering Agent				
	Address		City	Province	Postal Code

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	STATEVIEW HOMES (ELM&CO) INC.								
File Currency	16APR 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789180048	3	4	5	11	09DEC 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789180048		003	3		20221209 1115 1590 2291				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	STATEVIEW HOMES (ELM&CO) INC.					100019716			
	Address				City	Province	Postal Code		
	410 CHRISLEA ROAD, SUITE 16				WOODBIDGE	ON	L4L 8B5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor						
Search Conducted On	STATEVIEW HOMES (ELM&CO) INC.						
File Currency	16APR 2023						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	789730668	4	4	6	11	04JAN 2028	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
789730668		001	6		20230104 1406 5064 7009	P PPSA	05

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	STATEVIEW HOMES (ELM&CO) INC.			
	Address	City	Province	Postal Code
	410 CHRISLEA ROAD, UNIT 15 &16	VAUGHAN	ON	L4L 8B5

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	BERGO INVESTMENT LIMITED			
	Address	City	Province	Postal Code
	44 UPJOHN ROAD	TORONTO	ON	M3B 2W1

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X	X	X	X	X				X

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description
	(1) THIRD RANKING GENERAL SECURITY AGREEMENT CREATING A SECURITY INTEREST IN ALL PRESENT AND FUTURE ACQUIRED PERSONAL PROPERTY THE DEBTORS INCLUDING ALL RIGHTS OF THE DEBTORS (A) UNDER ALL

Registering Agent	Registering Agent			
	ESC CORPORATE SERVICES LTD.			
	Address	City	Province	Postal Code
	445 KING STREET WEST, SUITE 400	TORONTO	ON	M5V 1K4

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	STATEVIEW HOMES (ELM&CO) INC.								
File Currency	16APR 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789730668	4	4	7	11	04JAN 2028			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789730668		002	6		20230104 1406 5064 7009				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	MCO MANAGEMENT INC.								
	Address			City	Province	Postal Code			
	8920 WOODBINE AVE., SUITE 400			MARKHAM	ON	L3R 9W9			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	BUILDING/DEVELOPMENT PERMITS AND THE MONIES PAID THEREUNDER (B) TO ALL PLANS, SPECIFICATIONS, DRAWINGS, CONTRACTS AND AGREEMENTS RELATING TO THE PROPERTIES LOCATED ON TOWNLINE ROAD AND BETHESDA SIDE								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	STATEVIEW HOMES (ELM&CO) INC.								
File Currency	16APR 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789730668	4	4	8	11	04JAN 2028			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789730668		003	6		20230104 1406 5064 7009				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	TONY KARAMITSOS								
	Address			City	Province	Postal Code			
	44 UPJOHN ROAD			TORONTO	ON	M3B 2W1			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	ROAD, STOUFFVILLE, LEGALLY DESCRIBED AS (PIN #03707-0188) (LT) PART								
	LOT 5, CONCESSION 10 WHITCHURCH, PART 1, PLAN 65R37148 TOWN OF								
	WHITCHURCH-STOUFFVILLE, ONTARIO (HEREIN REFERRED TO AS THE								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED



Type of Search	Business Debtor								
Search Conducted On	STATEVIEW HOMES (ELM&CO) INC.								
File Currency	16APR 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789730668	4	4	9	11	04JAN 2028			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789730668		004	6		20230104 1406 5064 7009				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	"PROPERTIES" OR "PROJECT") (2) ASSIGNMENT OF BENEFITS BUT NOT DEBTORS OBLIGATIONS IN ALL MATERIAL AGREEMENTS INCLUDING ALL PRESENT OR FUTURE PROFESSIONAL CONSTRUCTION, MANAGEMENT AND OTHER CONTRACTS,								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	STATEVIEW HOMES (ELM&CO) INC.								
File Currency	16APR 2023								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789730668	4	4	10	11	04JAN 2028			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789730668		005	6		20230104 1406 5064 7009				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	PLANS, SPECIFICATIONS, WORKING DRAWINGS, BUDGETS FOR PROVISION OF MATERIALS AND EQUIPMENTS, AND SERVICES TO THE PROPERTIES, AND (3) THIRD RANKING ASSIGNMENT OF ALL PRESENT AND FUTURE PURCHASE								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED

Type of Search	Business Debtor						
Search Conducted On	STATEVIEW HOMES (ELM&CO) INC.						
File Currency	16APR 2023						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	789730668	4	4	11	11	04JAN 2028	

**FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN**

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
789730668		006	6		20230104 1406 5064 7009		

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	Address	City	Province	Postal Code

Secured Party	Secured Party / Lien Claimant			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.



General Collateral Description	General Collateral Description
	AGREEMENTS, PURCHASERS DEPOSITS RELATING TO DEVELOPMENT WITH RESPECT TO THE PROPERTIES AND PROJECT


Registering Agent	Registering Agent			
	Address	City	Province	Postal Code

LAST PAGE

**Note: All pages have been returned.**

[BACK TO TOP](#)



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This is Exhibit “H” referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

LAND  
REGISTRY  
OFFICE #65

03707-0188 (LT)

PAGE 1 OF 2  
PREPARED FOR TLuo4444  
ON 2023/04/12 AT 08:57:16

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

PROPERTY DESCRIPTION: PART LOT 5, CONCESSION 10 WHITCHURCH, PART 1, PLAN 65R37148; TOWN OF WHITCHURCH-STOUFFVILLE

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2017/05/25.

ESTATE/QUALIFIER: RECENTLY:  
FEE SIMPLE RE-ENTRY FROM 03707-0125  
LT ABSOLUTE PLUS

PIN CREATION DATE:  
2017/05/25

OWNERS' NAMES CAPACITY SHARE  
STATEVIEW HOMES (ELM&CO) INC.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2017/05/25 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
R750346	2005/10/17	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA		C
REMARKS: PICKERING AIRPORT SITE ZONING REGULATIONS						
YR2610420	2017/01/16	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** NORMAN MOELLER INVESTMENTS LTD.	STOUFFVILLE BETHESDA HOLDINGS INC.	
REMARKS: PLANNING ACT STATEMENTS.						
YR2610421	2017/01/16	CHARGE		*** DELETED AGAINST THIS PROPERTY *** STOUFFVILLE BETHESDA HOLDINGS INC.	NORMAN MOELLER INVESTMENTS LTD.	
65R37148	2017/05/25	PLAN REFERENCE				C
YR2673413	2017/05/25	APL ABSOLUTE TITLE		STOUFFVILLE BETHESDA HOLDINGS INC.		C
REMARKS: YR2649276						
YR3357690	2021/12/17	CHARGE		*** COMPLETELY DELETED *** STOUFFVILLE BETHESDA HOLDINGS INC.	THE BANK OF NOVA SCOTIA	
YR3358049	2021/12/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** NORMAN MOELLER INVESTMENTS LTD.		
REMARKS: YR2610421.						
YR3497378	2022/11/15	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE BANK OF NOVA SCOTIA		
REMARKS: YR3357690.						
YR3506924	2022/12/09	TRANSFER	\$34,000,000	STOUFFVILLE BETHESDA HOLDINGS INC.	STATEVIEW HOMES (ELM&CO) INC.	C

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

LAND  
REGISTRY  
OFFICE #65

03707-0188 (LT)

PREPARED FOR TLuo4444  
ON 2023/04/12 AT 08:57:16

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD	
		REMARKS: PLANNING ACT STATEMENTS.					
YR3506925	2022/12/09	CHARGE	\$17,800,000	STATEVIEW HOMES (ELM&CO) INC.	MERIDIAN CREDIT UNION LIMITED	C	
YR3506926	2022/12/09	NO ASSGN RENT GEN		STATEVIEW HOMES (ELM&CO) INC.	MERIDIAN CREDIT UNION LIMITED	C	
		REMARKS: YR3506925					
YR3506927	2022/12/09	CHARGE	\$4,000,000	STATEVIEW HOMES (ELM&CO) INC.	DORR CAPITAL CORPORATION	C	
YR3506928	2022/12/09	NO ASSGN RENT GEN		STATEVIEW HOMES (ELM&CO) INC.	DORR CAPITAL CORPORATION	C	
		REMARKS: YR3506927					
YR3506929	2022/12/09	CHARGE	\$2,500,000	STATEVIEW HOMES (ELM&CO) INC.	797377 ONTARIO INC.	C	
YR3506930	2022/12/09	NO ASSGN RENT GEN		STATEVIEW HOMES (ELM&CO) INC.	797377 ONTARIO INC.	C	
		REMARKS: YR3506929					
YR3507428	2022/12/12	NO CHNG ADDR INST		MERIDIAN CREDIT UNION LIMITED		C	
		REMARKS: YR3506925, YR3506926					
YR3509405	2022/12/16	CHARGE	\$20,850,000	STATEVIEW HOMES (ELM&CO) INC.	BERGO INVESTMENT LIMITED MCO MANAGEMENT INC. KARAMITSOS, TONY	C	
YR3539468	2023/04/06	CHARGE	\$37,134,091	STATEVIEW HOMES (ELM&CO) INC.	THE TORONTO-DOMINION BANK		

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

This is Exhibit "T" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**



**SUBORDINATION AND STANDSTILL AGREEMENT**

THIS AGREEMENT is made as of this 9th day of December, 2022  
(the "**Agreement**").

BETWEEN:

**MERIDIAN CREDIT UNION LIMITED**  
(the "**Lender**")

- and-

**DORR CAPITAL CORPORATION**  
(**"Dorr"**)

- and-

**797377 ONTARIO INC.**  
(**"797377"**)

- and-

**STATEVIEW HOMES (ELMC&CO) INC.**  
(the "**Borrower**")

A. **WHEREAS** pursuant to a mortgage loan commitment dated November 21, 2022, as amended by an amending letter dated December 5, 2022, as the same may be further amended from time to time (the "**Dorr Commitment**"), Dorr has made a loan (the "**Dorr Loan**") in the amount of \$4,000,000 to the Borrower, on the security of a second charge for \$4,000,000 (the "**2<sup>nd</sup> Charge**") registered in the Land Registry Office for the Land Titles Division of York Region (No. 65) (the "**LRO**") on December 9/2022 as Instrument No. YR3506925 on certain lands and premises owned by the Borrower situated in the Town of Whitchurch-Stouffville and legally described on Schedule "A" hereto (collectively, the "**Property**"). All existing and future indebtedness and other obligations and liabilities owing by the Borrower to Dorr thereunder from time to time are collectively called the "**Dorr Indebtedness**". The 2<sup>nd</sup> Charge and all/any other additional or collateral security now or hereafter provided by the Borrower to Dorr to secure the Dorr Indebtedness (including, but not limited to, a general security agreement in respect of all personal property of the Borrower, an assignment of material documents, an assignment of sale agreements, an assignment and agreement re interest reserve, an indemnity agreement, a full recourse guarantee and undertaking and direction re sale proceeds) are collectively called the "**Dorr Security**".

B. **WHEREAS** pursuant to a mortgage loan commitment with MD Financial Corporation dated November 18, 2022 as the same may be amended from time to time (the "**797 Commitment**"), MD Financial Corporation arranged a loan with 797377 as lender for a loan (the "**797 Loan**") in the amount of \$2,500,000 to the Borrower, on the security of a third charge for \$2,500,000 (the "**3<sup>rd</sup> Charge**") registered in the Land Registry Office for the Land Titles Division of York Region (No. 65) (the "**LRO**") on December 9, 2022 as Instrument No. YR3506927 on the Property. All existing and future indebtedness and other obligations

and liabilities owing by the Borrower to 797377 thereunder from time to time are collectively called the **"797 Indebtedness"**. The 3<sup>rd</sup> Charge and all/any other additional or collateral security now or hereafter provided by the Borrower to 797377 to secure the 797 Indebtedness (including, but not limited to, a general security agreement in respect of all personal property of the Borrower, an assignment of material documents, an assignment of sale agreements, an assignment and agreement re interest reserve, an indemnity agreement, a full recourse guarantee and undertaking and direction re sale proceeds) are collectively called the **"797 Security"**.

C. **AND WHEREAS** pursuant to a credit agreement dated December 5, 2022 as the same may be amended from time to time (the **"Credit Agreement"**), the Lender has made or will make credit facilities (the **"Credit Facilities"**) available to the Borrower to a maximum amount of \$17,800,000 on the security of a \$17,800,000 first mortgage/charge on the Property registered in the LRO on December 9, 2022 as Instrument No. YR3506929 (the **"1<sup>st</sup> Charge"**). The indebtedness and other obligations and liabilities owing by the Borrower to the Lender pursuant to the Credit Agreement including, but not limited to, the principal sum, all interest thereon, all future advances to the maximum sum, all fees, costs, expenses relating to any enforcement action are collectively called the **"Prior Indebtedness"**. The 1<sup>st</sup> Charge and all other additional or collateral security now or hereafter provided by the Borrower to secure the Prior Indebtedness (including, but not limited to, a notice of assignment of rents, a general security agreement with respect to all personal property of the Borrower, and all other loan and security documents) are collectively called the **"Prior Security"**.

D. **AND WHEREAS** Dorr and 797377 are hereinafter collectively referred to as the **"Subordinate Lender"**; the Dorr Loan and 797 Loan are hereinafter collectively referred to as the **"Subordinate Loan"**; the Dorr Indebtedness and 797 Indebtedness are hereinafter collectively referred to as the **"Subordinate Indebtedness"**, and the Dorr Security and 797 Security are hereinafter referred to as the **"Subordinate Security"**;

E. **AND WHEREAS** the Subordinate Lender has agreed to subordinate and postpone the Subordinate Indebtedness and the Subordinate Security to and in favour of the Prior Indebtedness and the Prior Security. Reference herein to the Subordinate Indebtedness, Subordinate Security, Prior Indebtedness and Prior Security includes all renewals, extensions, amendments, modifications, and restatements thereof from time to time, as limited in accordance with the provisions of this Agreement.

F. **AND WHEREAS** the Subordinate Lender has agreed that, without the consent of the Lender from and after the date hereof and until the expiration of the standstill period set out in Section 6 below, the Subordinate Lender shall not take collection, realization or enforcement proceedings or remedies against the Borrower or any guarantor with respect to Property, or any portion thereof, nor against any chattels, fixtures, rents, leases, and/or other personal property situate upon, within or affixed to or otherwise relating to the Property within the period provided for herein.

**NOW THEREFORE** for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties agree as follows:

1. **Covenants, Representations and Warranties of Dorr.** Dorr consents to the Prior Indebtedness and the Prior Security and represents, warrants and acknowledges to the Lender that (a) the Dorr Indebtedness and Dorr Security are in good standing and the Borrower is not in default thereunder; (b) it holds no security of any kind against the Property other than the Dorr Security; (c) Dorr is the owner of the Dorr Indebtedness and the Dorr Security and has full power, authority and legal right to enter into this Agreement; and (d) the total principal amount owing to Dorr under the Dorr Indebtedness shall not exceed \$4,000,000 on the Property. Upon request by the Lender from time to time, Dorr shall provide to the Lender a statement confirming the status thereof, including the amount of the Dorr Indebtedness then outstanding, the then applicable interest rate and payment terms and particulars of all existing or alleged defaults by the Borrower in respect thereof.
2. **Covenants, Representations and Warranties of 797377.** 797377 consents to the Prior Indebtedness and the Prior Security and represents, warrants and acknowledges to the Lender that (a) the 797 Indebtedness and 797 Security are in good standing and the Borrower is not in default thereunder; (b) it holds no security of any kind against the Property other than the 797 Security; (c) 797377 is the owner of the 797 Indebtedness and the 797 Security and has full power, authority and legal right to enter into this Agreement; and (d) the total principal amount owing to 797377 under the 797 Indebtedness shall not exceed \$2,500,000 on the Property. Upon request by the Lender from time to time, 797377 shall provide to the Lender a statement confirming the status thereof, including the amount of the 797 Indebtedness then outstanding, the then applicable interest rate and payment terms and particulars of all existing or alleged defaults by the Borrower in respect thereof.
3. **Covenants, Representations and Warranties of Lender.** The Lender consents to the Subordinate Indebtedness and the Subordinate Security and represents, warrants and acknowledges to the Subordinate Lender that (a) the Prior Indebtedness and Prior Security are in good standing and the Borrower is not in default thereunder; (b) it holds no security of any kind against the Property other than the Prior Security; (c) the Lender is the owner or the agent of the owner of the Prior Indebtedness and the Prior Security and has full power, authority and legal right to enter into this Agreement; (d) the total principal amount owing to the Lender under the Prior Indebtedness shall not exceed \$17,800,000 on the Property. Upon request by the Subordinate Lender from time to time, at the Borrower's cost, the Lender shall provide to the Subordinate Lender a statement confirming the status thereof, including the amount of the Prior Indebtedness then outstanding, the then applicable interest rate and payment terms and particulars of all existing or alleged defaults by the Borrower in respect thereof.
4. **Subordination and Postponement.** The Subordinate Lender hereby subordinates and postpones the Subordinate Security to the Prior Security and the Prior Indebtedness and agrees with the Lender that the Prior Security shall be a first priority lien and charge against the Property for the full amount of the Prior Indebtedness in full priority to the Subordinate Security. The subordination and postponement of the Subordinate Security to the Prior Security and the Prior Indebtedness shall include subordination and postponement of the Subordinate Indebtedness to the extent required to make the Prior Security a first priority lien and charge against the Property for the entire amount of the Prior Indebtedness at all times. No discharge, release or waiver by the Lender of any of the Prior Security against or in respect of any part of the Property or any person or any amendment, renewal, extension, replacement, modification, supplement or restatement of any Prior Indebtedness and/or the Prior Security shall require notice to or the consent of the Subordinate Lender or otherwise affect the subordination and

postponement of the Subordinate Security and the Subordinate Indebtedness hereby granted by the Subordinate Lender, save and except that the written consent of the Subordinate Lender shall be required if any such amendment, renewal, extension, replacement, modification, supplement or restatement increases the principal amount or interest rate or rates or creates more onerous repayment or partial discharge terms under the Credit Facilities, the Prior Indebtedness and/or the Prior Security. The Subordinate Lender shall not amend, extend, renew, modify, replace, supplement, restate or otherwise modify the Subordinate Indebtedness or the Subordinate Security without the prior written consent of the Lender, such consent not to be unreasonably withheld, conditioned or delayed.

The above postponements and subordinations shall apply notwithstanding the respective dates of execution and registration of any of the Prior Security or the Subordinate Security, the date of attachment or perfection of any security interest granted thereby, the date of any advance, the date of any default, or any other matter. Each of the parties hereto agrees that it shall not claim against the other the benefit of any charge, mortgage, security interest, trust or other claim which would affect the priorities set out herein.

5. **Payments.** The Subordinate Lender agrees that, until the Prior Indebtedness is paid in full, (a) no rents, revenue, income, cash flow and other proceeds arising from or relating to any sale or lease of the Property (collectively "**Revenue**") shall be applied to any payment on account of the Subordinate Indebtedness, and (b) it shall not accept any payments on account of the Subordinate Indebtedness which the Subordinate Lender knows or reasonably ought to know are payments made from Revenue and, if any such payments are received, the Subordinate Lender shall immediately pay such amounts to the Lender without deduction. The Subordinate Lender agrees that it shall not accept any payments on account of the Subordinate Indebtedness which the Subordinate Lender knows or reasonably ought to know are payments made from monies advanced under the Prior Indebtedness. All insurance, expropriation and condemnation proceeds relating to the Property shall be dealt with and applied, whether before or after any default under or in respect of the Prior Indebtedness or the Subordinate Indebtedness, in accordance with the provisions of the Prior Security notwithstanding any provision to the contrary in the Subordinate Security. The Lender and the Subordinate Lender shall provide reasonable co-operation to each other to ensure that the provisions of this section are complied with.

Notwithstanding anything to the contrary in this Section or elsewhere in this Agreement, and without limitation of the rights of the Subordinate Lender under the Subordinate Security except as expressly limited by this Agreement, it is acknowledged and agreed that, the Subordinate Lender shall be entitled to receive and accept payment of monthly interest payments on the Subordinate Indebtedness as provided by the Subordinate Lender's Commitment and the Subordinate Security from (i) the interest reserve account established and held by the Subordinate Lender pursuant to the Subordinate Lender's Commitment, and/or (ii) any monies from cash resources outside the project on the Property deposited by the Borrower with the Subordinate Lender.

6. **Standstill.** The Subordinate Lender shall not take any Enforcement Action for a period of **120 days** from the date the Lender receives written notice of a default under or in respect of the Subordinate Security or the Subordinate Indebtedness, with respect to all or any part of the Property or against the Borrower or any guarantor, without the written consent of the Lender, which consent may be given or withheld by the Lender in its sole and absolute discretion.

Following expiry of such 120 day period, the Subordinate Lender may take any such Enforcement Action as it shall see fit in its sole discretion. The Subordinate Lender shall not challenge, contest or bring into question the validity, priority or perfection of the Prior Security, or contest the priority of any Enforcement Action taken by the Lender under or in respect of the Prior Security or Prior Indebtedness against the Borrower, or any guarantor or against all or any part of the Property. The Subordinate Lender and Lender each agree to provide each other with a copy of any notice of default at the time it is sent to Borrower.

In this section, "**Enforcement Action**" means the commencement of power of sale, foreclosure or other judicial or private sale proceedings, appointing or obtaining the appointment of a receiver, a manager or a receiver and manager or other person having similar powers in respect of any person or property, attornment of rents, taking possession or control of any property or undertaking, any notice of intention to enforce security or any action or proceeding seeking payment or recovery of all or any part of any indebtedness or damages in lieu thereof, or accepting a transfer of any property in lieu of foreclosure, or the exercise of any other rights or remedies available to a creditor under its security or otherwise at law or in equity including, without limitation, any bankruptcy proceedings; provided, however, that an Enforcement Action does not include (i) the giving of notice of any default and/or making any demand for payment which does not include any of the foregoing actions or proceedings, (ii) filing a proof of claim or other similar or analogous document with respect to the Subordinate Indebtedness in any bankruptcy or insolvency proceeding under applicable legislation in order to affirm, preserve or prove the amount of the Subordinate Indebtedness, or (iii) the exercise by the Subordinate Lender of any right of redemption of the Prior Indebtedness which may be available to the Subordinate Lender pursuant to applicable laws following the occurrence of any default or "Event of Default" under the Prior Indebtedness and/or the Prior Security.

7. **Assignment.** The Subordinate Lender agrees that it shall not sell, transfer, assign or otherwise dispose of any interest in the Subordinate Indebtedness or the Subordinate Security to any person or persons (the "**Assignee**") except if concurrently with any such sale, transfer, assignment or other disposition, the Subordinate Lender, shall cause each Assignee to enter into a subordination and standstill agreement with the Lender on the same terms and conditions as of this Agreement.

8. **Borrower Covenants** - The Borrower hereby (a) acknowledges and consents to this Agreement, (b) agrees to be bound by the respective priorities of the Lender and the Subordinate Lender as set out herein, and (c) covenants and agrees that it shall not pay or cause or permit to be paid any monies to the Lender or the Subordinate Lender in contravention of the terms of this Agreement. Nothing in this Agreement shall create any rights in favour of or obligations to the Borrower, and the covenants and agreements of the Lender and the Subordinate Lender herein shall not be enforceable by the Borrower. The Borrower agrees to pay or fully reimburse each of the Lender and the Subordinate Lender for all reasonable legal and other costs and expenses of every nature and kind incurred by them in connection with their execution and delivery of this Agreement and all related postponement and subordination documents required in connection with this Agreement and the implementation hereof in accordance with the priorities set out herein, which if not paid shall form part of the Prior Indebtedness and/or the Subordinate Indebtedness, as the case may be, and bear interest at the rate payable in respect of the Prior Security and/or the Subordinate Security as the case may be.

9. **Further Assurances.** Each of the Subordinate Lender and Lender shall execute upon request by the other such reasonable further documents or instruments and take such reasonable further action as they may reasonably require from time to time to carry out the intent of this Agreement.

10. **Registration Particulars** - The respective solicitors for the Lender and the Subordinate Lender are hereby authorized to complete herein particulars of registration of the Subordinate Security once registered.

11. **Notices.** Any notice, demand or other communication which any party may desire or may be required to give to any other party shall be in writing and may be made or given by personal delivery, by registered mail or by facsimile transmission to the address for service of the recipient set forth below. Any demand, notice or communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, and if given by registered mail, on the third Business Day following the deposit thereof in the mail, and if given by facsimile transmission, on the first Business Day following the transmittal thereof. The address for service for each party is as follows:

If to the Lender:

Meridian Credit Union Limited  
75 Corporate Park Drive  
St. Catharines, Ontario  
L2S 3W3

Facsimile No.: 905-988-4006

If to Dorr:

41 Scarsdale Road, Unit 6  
Toronto, Ontario  
M3B 2R2

Attention: Judy Wong  
Facsimile No.: 1-866-839-7075

If to 797377:

5 Paisley Lane  
Uxbridge, Ontario  
L9P 0G5

Attention: Richard Trudel  
Facsimile No.: 905-640-7352

If any party giving any demand, notice or other communication knows or reasonably ought to know of any difficulties with the postal system that might affect delivery of mail, such demand, notice or other communication shall not be mailed, but shall be given by personal delivery or by facsimile transmission. Any party hereto may change its address for service to which notices hereunder are required to be made or given by notice to other parties in accordance herewith.

12. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws other than the laws in force in such Province applying to this Agreement; and the Subordinate Lender consents to the jurisdiction of the courts of such Province and irrevocably agrees that all actions or proceedings arising out of or relating to this Agreement shall be litigated in such courts and the Subordinate Lender unconditionally accepts the non-exclusive jurisdiction of the said courts and waives any defense of *forum non-conveniens*, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement, provided nothing herein shall affect the right to serve process in any other manner permitted by law.

13. **Successors.** The acknowledgements, agreements, covenants, representations and warranties contained in this Agreement shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

14. **Counterparts.** This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument. This Agreement may be executed by the parties and transmitted by telecopy and if so executed and transmitted, this Agreement will be for all purposes as effective as if the parties had delivered an original executed agreement.

15. **Prevail.** In the event of any conflict or inconsistency between any provision of this Agreement and the provision of the Subordinate Security, the provision of this Agreement shall prevail to the extent of any such conflict or inconsistency.

16. **Limitation of Liability.** Notwithstanding anything to the contrary in Sections 5, 6 or 7 or elsewhere in this Agreement, the parties acknowledge and agree that Dorr shall not be liable to the Lender for any breach of Sections 5, 6 or 7 by 797377 and the Lender shall have recourse solely to 797377 in the event of such a breach by 797377. Similarly, the parties acknowledge and agree that 797377 shall not be liable to the Lender for any breach of Sections 5, 6 or 7 by Dorr and the Lender shall have recourse solely to Dorr in the event of such a breach by Dorr.

[SIGNATURE LINES FOLLOW ON THE NEXT PAGE]

IN WITNESS WHEREOF each of the parties have duly executed this Agreement as of the date first written above.

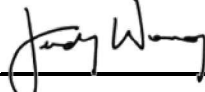
**MERIDIAN CREDIT UNION LIMITED**

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

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

I/We have authority to bind the corporation.

**DORR CAPITAL CORPORATION**

Per:  \_\_\_\_\_  
Name: Judy Wong  
Title: VP, Underwriting & Loan Servicing

I have authority to bind the corporation.

**797377 ONTARIO INC.**

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

I have authority to bind the corporation.

The Borrower hereby acknowledges receipt of a copy of this Subordination and Standstill Agreement.

**STATEVIEW HOMES (ELM&CO) INC.**

Per: \_\_\_\_\_  
Name: Daniel Ciccone  
Title: Treasurer

I have the authority to bind the corporation.



IN WITNESS WHEREOF each of the parties have duly executed this Agreement as of the date first written above.

**MERIDIAN CREDIT UNION LIMITED**

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

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

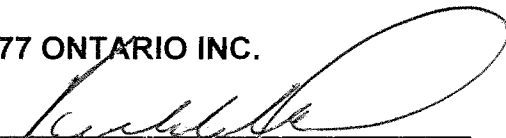
I/We have authority to bind the corporation.

**DORR CAPITAL CORPORATION**

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

I have authority to bind the corporation.

**797377 ONTARIO INC.**

Per:   
Name: *RICHARD TROVATI*  
Title: *PRESIDENT*

I have authority to bind the corporation.

The Borrower hereby acknowledges receipt of a copy of this Subordination and Standstill Agreement.

**STATEVIEW HOMES (ELM&CO) INC.**

Per: \_\_\_\_\_  
Name: Daniel Ciccone  
Title: Treasurer

I have the authority to bind the corporation.

IN WITNESS WHEREOF each of the parties have duly executed this Agreement as of the date first written above.

**MERIDIAN CREDIT UNION LIMITED**

Per: \_\_\_\_\_  
Name: Joe Deklaj  
Title: Director, Commercial Services

Per: \_\_\_\_\_  
Name: Liz Blazanovic  
Title: Vice President

I/We have authority to bind the corporation.

**DORR CAPITAL CORPORATION**

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

I have authority to bind the corporation.

**797377 ONTARIO INC.**

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

I have authority to bind the corporation.

The Borrower hereby acknowledges receipt of a copy of this Subordination and Standstill Agreement.

**STATEVIEW HOMES (ELM&CO) INC.**

Per: \_\_\_\_\_  
Name: Daniel Ciccone  
Title: Treasurer

I have the authority to bind the corporation.

IN WITNESS WHEREOF each of the parties have duly executed this Agreement as of the date first written above.

**MERIDIAN CREDIT UNION LIMITED**

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

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

I/We have authority to bind the corporation.


**DORR CAPITAL CORPORATION**

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

I have authority to bind the corporation.

The Borrower hereby acknowledges receipt of a copy of this Subordination and Standstill Agreement.

**STATEVIEW HOMES (ELM&CO) INC.**

DocuSigned by:  


Per: \_\_\_\_\_  
Name: Daniel Ciccone  
Title: Treasurer

I have the authority to bind the corporation.

**SCHEDULE "A"****12942 York Durham Line, Whitchurch-Stouffville, Ontario**

"PART LOT 5, CONCESSION 10 WHITCHURCH, PART 1, PLAN 65R37148; TOWN OF WHITCHURCH-STOUFFVILLE" and being all of PIN 03707-0188 (LT)

This is Exhibit “J” referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

From: Kym Stasiuk [mailto:[KStasiuk@blaney.com](mailto:KStasiuk@blaney.com)]

Sent: April-11-23 4:20 PM

To: Brian McCutcheon <[bria=@himprolaw.com](mailto:bria=@himprolaw.com)>

Cc: Judy Wong <[JWong@Dor=Capital.com](mailto:JWong@Dor=Capital.com)>; Steven Jeffery <[sjeffery@blaney.com](mailto:sjeffery@blaney.com)>; Riccardo Plati <[RPlati@DorrCapital.com](mailto:RPlati@DorrCapital.com)>; Angie Ricci <[aricci@dorrcapital.com](mailto:aricci@dorrcapital.com)>; Indira Kumar <[ikumar@blan=y.com](mailto:ikumar@blan=y.com)>; Brian Dorr (BDorr@=orrcapital.com) (BDorr@dorrca=ital.com) <[BDorr@dorrcapital.com](mailto:BDorr@dorrcapital.com)>; Eric Golden <[egolden@blaney.com](mailto:egolden@blaney.com)>

Subject: [Dorr I/t Stateview Homes \(Elm&Co\) Inc.](#)

Hi Brian, as you know, we are the solicitors for Dorr Capital Corporation.

We write to you with reference to the subordination and standstill agreement dated December 9, 2022 among Dorr, your client, Meridian Credit Union, Stateview Homes (Elm&Co) Inc., as borrower, and 797377 Ontario Inc (the "S=A").

Pursuant to Section 6 of the SSA, we wish to inform you that the borrower is in default under the Dorr loan, in that it has failed to pay the interest payment that was due on April 1, 2023. Also, numerous unauthorized charges have been registered on title to the property (i.e. a fourth charge in favour of Bergo Investment Limited et al for \$20.85M and a fifth charge in favour of TD Bank for approximately \$37M).

Note that Dorr has not yet taken any enforcement action against the borrower, including giving the borrower notice of default. If Meridian notifies the borrower of default under its loan, we trust that you will provide us with a copy of such notice pursuant to terms of the SSA. We will proceed on the basis that this email satisfies the notice requirement to Meridian under Section 11 of the SSA, unless we are advised otherwise by tomorrow.

Thanks,

**Kym Stasiuk**

**Kym Stasiuk**

**Partner**

[kstasiuk@blaney.com](mailto:kstasiuk@blaney.com)

416-593-3995 | 416-594-2442

[Blaney.com](http://www.blaney.com)



This communication is intended only for the party to whom it is addressed, and may contain information which is privileged or confidential. Any other delivery, distribution, copying or disclosure is strictly prohibited and is not a waiver of privilege or confidentiality. If you have received this telecommunication in error, please notify the sender immediately by return electronic mail and destroy the message.

This is Exhibit “K” referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

**Properties**

*PIN* 03707 - 0188 LT *Interest/Estate* Fee Simple  
*Description* PART LOT 5, CONCESSION 10 WHITCHURCH, PART 1, PLAN 65R37148; TOWN OF WHITCHURCH-STOUFFVILLE  
*Address* 12942 YORK DURHAM LINE  
 STOUFFVILLE

**Chargor(s)**

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

*Name* STATEVIEW HOMES (ELM&CO) INC.  
*Address for Service* 410 Chrislea Road, Unit 16  
 Woodbridge, ON L4L 8B5

A person or persons with authority to bind the corporation has/have consented to the registration of this document.  
 This document is not authorized under Power of Attorney by this party.

**Chargee(s)**

<i>Name</i>	<i>Capacity</i>	<i>Share</i>
BERGO INVESTMENT LIMITED	Tenants In Common	49.64% Interest
<i>Address for Service</i> 44 Upjohn Road Toronto, ON M3B 2W1		
MCO MANAGEMENT INC.	Tenants In Common	23.74% Interest
<i>Address for Service</i> 8920 Woodbine Ave., Suite 400 Markham, ON L3R 9W9		
KARAMITSOS, TONY	Tenants In Common	26.62% Interest
<i>Address for Service</i> 44 Upjohn Road Toronto, ON M3B 2W1		

**Provisions**

*Principal* \$20,850,000.00 *Currency* CDN  
*Calculation Period* Monthly, Not in Advance  
*Balance Due Date* June 1, 2024  
*Interest Rate* 15% Interest Only  
*Payments* \$260,625.00  
*Interest Adjustment Date* 2023 01 01  
*Payment Date* 1st day of each and every month  
*First Payment Date* 2023 02 01  
*Last Payment Date* 2024 06 01  
*Standard Charge Terms* 200033  
*Insurance Amount* Full insurable value  
*Guarantor* Carlo Taurasi, Dino Taurasi, Daniel Ciccone

**Additional Provisions**

See Schedules

**Signed By**

Ronald Aaron Fritz 44 Upjohn Rd acting for Signed 2022 12 16  
 Toronto Chargor(s)  
 M3B 2W1

Tel 416-587-3924  
 Fax 416-385-1718

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



**Submitted By**

RONALD AARON FRITZ	44 Upjohn Rd Toronto M3B 2W1	2022 12 16
Tel 416-587-3924		
Fax 416-385-1718		

**Fees/Taxes/Payment**

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

**File Number**

Chargee Client File Number : 22-1323

**ADDITIONAL PROVISIONS**

For the purpose of this Charge/Mortgage, the terms “Charge”, “Chargor” and “Chargee” shall also mean “Mortgage”, “Mortgagor”, and “Mortgagee”.

For the purposes of this Charge, the words contained herein importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neutral genders.

**COLLATERAL**

This Charge is collateral to charges dated December 12, 2022, bearing the same terms and conditions and to be registered on the following properties:

The Properties located at 7810, 7822, 7834 and 7846 McCowan Road, Markham, Ontario (collectively the “**NAO Project**”), and legally described as: **(PIN# 02962-0270)** (LT) Part Lot 6, Concession 6, as in R640261; Markham, municipally known as 7810 McCowan Road, Markham, Ontario; **(PIN# 02962-0271)** (LT) Part Lot 6, Concession 6, as in MA69140; Markham, municipally known as 7822 McCowan Road, Markham, Ontario; **(PIN# 02962-0272)** (LT) Part Lot 6, Concession 6, Part 1 and 2, 65R17687; Markham, municipally known as 7834 McCowan Road, Markham, Ontario; and **(PIN# 02962-0273)** (LT) Part Lot 6, Concession 6, as in R491185; t/w MA54373; Markham, municipally known as 7846 McCowan Road, Markham, Ontario. Payments under this Charge shall be deemed to payments under the latter Charge and full payment of this Charge shall cause the Chargee to issue a discharge under the latter Charges.

The properties located on Ardagh Road and Mapleton Avenue, Barrie, Ontario, legally described as: **(PIN# 58763-1764)** (LT) Block 76, Plan 51M1167; City of Barrie, Summerset Drive, Barrie, Ontario (hereinafter referred to as “**BEA Towns**”). Payments under this Charge shall be deemed to payments under the latter Charge and full payment of this Charge shall cause the Chargee to issue a discharge under the latter Charges.

**FEES AND COSTS**

The Chargor agrees to pay all legal and other expenses incurred by the Chargee in connection with the preparation and registration of this Charge and any security interests pursuant to the Personal Property Security Act (Ontario) and any renewals thereof forthwith upon demand and such fees and expenses, together with interest thereon at the interest rate charges hereunder, shall be added to the principal sum secured by the within charge if not paid.

**PAYMENTS**

**ANY DISCHARGE** of this charge shall be prepared by the Chargee at the Chargor’s expense within a reasonable time after repayment of the principal sum secured herein together with accrued interest thereon. All payments hereunder shall be made to the Chargee at:

**Bergo Investment Limited**  
**44 Upjohn Road**  
**Toronto, ON M3B 2W1**

**MCO Management Inc.**  
**8920 Woodbine Ave., Suite 403**  
**Markham, ON L3R 9W9**

**Tony Karamitsos**  
**44 Upjohn Road**  
**Toronto, ON M3B 2W1**

collectively the “Chargee”

or such other place as the Chargor is notified of from time to time. All payments received after 1:00 p.m. shall be deemed to have been received on the following business day.

The Chargor acknowledges and agrees that any payments made to discharge the said Charge to the Chargee’s solicitors or any other authorized agents of the Chargee shall not be deemed to constitute payment received by the Chargee until the same is received by the Chargee at its offices as set out above.

The Chargor will pay a fee of \$650.00 plus HST and the cost of registration to discharge the Charge.

**FAMILY LAW ACT**

This property is not a matrimonial home of any of **Carlo Taurasi, Dino Taurasi, Daniel Ciccone** and/or any other officers, directors or shareholders of the Chargor, nor will it be used as one.

**PREPAYMENT PROVISIONS**

**OPEN.** The Chargors, when not in default, shall have the privilege of prepaying the whole of the said principal sum hereby secured at any time or times, on any banking day upon payment to the Chargee of two (2) months’ interest as bonus or two month’s written notice.

**PARTIAL DISCHARGE**

The Chargors, when not in default, shall have the privilege of obtaining a partial discharge of the Charge as follows: (i) with respect to NAO Towns, upon payment of the sum of \$5,000,000.00 and providing one month's notice or interest as bonus; (ii) with respect to BEA Towns, upon payment of the sum of \$6,000,000.00 and providing one month's notice or interest as bonus; and (iii) with respect to ELM&CO, upon payment of the sum of \$9,850,000.00 and providing one month's notice or interest as bonus.

**BREACH OF COVENANT**

A breach of any covenant contained in this Charge shall constitute a default hereunder and at the option of the Chargee, it may avail itself of the remedies contained in this Charge or available at law.

**INDEPENDENT LEGAL REPRESENTATION**

The Chargor and Guarantors (collectively the "Parties") hereto acknowledge that they have full knowledge of the purpose and essence of this Charge transaction, and that they have been appropriately and independently legally represented in that regard. The Parties agree to provide to the Chargee a Certificate of Independent Legal Representation and when the same may be required, regarding their knowledge and understanding of this transaction.

**NO IMPROVEMENT**

The Chargor and/or Guarantors warrants that the purpose of this charge is not to finance an improvement on the herein described Property. An improvement means any alteration, addition or repair to any building on the herein described Property or any construction, erection or installation on the herein described Property.

**POST-DATED CHEQUES**

The Chargor shall provide a series of twelve (12) post-dated cheques to cover the monthly payments under the Charge and to deliver such cheques in care of the Chargee as directed prior to the advance of each advance of funds, and such cheques shall be drawn on a Canadian chartered bank in favour of the Chargee, in care of the Chargee's lawyer. The Chargee may direct the Chargor to make such cheques payable to different persons or entities in amounts to be designated by the Chargee. Any default under this covenant shall be considered a default under the Charge. If the Charge is extended the Chargor and Guarantors are to provide post-dated cheques prior to any extension of the Charge and a fee of **two (2) %** of the balance outstanding as a further placement fee if the Charge is not paid on the maturity date stated herein.

**SERVICE FEE**

Any service fee owing by the Chargor and/or Guarantors to the Chargee which is not paid shall be added to the mortgage indebtedness and shall bear interest at the rate herein set forth.

Should the Chargee take any proceedings as provided for in the within Charge by reason of the Chargor's and/or Guarantors' default, the Chargee shall be entitled to add to the Charge account the Chargee's then current service fee in addition to all other fees, costs, claims or demands to which the Chargee is also entitled.

**ADMINISTRATION FEES**

The Chargee shall charge an administration fee, as determined and posted by the Chargee from time to time, for each occurrence of any of the following events: late payment, cheque dishonoured for any reason, failure to provide postdated cheques, request for a Mortgage Statement, discharge of Charge. Such administration fees will be added to the principal amount if not paid. Fee for payments not made or NSF is \$200.00 (plus HST) per occurrence. A charge of \$550.00 (plus HST) for a demand letter and \$500 for failure to deliver posted-dated cheques.

**STATEMENT OF MORTGAGE BALANCE**

The Chargee shall be paid a fee of \$550.00 (plus GST) for each request for a Statement of Mortgage.

**ASSIGNMENT OF CHARGE**

The Charge may not be assigned, transferred or otherwise disposed of by the Chargor without the Chargee's prior written consent. However, the Charge or any interest therein may be assigned or participated by the Chargee (and its successors and assigns), in whole or in part, without the consent of the Chargor. Except as hereinafter provided, the Chargor consents to the disclosure by the Chargee to any such prospective assignee or participant of all information and documents regarding the Charge and the Chargor within the possession or control of the Chargee. Chargor to be notified and Assignment not allowed if a conflicting party.

## **SUBSEQUENT ENCUMBRANCES**

In the event of the Chargor and/or Guarantors further encumbering the property without the prior written consent of the Chargee, such further encumbering shall constitute a default under this Charge and in such event all money owing under the herein Charge shall immediately become due and payable.

## **NON-TRANSFER**

Paragraph 14 of Standard Charge Terms 200033 is hereby deleted.

In the event that the Chargor sells, conveys, transfers, assigns or exercises a power of appointment with respect to the property herein described to a purchaser, transferee or assignee or in the event of a change of shareholders of the Chargor which results in a change of control of the Chargor or in the event of a change in the beneficial ownership of the Property herein described the entire principal sum and interest hereby secured shall forthwith become due and payable.

## **ENVIRONMENTAL**

The Chargee or agent of the Chargee may, at any time, before and after default, and for any purpose deemed necessary by the Chargee, enter upon the said Property to inspect the Property and buildings thereon. Without in any way limiting the generality of the foregoing, the Chargee (or its respective agents) may enter upon the said Property to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee, and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the mortgage rate, shall be payable by the Chargor and/or Guarantors forthwith and shall be a charge upon the said Property. The exercise of any of the powers enumerated in this clause shall not deem the Chargee, or its respective agents to be in possession, management or control of the said Property and buildings.

The Chargee shall have the right to incur expense to comply or to verify the undersigned's compliance with lawful environmental requirements of any governmental body having jurisdiction. Such expense shall be repaid by the undersigned to the Chargee and shall be added to the principal amount secured under the executed security documentation referable to the above-noted loan transaction and shall be secured by the said security documentation.

In consideration of the advance of funds by the Chargee, the Chargor and the Guarantors hereby agree that, in addition to any liability imposed on the Chargor and/or Guarantors under any instrument evidencing or securing the loan indebtedness, the Chargor and Guarantors shall be jointly and severally liable for any and all of the costs, expenses, damages, or liabilities of the Chargee, its directors and officers (including, without limitation, all reasonable legal fees) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances and such liability shall survive foreclosure of the security for the loan and any other existing obligations of the Chargor and/or Guarantors to the Chargee in respect of the loan and any other exercise by the Chargee of any remedies available to it in the event of any default under the Charge.

The Chargor and/or Guarantors hereby represents and warrants that neither the Chargor and/or Guarantors/Consenting Spouse, nor, to its knowledge, any other person, has ever caused or permitted any Hazardous Material (as hereinafter defined) to be placed, held, located or disposed of on, under or at the Property and that its business and assets are operated in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the discharge, emission, spill or disposal of any Hazardous Materials) and that no enforcement actions in respect thereof are threatened or pending and covenants to cause any person permitted by the Chargor and/or Guarantors to use or occupy the Property or any part thereof to continue to so operate.

The Chargor and/or Guarantors hereby warrants, represents and agrees to advise the Chargee of any activity on the Property which involves the use of hazardous waste or material, of any change in the use or occupation of the Property and of any matter which may increase the environmental liability of the Chargee.

The Chargor and/or Guarantors hereby indemnifies the Chargee, its officers, directors, employees, agents and its shareholders and agrees to hold each of them harmless from and against any and all losses, liabilities, damages, costs, expenses and claims of any and every kind whatsoever which at any time or from time to time may be paid, incurred or asserted against any of them for, with respect to, or as direct result of, the presence on or under, or the discharge, emission, spill or disposal from, the Property, onto any property or into the atmosphere, or any watercourse, body of water or wetland, of any Hazardous Material where it has been proven that the source of the Hazardous Material are the Property (including, without limitation: (i) the costs of defending any/or counter-claiming over against third parties in respect of any action or matter; and (ii) any cost, liability or damage arising out of a settlement of any action entered into by the Chargee; and the provisions of and undertakings and indemnification set out in this Section shall survive the satisfaction and release of the Security Documents and payment and satisfaction of the mortgage and liability of the Chargor and/or Guarantors to the Chargee. The

indemnity contained herein in favour of the Chargee shall enure to the benefit of the Chargee's successors and any assignees of the Charge. For the purposes of this Section "Hazardous Material" means any contaminant or pollutant or any substance that when released in the natural environment is likely to cause at some immediate or future time, material harm or degradation to the natural environment or material risk to human health and without restricting the generality of the foregoing, hazardous waste or dangerous goods as defined by applicable federal, provincial or municipal laws for the protection of the natural environment or human health.

The Chargor and Guarantors warrant, represent and undertakes to ameliorate any contamination required on the Property forthwith.

The indemnity contained herein shall survive the repayment of the mortgage and shall continue in full force and effect so long as the possibility of any such liability, claim or loss exists.

#### **PAYMENT OF OTHER CHARGES AND PERFORMANCE OF OBLIGATIONS BY THE CHARGEE**

The Chargor and/or Guarantors covenants and agrees with the Chargee to pay all property taxes, public utility rates and charges as and when they become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Chargor and/or Guarantors to comply with this covenant shall constitute an event of default hereunder and entitle the Chargee at its sole option to avail itself of the remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs.

In addition, at the Chargee's sole option, the Chargor and/or hereby agrees that the Chargee may satisfy any charge, lien, any matter raised in the previous paragraph or other encumbrance now or hereafter existing or to arise or be claimed upon the charged Property and the amount so paid together with all costs associated therewith shall be added to the principal sum hereby secured and bear interest at the rate of interest set forth herein and shall be payable forthwith by the Chargor and/or Guarantors to the Chargee and in the event of default of payment, the entire principal sum, accrued interest and costs, shall become payable at the option of the Chargee and the remedies hereby given and available at law may be exercised forthwith without notice. In the event of the Chargee satisfying any such charge or claim, it shall be entitled to all equities and securities of the person or persons so satisfied and it may retain any discharge, cessation of charge or assignment of charge unregistered until paid.

#### **INSURANCE RENEWAL**

The Chargee shall be entitled to its standard servicing fee for dealing with each cancellation, premium payment or other non-compliance with insurance requirements. In the event that the evidence of continuation of insurance as herein required has not been delivered to the Chargee, the Chargee shall be entitled to its standard servicing fee for each written inquiry which the Chargee shall make to the insurer pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenant). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said Property, the Chargee in addition to the aforesaid servicing fee shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

#### **ASSIGNMENT OF RENTS**

To further secure the indebtedness secured hereunder, the Chargor hereby assigns and transfers unto the Chargee all rents, deposits, issues and profits now due and which may hereafter become due under or by virtue of any lease, unit purchase or development agreement, whether written or verbal or any letting of, or of any agreement for the use, occupancy or development of the Property and premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to, or which may be granted, it being the intention of the parties to establish an absolute transfer and assignment of all such rents, deposits, issues and profits under such leases and/or agreements and all benefits to be derived thereunder unto the Chargee.

The Chargor further covenants and agrees to execute and deliver at the request of the Chargee all such further assurances and assignments with respect to any such tenancies, occupancy or development of the Property as the Chargee shall from time to time require, and shall do all other acts with respect to same as requested by the Chargee.

In the event that the Chargee collects any deposits or other payments due to the Chargor's default, the Chargee shall be entitled to receive from such moneys a management fee of ten percent (10 %) of all the gross receipts from such moneys, it being understood for greater certainty that the Chargor and Chargee have agreed that in the circumstances a management fee equal to ten percent (10 %) of gross receipts received by the Chargee in the collection of such rents is a just and equitable fee having regard to the circumstances.

Provided further that the Chargor will not perform any act or do anything or omit to do anything which will cause the default of any lease or agreement affecting the use or development of the buildings erected on the charged Property, unless consented to by the Chargee.

And the Chargor agrees that all leases, offers to lease and agreements to lease, and all offers and agreements to purchase or develop units of the Property shall be bona fide and shall be at rates and on terms consistent with comparable space in the area of the Property and premises secured hereunder, and provided further that the Chargor shall obtain the consent of the Chargee prior to the execution of any such offers or agreements.

Any entry upon the Property under the terms of this Indenture shall not constitute the Chargee or Chargee in Possession in contemplation of law and that the Chargee shall not become liable to account to the Chargor or credit the Mortgagor with any moneys on account of the Charge except those which shall come into its hands or into the hands of any agents appointed by its pursuant hereto; the Chargee shall not be liable for failure to collect rents or revenues and shall be under no obligation to take any action or proceeding or exercise any remedy for the collection or recovery of the said rents and revenues, or any part thereof, and then, subject to all deductions and payments made out of the rents and revenues received from the Property as herein provided.

That this assignment is taken by way of additional security only and neither the taking of this assignment nor anything done in pursuance hereof shall make the Chargee liable in any way, as landlord or otherwise, for the performance or any covenants, obligations or liabilities under any leases, purchase or development agreements.

### **GUARANTORS PROVISIONS**

Paragraph 24 of the Standard Charge Terms 200033 is expressly excluded from this Charge and the following provision is substituted therefor and forms part of this Charge.

In consideration of the Chargee advancing funds to the Chargor hereunder, **Daniel Ciccone, Carlo Taurasi and Dino Taurasi**, hereinafter referred to as the "Guarantors" do hereby absolutely and unconditionally covenant, agree and guarantee to and with the Chargee, joint and several, as principal debtor and not as surety, that all monies to be paid as herein set forth shall be paid as herein set forth and that all covenants, agreements and provisos of the Chargor shall be completely paid, fulfilled, observed and performed in accordance with the provisions of this Charge and that if the Chargor shall fail to pay or cause to be paid the amount as hereinbefore set out or fail to perform, observe or fulfill its covenants or agreements as herein set out, then the Guarantors shall pay or cause to be paid to the Chargee the payments as herein set forth, and that the Guarantors shall continue to remain liable on his guarantee, covenant and agreement notwithstanding:

- a) Any extension or extensions of time from time to time which may be given by the Chargee to the Chargor for payment, observance, performance or fulfillment of any liabilities, indebtedness, agreements or obligations hereby guaranteed and/or any renewal of this charge from time to time and the Guarantors hereby covenants and agrees with the Chargee that payment shall be made in accordance with such extension or extensions of time and that if payments are not made in accordance with such extension or extensions of time the Guarantors shall make or cause to be made the payments in accordance with such extension or extension of time.
- b) Any compounding or making of any compositions or arrangements respecting any liabilities, indebtedness, agreements or obligations, hereby guaranteed.
- c) Taking of any security or securities or releasing, discharging, abandoning, giving up, modifying, varying, exchanging, renewing, assigning, abstaining from perfecting or abstaining from taking advantage of any security now held or hereafter acquired or acquired by these presents in respect of any liabilities, indebtedness, agreements or obligations hereby guaranteed or of any part of same.
- d) Realization of any securities now or hereafter held by the Chargee.
- e) Granting any indulgence whatsoever to the Chargor to any other person, firm or corporation.
- f) Discharging the Chargor, or any other person, firm or corporation.
- g) Doing or omitting to do any other act, matter or thing whatsoever with relation to the liabilities, indebtedness, agreements and obligations hereby guaranteed or any security or securities now or hereafter held in respect thereof or of any part of same.

The Guarantors hereby waives and renounces any rights, benefits, immunities, privileges and advantages which he may have by reason of being Guarantors instead of principal debtor and acknowledges he is responsible for the debt as principal debtor and not as surety.

All indebtedness and liabilities present and future of the Chargor to the Guarantors are hereby assigned to the Chargee and postponed to the present and future indebtedness and liabilities of the Chargor to the Chargee including the repayment of all the monies secured by the within charge and all monies received from the Chargor or for his account by the Guarantors or his representatives or assigns in respect thereof shall be by him received in trust for the Chargee, and forthwith upon receipt paid over to the Chargee until the Chargor's indebtedness and

liability to the Chargee is fully paid and satisfied all without prejudice to and without in any way limiting or lessening the liability of the Guarantors to the Chargee under this guarantee and this assignment and postponement is independent of the said guarantee and shall remain in full effect until repayment in full to the Chargee of the monies secured by the charge notwithstanding that the liabilities of the Guarantors under the within guarantee may have been discharged or terminated, the undersigned acknowledges the assignment to the Chargee as set forth herein shall not impose upon the Chargee any obligation to do anything to realize on the assigned debts and claims or to ensure that those debts or claims do not become statute barred by the operation of law relating to limitation of actions or otherwise.

**BANKRUPTCY AND INSOLVENCY**

THE CHARGOR AND/OR GUARANTORS hereby waives and releases any right that they may have to receive from the Chargee notice of intention to enforce security pursuant to subsection 244(1) of the Bankruptcy and Insolvency Act (Canada). This waiver and release shall not be deemed or interpreted to be a prior consent to earlier enforcement of a security within the meaning of subsection 244(2.1) of the said Act.

THE CHARGOR AND GUARANTORS hereby acknowledges and agrees that the security held by the Chargee is not all or substantially all of the inventory, accounts receivable or other property of the Chargor and/or Guarantors acquired for or used in relation to any business carried on by the Chargor and/or Guarantors/Consenting Spouse. The Chargor and/Guarantors hereby further acknowledges and agrees that notwithstanding any act of the Chargee by way of appointment of any person or persons for the purposes of taking possession of the Property as agent on behalf of the Chargor and/or Guarantors or otherwise, or by taking possession of the Property itself pursuant to any rights that the Chargee may have with respect thereto, shall not constitute the Chargee or any such person, a receiver within the meaning of subsection 243(2) of the Bankruptcy and Insolvency Act (Canada), and that any and all requirements of Part XI of the said Act as it may pertain to obligations of receivers shall not be applicable to the Chargee with respect to the transaction pursuant to which this Charge has been given or enforcement of this Charge or any other security held by the Chargee. The Chargor and/or Guarantors hereby acknowledges and agrees that no action shall lie against the Chargee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the Bankruptcy and Insolvency Act (Canada) whether or not the Chargee had reasonable grounds to believe that the Chargor and/or Guarantors was not insolvent.

AND THE CHARGOR AND GUARANTORS further acknowledges and agrees that any and all Costs as may be incurred from time to time by the Chargee in order to effect compliance or avoid any adverse ramifications of the Bankruptcy and Insolvency Act (Canada) shall be entirely for the account of the Chargor and/or Guarantors/Consenting Spouse. The Chargee shall be entitled to incur any such Costs, including any costs of its personnel in administering any requirements of the said Act and to add the same to the indebtedness owing pursuant hereto and the same shall be secured hereunder and under any and all security held by the Chargee for the indebtedness owing to the Chargee in the same manner and in the same priority as the principal secured hereunder.

**POSSESSION UPON DEFAULT**

Upon default in payment of principal or interest under this Charge or in performance of any of the terms and conditions hereof, the Chargee may enter into and take possession of the Property hereby charged, free of all manner of former conveyances, mortgages, charges or encumbrances.

**DEFAULT**

In this Charge, “Event of Default” means any of the following:

1. in the event of the Chargor and/or Guarantors failing to pay any amount when due hereunder or under the Charge;
2. in the event of the Chargor and/or Guarantors being in breach of any covenant, condition or term of the Charge;
3. if any representation made by the Chargor, Guarantors or their agents, or any information provided by them is found to be materially untrue or incorrect;
4. if any of the Chargor and/or Guarantors commits an act of bankruptcy or becomes insolvent or bankrupt or has a receiver or receiver and manager appointed for it or over any of its material assets or if any creditor takes possession of any of its material assets or if any execution, distress or other like process is levied or enforced upon the Property or any part thereof or if any compromise or arrangement with creditors is made by any of them;
5. in the event of any default by the Chargor under this Charge or other security documents related to the Charge, or under any other mortgages or encumbrances registered against title to or otherwise affecting the Property or any part thereof;

6. in the event of the registration of any construction lien against title to the Property or any part thereof which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;
7. in the event that the Property or any material part thereof is abandoned;
8. if any Event of Default as set out herein or in any of the security occurs;
9. if in the sole opinion of the Chargee, a material adverse change occurs relating to the Chargor and/or Guarantors/Consenting Spouse, or the risk associated with the Charge; and

Upon the occurrence of an Event of Default, the Chargee, at its option, may (a) cease or delay further funding of the Charge; (b) declare the principal and interest on the Charge and any other amount due under the Commitment or Charge forthwith due and payable, whereupon the same shall be and become immediately due and payable in full, and make demand to the Chargor and/or Guarantors for immediate payment of the same, and (c) exercise any and/or all remedies available to it at law or in equity hereunder, under the Security or otherwise.

#### **MANAGEMENT FEE**

If the Chargee or its agent will be entitled to a management fee based on 10% of the Charge Principal at the time of default plus HST, which amount is deemed not to be a penalty, in the event that the Chargee or its agents or a receiver or receiver and manager (whether appointed by the Chargee or by a court) takes possession of the Property as a result of the occurrence of an Event of Default.

#### **APPOINTMENT OF RECEIVER**

AT ANY TIME after the security hereby constituted becomes enforceable, or the monies hereby secured shall have become payable, the Chargee may from time to time appoint by writing a Receiver of the Property, with or without Bond, and may from time to time remove the Receiver and appoint another in his stead, and any such Receiver appointed hereunder shall have the following powers:

- a) To take possession of the charged Property and to enter into and upon any Property, buildings and premises wheresoever and whatsoever and to do any act and take any proceedings in the name of the Chargor or otherwise as it shall deem necessary;
- b) To carry on or concur in carrying on the business of the Chargor, and to employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the said charged Property of the Chargor;
- c) To sell or lease or concur in selling or leasing any or all of the charged Property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver and any such sale may be made from time to time as to the whole or any part or parts of the charged Property; and he may make any stipulations as to title or conveyance or commencement of title or otherwise which he shall deem proper; and he may buy or rescind or vary any contracts for the sale of any part of the charged Property and may resell the same; and he may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in his sole opinion to be most advantageous and at such prices as can reasonably be obtained therefor and in the event of a sale on credit neither he nor the Chargee shall be accountable for or charged with any monies until actually received;
- d) To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of this charge and to exchange any part or parts of the charged Property for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;
- e) To borrow money to carry on the business of the Chargor and to charge the whole or any part of the charged Property in such amounts as the Receiver may from time to time deem necessary and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the charged Property in priority to this charge;
- f) To execute and prosecute all suits, proceedings and actions which the Receiver in his opinion considers necessary for the proper protection of the charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defense of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;



g) To execute and deliver to the purchaser of any part or parts of the charged Property, good and sufficient deeds for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deed, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other persons claiming the said property or any part or parcels thereof by, from through or under the Chargor, and the proceeds of any such sale shall be distributed in the manner hereinafter provided;

AND IT IS AGREED that no purchaser at any sale purporting to be made in pursuance of the aforesaid power or powers shall be bound or concerned to see or inquire whether any default has been made or continued, or whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulations subject to which such sale shall have been made, or otherwise as to the propriety of such sale or regularity of its proceedings, or be affected by notice that no such default has been made or continues, or notice given as aforesaid, or that the sale is otherwise unnecessary, improper or irregular; and notwithstanding any impropriety or irregularity or notice thereof to such purchaser, the sale as regards such purchaser shall be deemed to be within the aforesaid power and be valid accordingly and the remedy (if any) of the Chargor, or of any party claiming by or under it, in respect of any impropriety or irregularity whatsoever in any such sale shall be in damages only.

The net profits of the business of the Chargor and the net proceeds of any sale of the charged Property or part thereof shall be applied by the Receiver subject to the claims of any creditors ranking in priority to this Charge:

- a) Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by him;
- b) Secondly, in payment of all costs, charges and expenses payable hereunder;
- c) Thirdly, in payment to the Chargee of the principal sum owing hereunder;
- d) Fourthly, in payment to the Chargee of all interest and arrears of interest and any other monies remaining unpaid hereunder; and
- e) Fifthly, any surplus shall be paid to the Chargor; provided that in the event that any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.

The Chargee shall not be liable to the Receiver for his remuneration costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising unless the same shall be caused by his own gross negligence or willful default; and he shall, when so appointed, by notice in writing pursuant hereto, be deemed to be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults and for his remuneration.

#### **PAYMENT OF COSTS**

The Chargor and/or Guarantors shall pay to the Chargee on demand all legal fees payable on a solicitor and his own client basis, costs and out-of-pocket expenses incurred by any of the Chargee, its agents, officers and employees with respect to:

- (a) the preparation of this Charge, any renewals thereof, any postponements thereof, and related security documents (the "Security Documents") and any other documents, agreements and instruments required pursuant hereto or thereto and any costs associated with realization under this Charge or the Security Documents;
- (b) the Chargee obtaining advice as to its rights and responsibilities under this Charge or any of the instruments and documents comprising the Security Documents or relating thereto or in the event of exercise of any or all of its remedies hereunder or thereunder;
- (c) the exercising of any or all of the rights, remedies and powers of the Chargee under this Charge or any of the instruments and documents comprising the Security Documents or relating thereto, or in defending or taking any measures to defend any action, claim, cause of action or in proceedings directly or indirectly relating to the provisions of any such instrument or document;
- (d) any or all of the taking of, recovering of possession of any assets or property of the Chargor, or any proceedings taken for the purpose of enforcing any rights or remedies provided in this Charge or in any instrument or document comprising the Security Documents or relating thereto, or any proceedings otherwise taken in relation to any assets or property of the Chargor and/or Guarantors or subject to the security given by the Chargor and/or Guarantors to the Chargee, or any proceedings taken by reason of any non-payment or non-

performance of the obligations of the Chargor and/or Guarantors hereunder; and

(e) any appraisals, environmental reports, engineering reports, cost consultants reports, or any other reports obtained at any time by the Chargee relating to the charged property.

In the event the Chargor and/or Guarantors fails to pay any such legal fees, costs and expenses to the Chargee forthwith upon demand by the Chargee, then the amount of such unpaid legal fees, costs and expenses shall be added to the mortgage indebtedness secured hereunder and shall bear interest at the rate herein set forth.

#### **LIMIT ON RATE OF INTEREST**

##### **(a) Adjustment**

If any provision of the Commitment, this Charge or any other security document would oblige the Chargor and/or Guarantors to make any payment of interest or other amount payable to the Chargee in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Chargee of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in receipt by the Chargee of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows:

- (i) firstly, by reducing the amount or rate of interest required to be paid hereunder as applicable; and
- (ii) thereafter, by reducing and fees, commissions, premiums and other amounts which would constitute interest for purposes of Section 347 of the Criminal Code (Canada).

##### **(b) Reimbursement**

If, notwithstanding the provisions subsection (a) above, and after giving effect to all adjustments contemplated thereby, the Chargee shall have received an amount in excess of the maximum permitted by such subsection, then the Chargor shall be entitled, by notice in writing to the Chargee, to obtain reimbursement from the Chargee of an amount equal to such excess, and pending such reimbursement such amount shall be deemed to be an amount payable by the Chargee to the Chargor.

##### **(c) Calculation**

Any amount or rate of interest referred to in this Section shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term of any revolving loan on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code (Canada)) shall, if they relate to a specific period of time be prorated over that period of time and otherwise be prorated over the period from the date of this Charge to the maturity date thereof and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Chargee shall be conclusive for the purposes of such determination.

#### **SEVERABILITY**

If any covenant, obligation or provision contained in this Charge, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Charge or the application of such covenant, obligation or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each covenant, obligation or provision of this Charge shall be separately valid and enforceable to the fullest extent permitted by law.

#### **CONFLICT/AMBIGUITY**

Where conflict or ambiguity exists or arises between any one or more of the provisions contained in this Schedule and any one or more of the provisions contained in the standard charge terms, the provisions contained in this Schedule shall, to the extent of such conflict or ambiguity, be deemed to govern and prevail.

This is Exhibit "L" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

**Properties**

*PIN* 03707 - 0188 LT *Interest/Estate* Fee Simple  
*Description* PART LOT 5, CONCESSION 10 WHITCHURCH, PART 1, PLAN 65R37148; TOWN OF WHITCHURCH-STOUFFVILLE  
*Address* 12942 YORK DURHAM LINE  
 STOUFFVILLE

**Chargor(s)**

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

*Name* STATEVIEW HOMES (ELM&CO) INC.  
*Address for Service* 410 Chrislea Road  
 Unit 16  
 Woodbridge, Ontario  
 L4L 8B5

A person or persons with authority to bind the corporation has/have consented to the registration of this document.  
 This document is not authorized under Power of Attorney by this party.

<b>Chargee(s)</b>	<b>Capacity</b>	<b>Share</b>
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<i>Name</i> THE TORONTO-DOMINION BANK		
<i>Address for Service</i> Midtown Commercial Banking Centre 2 St Clair Avenue East Toronto, Ontario M4T 2V4		

**Statements**

Schedule: See Schedules

**Provisions**

*Principal* \$37,134,091.23 *Currency* CDN  
*Calculation Period*  
*Balance Due Date*  
*Interest Rate* Prime Rate + 5 % per annum  
*Payments*  
*Interest Adjustment Date*  
*Payment Date*  
*First Payment Date*  
*Last Payment Date*  
*Standard Charge Terms* 200033  
*Insurance Amount* Full insurable value  
*Guarantor*

**Signed By**

Nicolina Perrone Box 48 Suite 5300, TD Bank Tower acting for Signed 2023 04 05  
 Toronto Chargeor(s)  
 M5K 1E6

Tel 416-362-1812  
 Fax 416-868-0673

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

**Submitted By**

MCCARTHY TETRAULT LLP Box 48 Suite 5300, TD Bank Tower 2023 04 06  
 Toronto  
 M5K 1E6

Tel 416-362-1812  
 Fax 416-868-0673

**Fees/Taxes/Payment**

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

**File Number**

Chargee Client File Number : 089339-572451

This Charge is being granted to secure the obligations pursuant to a settlement agreement dated March 31, 2023 (the "**Settlement Agreement**") between, *inter alios*, the Chargor and the Chargee.

### **Receiver**

It is hereby agreed that at any time and from time to time upon the occurrence of an event of default which is continuing, the Chargee may, with or without entry into possession of the charged premises or any part thereof, and whether before or after such entry into possession, appoint a receiver or manager, or receiver and manager (herein called the "**Receiver**") of the charged premises or any part thereof and of the rents and profits thereof or of only the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any Receiver with or without appointing another in his stead and, in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. Upon the appointment of any Receiver or Receivers from time to time, the following provisions shall apply:

- (a) a statutory declaration of an officer of the Chargee as to the existence of an event of default shall be conclusive evidence thereof for the purposes of the appointment of a Receiver;
- (b) every Receiver shall be the agent or attorney of the Chargor (whose appointment as such shall be revocable only by the Chargee) for the collection of all rents and profits falling due and becoming payable in respect of the charged premises or any part thereof whether in respect of any tenancies created in priority to this Charge or subsequent thereto, or otherwise;
- (c) every Receiver may, in the discretion of the Chargee, be vested with all or any of the powers and discretions of the Chargee;
- (d) the rights and powers conferred herein in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have;
- (e) the Chargee may from time to time fix the remuneration for every Receiver, who shall be entitled to deduct the same out of revenue or sale proceeds of the charged premises;
- (f) every Receiver shall so far as concerns responsibility for its acts or omissions, be deemed the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (g) the appointment of every Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver or to the Chargor or to any other Person in any respect, and such appointment or anything which may be done by any Receiver or the removal of any Receiver or the termination of any receivership shall not have the effect of constituting the Chargee a mortgagee-in-possession in respect of the charged premises or any part thereof;
- (h) every such Receiver shall from time to time have the power to lease any portion of the charged premises which may become vacant, for such term and subject to such provisions as it may deem advisable or expedient, subject to the restrictions on leasing contained in any existing leases or agreements to lease affecting any of the charged premises, and in so doing, every Receiver shall act as the attorney or agent of the Chargor and shall have authority to execute under seal any lease of any such premises in the name of and on behalf of the Chargor, and the Chargor agrees to ratify and confirm whatever any Receiver may do in the charged premises;
- (i) every Receiver may make such arrangements, at such time or times as it may deem necessary without the concurrence of any other persons, for the repairing, finishing, adding to, or putting in order of the charged premises, including without restricting the generality of the foregoing, completing the construction of any building or buildings, structures, services or improvements on the charged premises left in an unfinished state, and constructing or providing for leasehold improvements notwithstanding that the resulting cost may exceed the Principal Amount, and the Receiver shall have the right to register plans of subdivision and condominium declarations and descriptions in respect of the charged premises as

well as the right to take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances on this charged premises) and property of every kind and description;

- (j) every Receiver shall have full power to manage, operate, amend, repair or alter the charged premises and the building and improvements thereon or any part thereof in the name of the Chargor for the purpose of obtaining rental and other income from the charged premises or any part thereof;
- (k) no Receiver shall be liable to the Chargor to account for monies other than monies actually received by it in respect of the charged premises and out of such monies so received from time to time every Receiver shall, in the following order, pay:
  - (i) its remuneration as aforesaid,
  - (ii) all obligations, costs and expenses made or incurred by it, including but not limited to, any expenditures in connection with the management, operation, amendment, repair, construction or alteration of the charged premises or any part thereof,
  - (iii) interest, principal and other monies which may, from time to time, be or become charged upon the charged premises in priority to this Charge, including all taxes,
  - (iv) to the Chargee, all Indebtedness, to be applied in such order as the Chargee in its discretion shall determine, and
  - (v) subject to subparagraph (iv) above, at the discretion of the Receiver, interest, principal and other monies which may from time to time constitute a charge or encumbrance on the charged premises subsequent in priority or subordinate to the interest of the Chargee under this Charge,

and every Receiver may in its discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing and further any surplus remaining in the hands of every Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to the Chargor;

- (l) the Chargee may at any time and from time to time terminate any receivership by notice in writing to the Chargor and to any Receiver; and
- (m) save as to monies payable to the Chargor pursuant to subparagraph (k) of this Section, the Chargor hereby releases and discharges the Chargee and every Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any Person claiming through or under it by reason of or as a result of anything done by the Chargee or any Receiver under the provisions of this Section, unless such claim be the direct and proximate result of bad faith or gross neglect.

This is Exhibit "M" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**



CV-23-00696833-0002

Court File No.:



**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**THE TORONTO-DOMINION BANK**

Plaintiff

- and -

LUXVIEW FINE HOMES CORPORATION, STATEVIEW CONSTRUCTION LTD., STATEVIEW HOMES (ASHBURN HEIGHTS) INC., STATEVIEW HOMES (BALDWIN HEIGHTS) INC., STATEVIEW HOMES (BEA TOWNS) INC., STATEVIEW HOMES (BONAVENTURE) INC., STATEVIEW HOMES (EDGE TOWNS) INC., STATEVIEW HOMES (ELIA COLLECTION) INC., STATEVIEW HOMES (ELM&CO) INC., STATEVIEW HOMES (HAMPTON HEIGHTS) INC., STATEVIEW HOMES (HIGH CROWN ESTATES) INC., STATEVIEW HOMES (KINGS LANDING PHASE II) INC., STATEVIEW HOMES (KINGS LANDING) INC., STATEVIEW HOMES (MAIN & CO) INC., STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., STATEVIEW HOMES (OOH LALA TOWNS) INC., STATEVIEW HOMES (QUEEN'S COURT) INC., STATEVIEW HOMES (RIALTO TOWNS) INC., STATEVIEW HOMES (TESORO COLLECTION) INC, TAURA DEVELOPMENTS INC., LIVE INSPIRED ORGANIZATION, HIGHVIEW BUILDING CORP INC., NORTHGATE FINE HOMES INC., TLSFD TAURASI HOLDINGS CORP. CARLO TAURASI, DINO TAURASI, DANIEL CICCONE, ANTHONY TAURASI, EMILIO TAURASI, DENNIE TAURASI, MELISSA TAURASI, NELDA TAURASI, ABC INC., XYZ INC, AND ROYAL BANK OF CANADA

Defendants

**STATEMENT OF CLAIM**

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

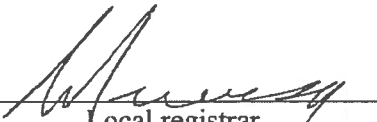
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TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: March 24, 2023

Issued by

  
Local registrar

Address of court office 330 University Ave.  
Toronto, ON

TO: LUXVIEW FINE HOMES CORPORATION  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW CONSTRUCTION LTD.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (ASHBURN HEIGHTS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (BALDWIN HEIGHTS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (BEA TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (BONAVENTURE) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (EDGE TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

- AND TO: STATEVIEW HOMES (ELIA COLLECTION) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (ELM&CO) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (HAMPTON HEIGHTS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (HIGH CROWN ESTATES) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (KINGS LANDING PHASE II) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (KINGS LANDING) INC.  
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Ontario, Canada, L4L 8B5
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Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (MINU TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (NAO TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (ON THE MARK) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (OOH LALA TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

- AND TO: STATEVIEW HOMES (QUEEN'S COURT) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (RIALTO TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (TESORO COLLECTION) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: TAURA DEVELOPMENTS INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: LIVE INSPIRED ORGANIZATION  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: HIGHVIEW BUILDING CORP INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: NORTHGATE FINE HOMES INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: TLSFD TAURASI HOLDINGS CORP.  
161 Duncan Road, Richmond Hill,  
Ontario, Canada, L4C 6J5
- AND TO: CARLO TAURASI  
48a Puccini Drive, Richmond Hill  
Ontario, Canada, L4E 2Y6
- AND TO: DINO TAURASI  
48 Puccini Drive, Richmond Hill  
Ontario, Canada, L4E 2Y6
- AND TO: DANIEL CICCONE  
55 Cooperage Crescent, Richmond Hill  
Ontario, Canada, L4C 9M2

AND TO: ANTHONY TAURASI  
167 Valley Vista Drive, Vaughan,  
Ontario, Canada, L6A 0Z4

AND TO: EMILIO TAURASI  
82 Vitlor Drive, Richmond Hill,  
Ontario, Canada, L4E 0G3

AND TO: DENNIE TAURASI  
79 Vitlor Drive, Richmond Hill,  
Ontario, Canada, L4E 4P9

AND TO: MELISSA TAURASI  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: NELDA TAURASI  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: ROYAL BANK OF CANADA  
3300 Hwy 7, Concord,  
ON L4K 4M3

AND TO: ROYAL BANK OF CANADA  
260 East Beaver Creek Rd, Richmond Hill,  
ON L4B 3M3

AND TO: ROYAL BANK OF CANADA  
1090 Don Mills Rd., North York,  
ON M3C 3R6

**CLAIM**

1. The Plaintiff, The Toronto-Dominion Bank (“TD”), seeks:
  - (a) as against all the Defendants with the exception of Royal Bank of Canada (“StateView Defendants”):
    - (i) A constructive trust and a tracing remedy over all funds withdrawn or spent in overdraft as a consequence of the Fraudulent Cheques and the Impugned Transactions (defined below) and the proceeds thereof;
    - (ii) In the alternative, damages in the amount of \$37,028,055.73;
    - (iii) An interim, interlocutory and permanent injunction enjoining these Defendants from disposing of, encumbering, assigning, transferring, dispersing or in any manner dealing with cash or assets, until further order of the Court;
    - (iv) Pre- and post-judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990 c. C. 43, as amended;
    - (v) Costs of this action; and,
    - (vi) Such further and other relief as counsel may advise and this Honourable Court may permit;
  - (b) An interim and permanent order in the nature of a *Norwich* Order requiring any bank, financial institution, trust company, credit unit, accounting firm, brokerage, investment houses, credit union or trust company having knowledge of this order to provide TD’s counsel with copies of bank statements, cheques, deposit slips or bank records, as TD’s counsel may require, in respect of any account or accounts held by or on behalf of the StateView Defendants whether solely or jointly;
  - (c) An interim and permanent worldwide *Mareva* injunction restraining any bank, financial institution, brokerage, investment house, credit union, trust company or other financial institution having knowledge of this order from permitting

withdrawals, transfers or payments out from accounts held in the name of the StateView Defendants, whether solely or jointly;

- (d) TD seeks as against the Defendant, RBC:
- (i) An order pursuant to s. 437 of the *Bank Act*, S.C. 1991, c. 46, as amended, requiring RBC not to make payment of the proceeds of the Fraudulent Cheques flowing from any account of the StateView Defendants held at RBC (the “**RBC Accounts**”); and
  - (ii) An order authorizing and directing the RBC to make reasonable best efforts to disclose to TD all the information reasonably required for TD to effectively trace the proceeds of the Fraudulent Cheques and the Impugned Transactions, including but not limited to providing the identifies of the recipients of the creators of the Fraudulent Cheques and the Impugned Transactions or proceeds thereof and where the funds from the Fraudulent Cheques and the Impugned Transactions or proceeds thereof are currently held.
- (e) Such further and other relief as counsel may advise and this Honourable Court may permit.

#### THE PARTIES

2. TD is a Schedule I bank incorporated under the *Bank Act*, S.C. 1991, c. 46, as amended (the “*Bank Act*”), with its head office in Toronto, Ontario.
3. RBC is a Schedule I bank incorporated under the *Bank Act*, S.C.. with its head office in Toronto.
4. The StateView Defendants are individuals and organizations associated with a construction and development business based in York Region that operates under the name “**StateView Homes**”. The StateView Defendants are implicated in a cheque kiting scheme of which TD has been the victim, with TD suffering losses of approximately \$37 million.

5. Carlo Taurasi ("**Carlo**") holds himself out as CEO and president of StateView Homes and is a director and officer of most corporate StateView Defendants, as listed below.
6. Dino Taurasi ("**Dino**") holds himself out as president of StateView Homes and is brother to Carlo. He is a director and officer of most corporate StateView Defendants, as listed below.
7. Daniel Ciccone ("**Daniel**") holds himself out as CFO of StateView Homes and is a director and officer of most corporate StateView Defendants, as listed below.
8. Melissa Taurasi ("**Melissa**") is a director and officer of an entity associated with StateView Homes, as listed below.
9. Nelda Taurasi ("**Nelda**") is a director and officer of an entity associated with StateView Homes, as listed below.
10. Dennie Taurasi ("**Dennie**") is a director and officer of an entity associated with StateView Homes, as listed below.
11. Anthony Taurasi ("**Anthony**") is a director and officer of an entity associated with StateView Homes, as listed below.
12. Emilio Taurasi ("**Emilio**") is a director and officer of an entity associated with StateView Homes, as listed below.
13. Luxview Fine Homes Corporation is a division of StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
14. Stateview Construction Ltd. is a corporation associated with StateView Homes. Carlo, Dino, and Daniel are its officers and directors. It has a deposit account with TD.
15. Stateview Homes (Ashburn Heights) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
16. Stateview Homes (Baldwin Heights) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.



17. Stateview Homes (Bea Towns) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
18. Stateview Homes (Bonaventure) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
19. Stateview Homes (Edge Towns) Inc., is a corporation associated with StateView Homes. Daniel is a director and officer and Carlo is an officer. It has a deposit account with TD.
20. Stateview Homes (Elia Collection) Inc., is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
21. Stateview Homes (Elm&Co) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
22. Stateview Homes (Hampton Heights) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
23. Stateview Homes (High Crown Estates) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel and Carlo are its officers. It has a deposit account with TD.
24. Stateview Homes (Kings Landing Phase II) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel and Carlo are its officers. It has a deposit account with TD.
25. Stateview Homes (Kings Landing) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel and Carlo are its officers. It has a deposit account with TD.
26. Stateview Homes (Main & Co) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
27. Stateview Homes (Minu Towns) Inc., is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
28. Stateview Homes (Nao Towns) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.

29. Stateview Homes (On The Mark) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
30. Stateview Homes (Ooh Lala Towns) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel, Dino, and Carlo are its officers. It has a deposit account with TD.
31. Stateview Homes (Queen's Court) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
32. Stateview Homes (Rialto Towns) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel, Dino, and Carlo are its officers. It has a deposit account with TD.
33. Stateview Homes (Tesoro Collection) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
34. Taura Developments Inc. is a division of StateView Homes. Dino and Carlo are directors. Dino, Carlo, and Daniel are its officers. It has a deposit account with TD.
35. Live Inspired Organization is a not-for-profit organization, incorporated under the *Not-for-Profit Corporations Act*, 2010, S.O. 2010, c. 15, and associated with StateView Homes. Carlo, Melissa, and Nelda are its directors and officers. It has a deposit account with TD.
36. Highview Building Corp Inc. is a corporation associated with StateView Homes. Dino, Daniel, and Carlo are its directors and officers. It has a deposit account with TD.
37. Northgate Fine Homes Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its directors and officers. It has a deposit account with TD.
38. TLSFD Taurasi Holdings Corp. is a corporation associated with StateView Homes. Anthony, Dennie, Dino, Emilio, and Carlo are its officers and directors. It has a deposit account with TD.

39. ABC Inc., XYZ Inc., Jon Doe and Jane Doe are pseudonyms for corporations and individuals unknown that received proceeds of the Fraudulent Cheques and/or conspired with the StateView Defendants to perpetrate the cheque kiting scheme.

#### **THE DISHONoured CHEQUES AND IMPUGNED TRANSACTIONS**

40. TD is the victim of a fraudulent cheque kiting scheme. The StateView Defendants were active or complicit participants.

41. Between around April 2022 to March 2023, the TD bank accounts associated with the StateView Defendants engaged in an unusual series of cheque transactions emblematic of cheque kiting that had the following consistent pattern:

- (a) One of the StateView Defendants would deposit a cheque (each, a **“Fraudulent Cheque”**) for a large sum from one of its RBC accounts (set out below). TD would conditionally credit the StateView Defendant’s account with the amount of the cheque pending final settlement through the Canadian Clearing and Settlement System.
- (b) Immediately upon deposit, the relevant StateView Defendant would use the conditional credit from TD to disburse the funds, either through another cheque written to a different StateView Defendant or to a third party, a wire transfer, or an inter-account transfer into another TD account held by a different StateView Defendant.
- (c) A “stop payment” would then be issued on the Fraudulent Cheque, prior to TD obtaining final settlement of the cheque through the Automated Clearing and Settlement System.
- (d) In order to evade detection and to temporarily avoid an overdraft in the account, the StateView Defendant would enter into another sham transaction to create the illusion of fresh funds coming in, either through the deposit of another Fraudulent Cheque into the account or through a transfer using a conditional credit provided by TD in another of its TD accounts effected through a Fraudulent Cheque.

- (e) Large volumes of Fraudulent Cheques were deposited in this fashion throughout April 2022 to March 2023, along with a corresponding number of sham transactions.

42. By March 2023, the TD bank accounts associated with the StateView Defendants accumulated over \$37 million in overdrafts, as the StateView Defendants would fund their business and pay themselves through the conditional credits provided by TD through the Fraudulent Cheques. The overdrafts were created through a series of cheques and wires paid to accounts of the StateView Defendants held at other financial institutions and payments made to third parties as part of their home construction business (the “**Impugned Transactions**”).

43. The result was that the StateView Defendants enjoyed over \$37 million of unauthorized credit at TD’s expense.

44. Cheque kiting is inherently fraudulent. There is no valid commercial purpose for the timing of the Fraudulent Cheques and Impugned Transactions.

45. TD requires a *Norwich* Order at the outset of these proceedings to learn, amongst other things:

- (a) Who holds the accounts that issued the Fraudulent Cheques;
- (b) Who stopped the cheques; and
- (c) Who obtained the conditionally credited funds drawn in overdraft.

46. Without this information, TD cannot confirm it has identified all of the perpetrators of the fraud, nor locate for recovery purposes the destination of the funds paid by TD without its consent.

47. At this time, TD has identified the following unique RBC accounts which issued the Fraudulent Cheques:

Accountholder/Payee of Stopped Cheque	Account Number of Stopped Cheque
Stateview Homes	102 129 4
Taura Developments	108 131 4
Stateview Homes (King's Landing Phase II) Inc.	111 322 4

As these accounts, and potentially others, sent the Fraudulent Cheques and then stopped them to create the conditional credits in a coordinated manner, they are potentially implicated in the fraud.

48. At this time, TD has identified the follow unique RBC accounts which received large sums in overdraft from one or more corporate StateView Defendants during the kiting period:

Accountholder/Payee of Stopped Cheque	Account Number of Stopped Cheque
Dino Taurasi	501 928 6
Carlo Taurasi	501 907 0

These accounts are personally associated with Dino and Carlo Taurasi, and they received large sums of money debited from the account of corporate StateView Defendants that received stopped cheques during the kiting period. Therefore, they are potentially implicated in the fraud.

49. TD paid all of the funds associated with the Impugned Transactions and the Stateview Defendants and the other payees enjoyed a benefit through the payments of these funds. The Stateview Defendants had no juristic entitlement to the benefits they received from the Impugned Transactions. As of March 21, 2023, the collective overdraft amount was \$37,028,055.73. All recipients of the proceeds of the Fraudulent Cheques and/or the Impugned Transactions correspondingly enriched without any juristic reason for the enrichment.

50. Any proceeds of the Fraudulent Cheques and Impugned Transactions are proceeds of the fraud, and therefore TD claims any proceeds of the Fraudulent Cheques are properly the object of a tracing remedy.

51. Given the inextricable link between the Fraudulent Cheques and the Impugned Transactions, on the one hand, and the funds TD provided through the conditional credits, on the other hand, TD is entitled to a constructive trust over the funds expended in overdraft.

52. TD pleads and relies upon the provisions of the *Bank Act*, S.C. 1991 c. 46, as amended, and specifically s. 437, r. 30.10 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194. Any recipient financial institutions ought not to make payment of any proceeds flowing from the Stopped Cheques, in light of TD's claim to these funds.

53. TD proposes that this action be tried in Toronto.

March 24, 2023

**McCarthy Tétrault LLP**  
Suite 5300, Toronto Dominion Bank Tower  
Toronto ON M5K 1E6

**Geoff R. Hall LS#: 347010**  
ghall@mccarthy.ca  
Tel: 416-601-7856

**Adam Ship LS#: 55973P**  
aship@mccarthy.ca  
Tel: 416-601-7731

**Adam Dobkin LS#: 79395V**  
[aobkin@mccarthy.ca](mailto:aobkin@mccarthy.ca)  
Tel: 416-601-7563

Lawyers for the Plaintiff

The Toronto-Dominion Bank      Stateview Construction Ltd. et al  
Plaintiff      and      Defendants

CU-23-00696833-  
Court File No.: 0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at TORONTO

**STATEMENT OF CLAIM**

**McCarthy Tétrault LLP**  
Suite 5300, Toronto Dominion Bank Tower  
Toronto ON M5K 1E6

**Geoff R. Hall LS#: 347010**  
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Tel: 416-601-7563

Lawyers for the Plaintiff

Court File No.:

CV-23-00697007-0000

ONTARIO  
SUPERIOR COURT OF JUSTICE

BETWEEN:

THE TORONTO-DOMINION BANK

Plaintiff

- and -

DUCA FINANCIAL SERVICES CR. UN. LTD and BANK OF NOVA SCOTIA

Defendants



## STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

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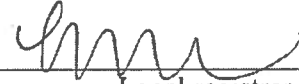
IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.



Date: March 29, 2023

Issued by



Local registrar

Address of  
court office

330 University Ave., 8th Floor<sup>12</sup>  
Toronto, ON, M5G 1R7<sup>16</sup>

TO: Duca Financial Services Cr. Un. Ltd  
5290 Yonge St., P.O. Box 1100, Willowdale,  
ON M2N 5P9

AND TO: Bank of Nova Scotia  
10850 Yonge St Unit #1, Richmond Hill  
Ontario, Canada, L4C 3E4

AND TO: Bank of Nova Scotia  
9665 Bayview Avenue, Richmond Hill  
Ontario, Canada, L4C 9V4

**CLAIM**

1. The Plaintiff, The Toronto-Dominion Bank (“TD”), making no allegation of impropriety against any of the Defendants, seeks:

- (a) as against the Defendant, Duca Financial Services Cr. Un. Ltd (“Duca”):
- (i) An order pursuant to s. 145 of the *Credit Unions and Caisses Populaires Act, 2020*, S.O. 2020, c. 36, Sched. 7, as amended, requiring Duca not to make payment of the proceeds of the Fraudulent Cheques (defined below) from any account (the “Duca Accounts”) held at Duca by or on behalf of any of the defendants, individually or jointly, described in the Statement of Claim appended hereto as **Schedule “A”**, with the exception of Royal Bank of Canada (the “StateView Defendants”); and
  - (ii) An order authorizing and directing Duca to make reasonable best efforts to disclose to TD all the information reasonably required for TD to effectively trace the proceeds of the Fraudulent Cheques and the Impugned Transactions (defined below), including but not limited to providing the identities of the recipients of the creators of the Fraudulent Cheques and the Impugned Transactions or proceeds thereof and where the funds from the Fraudulent Cheques and the Impugned Transactions or proceeds thereof are currently held.
- (b) TD seeks as against the Defendant, Bank of Nova Scotia (“BNS”):
- (i) An order pursuant to s. 437 of the *Bank Act*, S.C. 1991, c. 46, as amended, requiring BNS not to make payment of the proceeds of the Fraudulent Cheques flowing from any account of the StateView Defendants held at BNS (the “BNS Accounts”); and
  - (ii) An order authorizing and directing the BNS to make reasonable best efforts to disclose to TD all the information reasonably required for TD to effectively trace the proceeds of the Fraudulent Cheques and the Impugned

Transactions, including but not limited to providing the identities of the recipients of the creators of the Fraudulent Cheques and the Impugned Transactions or proceeds thereof and where the funds from the Fraudulent Cheques and the Impugned Transactions or proceeds thereof are currently held.

- (c) Such further and other relief as counsel may advise and this Honourable Court may permit.

### THE PARTIES

2. TD is a Schedule I bank incorporated under the *Bank Act*, S.C. 1991, c. 46, as amended (the "*Bank Act*"), with its head office in Toronto, Ontario.
3. BNS is a Schedule I bank incorporated under the *Bank Act*, with its head office in Toronto.
4. Duca is a Canadian credit union headquartered in Toronto Ontario.
5. As noted, TD makes no allegation of impropriety against either BNS or Duca.

### FACTS

6. TD is the victim of a fraudulent cheque kiting scheme. Cheque kiting is inherently fraudulent activity which, in this case, exploited the conditional credit extended by TD to its clients between the time a cheque is deposited and the time the funds it promises are cleared from the sending account to the recipient account.
7. The StateView Defendants sent thousands of cheques to some 22 TD accounts from other financial institutions, disbursed the conditional credit they created, and then issued stop payments on those cheques ("**Fraudulent Cheques**"), creating over \$37 million in overdraft owed to TD in less than a year. The StateView Defendants used the conditional credit to siphon off funds to their accounts at other financial institutions or to meet the operational and capital requirements of their business. The transactions made using the ill-gotten conditional credit (together, "**Impugned Transactions**") in effect created a sizeable unauthorized line of credit in favour of the StateView Defendants.

8. TD brought an action on March 24, 2023 to recover these funds. The Statement of Claim, bearing court file number CV-23-00696833-0000, is attached hereto as **Schedule "A"**. That action ("**StateView Action**") named the known perpetrators at the time of filing. It also named Royal Bank of Canada ("**RBC**"), for which no allegation of wrongdoing is made, but some of whose accounts were used by the StateView Defendants to perpetrate fraud on TD.

9. In the StateView Action, TD seeks a constructive trust and tracing remedies over the proceeds of the Fraudulent Cheques, as well as injunctive relief to halt the dissipation of funds and to investigate the extent and origins of the fraud. TD's investigations are ongoing.

10. After filing, further investigation revealed the StateView Defendants (or their currently unidentified accomplices) hold accounts at BNS and Duca, which variously sent fraudulent cheques to TD accounts or received kited funds from the StateView Defendants' TD accounts.

11. TD therefore brings this claim out of necessity to complement the StateView Action. TD seeks limited statutory relief against Duca and BNS without any allegations of wrongdoing against those institutions.

12. After filing the StateView Action, TD identified Duca account number 21\*\*\*-\*\*\*\*\*02 as a source of fraudulent cheques sent to TD accounts held by the StateView Defendants. The Duca account is in the name of Stateview Homes (Main & CO.) Inc., one of the StateView Defendants. The implicated cheques emanating from this account have a total value of \$4,049,500.

13. After filing the StateView Action, TD identified accounts at BNS associated with a presumed relative of the StateView Defendants, Tina Taurasi, that received cheques and wires totalling \$555,002 from the StateView Defendants' TD accounts during the fraud period. These accounts bear the following BNS account numbers:

- (a) 93\*\*-002 \*\*\*\*\* 53
- (b) 93\*\*\*-002 \*\*\*\*\* 24
- (c) 93\*\*\*-002 \*\*\*\*\* 87

14. As these accounts, and potentially others, belong to a close relative to the principals of the fraudulent corporations and received large sums from accounts perpetrating a fraud on TD, they are potentially implicated. TD intends to add Tina Taurasi as a defendant to the StateView Action.
15. TD pleads and relies upon the provisions of the
- (a) *Bank Act*, S.C. 1991 c. 46, as amended, and specifically s. 437;
  - (b) *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194; and
  - (c) *Credit Unions and Caisses Populaires Act, 2020*, S.O. 2020, c. 36, Sched. 7, as amended, and specifically s. 145.
16. Any recipient financial institutions ought not to make payment of any proceeds flowing from the Fraudulent Cheques, in light of TD's claim to these funds.
17. TD proposes that this action be tried in Toronto.

March 29, 2023

**McCarthy Tétrault LLP**  
Suite 5300, Toronto Dominion Bank Tower  
Toronto ON M5K 1E6

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ghall@mccarthy.ca  
Tel: 416-601-7856

**Adam Ship LS#: 55973P**  
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Tel: 416-601-7731

**Adam Dobkin LS#: 79395V**  
aobkin@mccarthy.ca  
Tel: 416-601-7563

Lawyers for the Plaintiff

## Schedule "A"

CV-23-00696833-000

Court File No.:



**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

BETWEEN:

THE TORONTO-DOMINION BANK

Plaintiff

- and -

LUXVIEW FINE HOMES CORPORATION, STATEVIEW CONSTRUCTION LTD., STATEVIEW HOMES (ASHBURN HEIGHTS) INC., STATEVIEW HOMES (BALDWIN HEIGHTS) INC., STATEVIEW HOMES (BEA TOWNS) INC., STATEVIEW HOMES (BONAVENTURE) INC., STATEVIEW HOMES (EDGE TOWNS) INC., STATEVIEW HOMES (ELIA COLLECTION) INC., STATEVIEW HOMES (ELM&CO) INC., STATEVIEW HOMES (HAMPTON HEIGHTS) INC., STATEVIEW HOMES (HIGH CROWN ESTATES) INC., STATEVIEW HOMES (KINGS LANDING PHASE II) INC., STATEVIEW HOMES (KINGS LANDING) INC., STATEVIEW HOMES (MAIN & CO) INC., STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., STATEVIEW HOMES (OOH LALA TOWNS) INC., STATEVIEW HOMES (QUEEN'S COURT) INC., STATEVIEW HOMES (RIALTO TOWNS) INC., STATEVIEW HOMES (TESORO COLLECTION) INC, TAURA DEVELOPMENTS INC., LIVE INSPIRED ORGANIZATION, HIGHVIEW BUILDING CORP INC., NORTHGATE FINE HOMES INC., TLSFD TAURASI HOLDINGS CORP. CARLO TAURASI, DINO TAURASI, DANIEL CICCONE, ANTHONY TAURASI, EMILIO TAURASI, DENNIE TAURASI, MELISSA TAURASI, NELDA TAURASI, ABC INC., XYZ INC, AND ROYAL BANK OF CANADA

Defendants

**STATEMENT OF CLAIM**

## TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

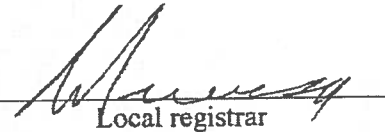
Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: March 24, 2023

Issued by

  
Local registrar

Address of 330 University Ave.  
court office Toronto, ON

TO: LUXVIEW FINE HOMES CORPORATION  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW CONSTRUCTION LTD.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (ASHBURN HEIGHTS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (BALDWIN HEIGHTS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (BEA TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (BONAVENTURE) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: STATEVIEW HOMES (EDGE TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

- AND TO: STATEVIEW HOMES (ELIA COLLECTION) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (ELM&CO) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (HAMPTON HEIGHTS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (HIGH CROWN ESTATES) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (KINGS LANDING PHASE II) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (KINGS LANDING) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (MAIN & CO) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (MINU TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (NAO TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (ON THE MARK) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (OOH LALA TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5



- AND TO: STATEVIEW HOMES (QUEEN'S COURT) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (RIALTO TOWNS) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: STATEVIEW HOMES (TESORO COLLECTION) INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: TAURA DEVELOPMENTS INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: LIVE INSPIRED ORGANIZATION  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: HIGHVIEW BUILDING CORP INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: NORTHGATE FINE HOMES INC.  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5
- AND TO: TLSFD TAURASI HOLDINGS CORP.  
161 Duncan Road, Richmond Hill,  
Ontario, Canada, L4C 6J5
- AND TO: CARLO TAURASI  
48a Puccini Drive, Richmond Hill  
Ontario, Canada, L4E 2Y6
- AND TO: DINO TAURASI  
48 Puccini Drive, Richmond Hill  
Ontario, Canada, L4E 2Y6
- AND TO: DANIEL CICCONE  
55 Cooperage Crescent, Richmond Hill  
Ontario, Canada, L4C 9M2

AND TO: ANTHONY TAURASI  
167 Valley Vista Drive, Vaughan,  
Ontario, Canada, L6A 0Z4

AND TO: EMILIO TAURASI  
82 Vitlor Drive, Richmond Hill,  
Ontario, Canada, L4E 0G3

AND TO: DENNIE TAURASI  
79 Vitlor Drive, Richmond Hill,  
Ontario, Canada, L4E 4P9

AND TO: MELISSA TAURASI  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: NELDA TAURASI  
410 Chrislea Road, 16, Vaughan  
Ontario, Canada, L4L 8B5

AND TO: ROYAL BANK OF CANADA  
3300 Hwy 7, Concord,  
ON L4K 4M3

AND TO: ROYAL BANK OF CANADA  
260 East Beaver Creek Rd, Richmond Hill,  
ON L4B 3M3

AND TO: ROYAL BANK OF CANADA  
1090 Don Mills Rd., North York,  
ON M3C 3R6

## CLAIM

1. The Plaintiff, The Toronto-Dominion Bank ("TD"), seeks:
  - (a) as against all the Defendants with the exception of Royal Bank of Canada ("StateView Defendants"):
    - (i) A constructive trust and a tracing remedy over all funds withdrawn or spent in overdraft as a consequence of the Fraudulent Cheques and the Impugned Transactions (defined below) and the proceeds thereof;
    - (ii) In the alternative, damages in the amount of \$37,028,055.73;
    - (iii) An interim, interlocutory and permanent injunction enjoining these Defendants from disposing of, encumbering, assigning, transferring, dispersing or in any manner dealing with cash or assets, until further order of the Court;
    - (iv) Pre- and post-judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990 c. C. 43, as amended;
    - (v) Costs of this action; and,
    - (vi) Such further and other relief as counsel may advise and this Honourable Court may permit;
  - (b) An interim and permanent order in the nature of a *Norwich* Order requiring any bank, financial institution, trust company, credit unit, accounting firm, brokerage, investment houses, credit union or trust company having knowledge of this order to provide TD's counsel with copies of bank statements, cheques, deposit slips or bank records, as TD's counsel may require, in respect of any account or accounts held by or on behalf of the StateView Defendants whether solely or jointly;
  - (c) An interim and permanent worldwide *Mareva* injunction restraining any bank, financial institution, brokerage, investment house, credit union, trust company or other financial institution having knowledge of this order from permitting

withdrawals, transfers or payments out from accounts held in the name of the StateView Defendants, whether solely or jointly;

- (d) TD seeks as against the Defendant, RBC:
- (i) An order pursuant to s. 437 of the *Bank Act*, S.C. 1991, c. 46, as amended, requiring RBC not to make payment of the proceeds of the Fraudulent Cheques flowing from any account of the StateView Defendants held at RBC (the "RBC Accounts"); and
  - (ii) An order authorizing and directing the RBC to make reasonable best efforts to disclose to TD all the information reasonably required for TD to effectively trace the proceeds of the Fraudulent Cheques and the Impugned Transactions, including but not limited to providing the identifies of the recipients of the creators of the Fraudulent Cheques and the Impugned Transactions or proceeds thereof and where the funds from the Fraudulent Cheques and the Impugned Transactions or proceeds thereof are currently held.
- (e) Such further and other relief as counsel may advise and this Honourable Court may permit.

#### THE PARTIES

2. TD is a Schedule I bank incorporated under the *Bank Act*, S.C. 1991, c. 46, as amended (the "*Bank Act*"), with its head office in Toronto, Ontario.
3. RBC is a Schedule I bank incorporated under the *Bank Act*, S.C., with its head office in Toronto.
4. The StateView Defendants are individuals and organizations associated with a construction and development business based in York Region that operates under the name "StateView Homes". The StateView Defendants are implicated in a cheque kiting scheme of which TD has been the victim, with TD suffering losses of approximately \$37 million.

5. Carlo Taurasi ("**Carlo**") holds himself out as CEO and president of StateView Homes and is a director and officer of most corporate StateView Defendants, as listed below.
6. Dino Taurasi ("**Dino**") holds himself out as president of StateView Homes and is brother to Carlo. He is a director and officer of most corporate StateView Defendants, as listed below.
7. Daniel Ciccone ("**Daniel**") holds himself out as CFO of StateView Homes and is a director and officer of most corporate StateView Defendants, as listed below.
8. Melissa Taurasi ("**Melissa**") is a director and officer of an entity associated with StateView Homes, as listed below.
9. Nelda Taurasi ("**Nelda**") is a director and officer of an entity associated with StateView Homes, as listed below.
10. Dennie Taurasi ("**Dennie**") is a director and officer of an entity associated with StateView Homes, as listed below.
11. Anthony Taurasi ("**Anthony**") is a director and officer of an entity associated with StateView Homes, as listed below.
12. Emilio Taurasi ("**Emilio**") is a director and officer of an entity associated with StateView Homes, as listed below.
13. Luxview Fine Homes Corporation is a division of StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
14. Stateview Construction Ltd. is a corporation associated with StateView Homes. Carlo, Dino, and Daniel are its officers and directors. It has a deposit account with TD.
15. Stateview Homes (Ashburn Heights) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
16. Stateview Homes (Baldwin Heights) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.

17. Stateview Homes (Bea Towns) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
18. Stateview Homes (Bonaventure) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
19. Stateview Homes (Edge Towns) Inc., is a corporation associated with StateView Homes. Daniel is a director and officer and Carlo is an officer. It has a deposit account with TD.
20. Stateview Homes (Elia Collection) Inc., is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
21. Stateview Homes (Elm&Co) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
22. Stateview Homes (Hampton Heights) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
23. Stateview Homes (High Crown Estates) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel and Carlo are its officers. It has a deposit account with TD.
24. Stateview Homes (Kings Landing Phase II) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel and Carlo are its officers. It has a deposit account with TD.
25. Stateview Homes (Kings Landing) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel and Carlo are its officers. It has a deposit account with TD.
26. Stateview Homes (Main & Co) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
27. Stateview Homes (Minu Towns) Inc., is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
28. Stateview Homes (Nao Towns) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.

29. Stateview Homes (On The Mark) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
30. Stateview Homes (Ooh Lala Towns) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel, Dino, and Carlo are its officers. It has a deposit account with TD.
31. Stateview Homes (Queen's Court) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
32. Stateview Homes (Rialto Towns) Inc. is a corporation associated with StateView Homes. Carlo is a director. Daniel, Dino, and Carlo are its officers. It has a deposit account with TD.
33. Stateview Homes (Tesoro Collection) Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its officers and directors. It has a deposit account with TD.
34. Taura Developments Inc. is a division of StateView Homes. Dino and Carlo are directors. Dino, Carlo, and Daniel are its officers. It has a deposit account with TD.
35. Live Inspired Organization is a not-for-profit organization, incorporated under the *Not-for-Profit Corporations Act*, 2010, S.O. 2010, c. 15, and associated with StateView Homes. Carlo, Melissa, and Nelda are its directors and officers. It has a deposit account with TD.
36. Highview Building Corp Inc. is a corporation associated with StateView Homes. Dino, Daniel, and Carlo are its directors and officers. It has a deposit account with TD.
37. Northgate Fine Homes Inc. is a corporation associated with StateView Homes. Daniel and Carlo are its directors and officers. It has a deposit account with TD.
38. TLSFD Taurasi Holdings Corp. is a corporation associated with StateView Homes. Anthony, Dennie, Dino, Emilio, and Carlo are its officers and directors. It has a deposit account with TD.

39. ABC Inc., XYZ Inc., Jon Doe and Jane Doe are pseudonyms for corporations and individuals unknown that received proceeds of the Fraudulent Cheques and/or conspired with the StateView Defendants to perpetrate the cheque kiting scheme.

### **THE DISHONOURED CHEQUES AND IMPUGNED TRANSACTIONS**

40. TD is the victim of a fraudulent cheque kiting scheme. The StateView Defendants were active or complicit participants.

41. Between around April 2022 to March 2023, the TD bank accounts associated with the StateView Defendants engaged in an unusual series of cheque transactions emblematic of cheque kiting that had the following consistent pattern:

- (a) One of the StateView Defendants would deposit a cheque (each, a “**Fraudulent Cheque**”) for a large sum from one of its RBC accounts (set out below). TD would conditionally credit the StateView Defendant’s account with the amount of the cheque pending final settlement through the Canadian Clearing and Settlement System.
- (b) Immediately upon deposit, the relevant StateView Defendant would use the conditional credit from TD to disburse the funds, either through another cheque written to a different StateView Defendant or to a third party, a wire transfer, or an inter-account transfer into another TD account held by a different StateView Defendant.
- (c) A “stop payment” would then be issued on the Fraudulent Cheque, prior to TD obtaining final settlement of the cheque through the Automated Clearing and Settlement System.
- (d) In order to evade detection and to temporarily avoid an overdraft in the account, the StateView Defendant would enter into another sham transaction to create the illusion of fresh funds coming in, either through the deposit of another Fraudulent Cheque into the account or through a transfer using a conditional credit provided by TD in another of its TD accounts effected through a Fraudulent Cheque.



- (e) Large volumes of Fraudulent Cheques were deposited in this fashion throughout April 2022 to March 2023, along with a corresponding number of sham transactions.

42. By March 2023, the TD bank accounts associated with the StateView Defendants accumulated over \$37 million in overdrafts, as the StateView Defendants would fund their business and pay themselves through the conditional credits provided by TD through the Fraudulent Cheques. The overdrafts were created through a series of cheques and wires paid to accounts of the StateView Defendants held at other financial institutions and payments made to third parties as part of their home construction business (the "**Impugned Transactions**").

43. The result was that the StateView Defendants enjoyed over \$37 million of unauthorized credit at TD's expense.

44. Cheque kiting is inherently fraudulent. There is no valid commercial purpose for the timing of the Fraudulent Cheques and Impugned Transactions.

45. TD requires a *Norwich* Order at the outset of these proceedings to learn, amongst other things:

- (a) Who holds the accounts that issued the Fraudulent Cheques;
- (b) Who stopped the cheques; and
- (c) Who obtained the conditionally credited funds drawn in overdraft.

46. Without this information, TD cannot confirm it has identified all of the perpetrators of the fraud, nor locate for recovery purposes the destination of the funds paid by TD without its consent.

47. At this time, TD has identified the following unique RBC accounts which issued the Fraudulent Cheques:

Accountholder/Payee of Stopped Cheque	Account Number of Stopped Cheque
Stateview Homes	102 129 4
Taura Developments	108 131 4
Stateview Homes (King's Landing Phase II) Inc.	111 322 4

As these accounts, and potentially others, sent the Fraudulent Cheques and then stopped them to create the conditional credits in a coordinated manner, they are potentially implicated in the fraud.

48. At this time, TD has identified the follow unique RBC accounts which received large sums in overdraft from one or more corporate StateView Defendants during the kiting period:

Accountholder/Payee of Stopped Cheque	Account Number of Stopped Cheque
Dino Taurasi	501 928 6
Carlo Taurasi	501 907 0

These accounts are personally associated with Dino and Carlo Taurasi, and they received large sums of money debited from the account of corporate StateView Defendants that received stopped cheques during the kiting period. Therefore, they are potentially implicated in the fraud.

49. TD paid all of the funds associated with the Impugned Transactions and the Stateview Defendants and the other payees enjoyed a benefit through the payments of these funds. The Stateview Defendants had no juristic entitlement to the benefits they received from the Impugned Transactions. As of March 21, 2023, the collective overdraft amount was \$37,028,055.73. All recipients of the proceeds of the Fraudulent Cheques and/or the Impugned Transactions correspondingly enriched without any juristic reason for the enrichment.

50. Any proceeds of the Fraudulent Cheques and Impugned Transactions are proceeds of the fraud, and therefore TD claims any proceeds of the Fraudulent Cheques are properly the object of a tracing remedy.

51. Given the inextricable link between the Fraudulent Cheques and the Impugned Transactions, on the one hand, and the funds TD provided through the conditional credits, on the other hand, TD is entitled to a constructive trust over the funds expended in overdraft.

52. TD pleads and relies upon the provisions of the *Bank Act*, S.C. 1991 c. 46, as amended, and specifically s. 437, r. 30.10 of the *Rules of Civil Procedure*, R.R.O. 1990. Reg. 194. Any recipient financial institutions ought not to make payment of any proceeds flowing from the Stopped Cheques, in light of TD's claim to these funds.

53. TD proposes that this action be tried in Toronto.

March 24, 2023

**McCarthy Tétrault LLP**  
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**Adam Dobkin LS#: 79395V**  
[aobkin@mccarthy.ca](mailto:aobkin@mccarthy.ca)  
Tel: 416-601-7563

Lawyers for the Plaintiff

The Toronto-Dominion Bank  
Plaintiff and Stateview Construction Ltd. et al  
Defendants

CU-23-00696833-  
Court File No.: 0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at TORONTO

**STATEMENT OF CLAIM**

**McCarthy Tétrault LLP**  
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**Adam Dobkin LS#: 79395V**  
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Tel: 416-601-7563

Lawyers for the Plaintiff

The Toronto-Dominion Bank  
Plaintiff and

Duca Financial Services Cr. Un. Ltd. et al  
Defendants

Court File No.:

W-23-00697007-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at TORONTO

**STATEMENT OF CLAIM**

**McCarthy Tétrault LLP**

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**Geoff R. Hall LS#: 347010**

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aship@mccarthy.ca  
Tel: 416-601-7731

**Adam Dobkin LS#: 79395V**

aobkin@mccarthy.ca  
Tel: 416-601-7563

Lawyers for the Plaintiff

This is Exhibit "N" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

Court File No.: CV-23-00696833-0000

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

)  
)  
)  
)

WEDNESDAY, THE

JUSTICE KOEHNEN

4<sup>TH</sup> DAY OF APRIL, 2023

B E T W E E N :

THE TORONTO-DOMINION BANK

Plaintiff

- and -

LUXVIEW FINE HOMES CORPORATION, STATEVIEW CONSTRUCTION LTD., STATEVIEW HOMES (ASHBURN HEIGHTS) INC., STATEVIEW HOMES (BALDWIN HEIGHTS) INC., STATEVIEW HOMES (BEA TOWNS) INC., STATEVIEW HOMES (BONAVENTURE) INC., STATEVIEW HOMES (EDGE TOWNS) INC., STATEVIEW HOMES (ELIA COLLECTION) INC., STATEVIEW HOMES (ELM&CO) INC., STATEVIEW HOMES (HAMPTON HEIGHTS) INC., STATEVIEW HOMES (HIGH CROWN ESTATES) INC., STATEVIEW HOMES (KINGS LANDING PHASE II) INC., STATEVIEW HOMES (KINGS LANDING) INC., STATEVIEW HOMES (MAIN & CO) INC., STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., STATEVIEW HOMES (OOH LALA TOWNS) INC., STATEVIEW HOMES (QUEEN'S COURT) INC., STATEVIEW HOMES (RIALTO TOWNS) INC., STATEVIEW HOMES (TESORO COLLECTION) INC, TAURA DEVELOPMENTS INC., LIVE INSPIRED ORGANIZATION, HIGHVIEW BUILDING CORP INC., NORTHGATE FINE HOMES INC., TLSFD TAURASI HOLDINGS CORP. CARLO TAURASI, DINO TAURASI, DANIEL CICCONE, ANTHONY TAURASI, EMILIO TAURASI, DENNIE TAURASI, MELISSA TAURASI, NELDA TAURASI, ABC INC., XYZ INC, AND ROYAL BANK OF CANADA

Defendants

**ORDER  
(implementing the Settlement Agreement dated March 31, 2023)**

**THIS MOTION**, made by TD (defined in section 1 of this Order) for an order providing relief in order to implement the Settlement Agreement (defined in section 1 of this Order), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON CONSENT** of TD and the State View Settling Defendants, and upon being advised that none of the other defendants oppose the relief granted in this order.

**AND ON HEARING** the submissions of the lawyers for TD and the lawyers for the State View Settling Defendants:

1. **THIS COURT ORDERS** that, for purposes of this Order:

- (a) **“Added Defendants”** means StateView Homes (Nao Towns II) Inc. and StateView Homes (Ivory Oak Estates) Inc.;
- (b) **“Information Officer”** has the meaning ascribed in para. 3 of this order;
- (c) **“Settlement Agreement”** means the settlement agreement dated March 31, 2023 between the State View Settling Defendants and TD;
- (d) **“State View Companies”** means all of the State View Settling Defendants except Carlo Taurasi and Dino Taurasi;
- (e) **“State View Settling Defendants”** means all of the Defendants in this action (including the Added Defendants) with the exception of Daniel Ciccone, Anthony Taurasi, Emilio Taurasi, Dennie Taurasi, Melissa Taurasi, Nelda Taurasi, ABC Inc., XYZ Inc., and Royal Bank of Canada; and
- (f) **“TD”** means The Toronto-Dominion Bank.

2. **THIS COURT ORDERS** that the Added Defendants are added as defendants to this action.



3. **THIS COURT ORDERS** that the State View Settling Defendants are authorized and directed to make the payments to TD provided for in section 2 of the Settlement Agreement. Such payments shall be made from the lawyers for the State View Settling Defendants (RAR Litigation Lawyers in trust) to the lawyers for TD (McCarthy Tétrault LLP in trust).

4. **THIS COURT ORDERS** that BDO Canada Limited (“**BDO**”) is appointed as an officer of the Court to act as Information Officer in respect of the State View Companies, and that:

- (a) The State View Settling Defendants shall forthwith provide to the Information Officer with unrestricted access to all of the books, records and other financial information relating to the State View Companies.
- (b) The Information Officer shall gain an understanding of the State View Companies’ corporate structure, organization chart including directors and related parties and cash flow management/treasury functions.
- (c) The Information Officer shall gain an understanding of the State View Companies’ governance policies with regards to treasury functions (who can initiate wires, sign cheques) and other functional areas as required (confirmation of restricted access to certain individuals).
- (d) If and to the extent requested by TD or the State View Companies, the Information Officer shall monitor the business of the State View Companies and the transactions entered into by it, including, without limitation:

- (i) review, the historical, the source and application of funds received and disbursed by the State View Companies, and the deposit of funds into the bank accounts of the State View Companies;
  - (ii) monitor, on an ongoing basis, the source and application of funds received and disbursed by the State View Companies, and the deposit of funds into the bank accounts of the State View Companies;
  - (iii) monitor the activities of the State View Companies to ensure that appropriate cash management is being undertaken at all times; and
  - (iv) review the books and records and computer files, records, software and other systems as necessary.
- (e) The Information Officer shall report to TD and the State View Companies from time to time on the financial circumstances of the State View Companies including, without limitation, with respect to their assets, liabilities, cash flows, intercompany transfers, and payments to related parties or shareholders.
- (f) The Information Officer shall not take possession of any of the assets of the State View Companies, or manage any of the businesses or affairs of the State View Companies. The Information Officer shall not, by fulfilling its obligations under this order, be deemed to have taken possession, occupation, management or control of any of the assets of the State View Companies.
- (g) The Information Office is at liberty to bring a motion to seek directions from the Court as required.

5. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to BDO herein, BDO shall incur no liability as a result of its appointment or the carrying out of the provisions of this order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this order shall derogate from the protections afforded to BDO as an officer of the Court.

6. **THIS COURT ORDERS** that the State View Settling Defendants shall pay the fees and expenses of the Information Officer.

7. **THIS COURT ORDERS** that, notwithstanding subsection 437(2) of the *Bank Act*, S.C. 1991, c. 46, Royal Bank of Canada may lift the restraint on deposit accounts belonging to the State View Settling Defendants, which were implemented pursuant to subsection 437(2) of the *Bank Act*, S.C. 1991, c. 46, by the commencement of this action. As the inclusion of this provision is a compromise sought by TD Bank and the State View Settling Defendants, Royal Bank of Canada shall not be responsible for monitoring the State View Settling Defendants' deposit accounts, nor any transactions by them made possible by the lifting of any restraint. This provision is without prejudice to the ability of TD Bank to bring a motion seeking to restrain deposit accounts belonging to the State View Settling Defendants, including under subsection 437(2) of the *Bank Act*, S.C. 1991, c. 46, if there is a Default (as that term is defined in the Settlement Agreement) by the State View Settling Defendants under the Settlement Agreement.

8. **THIS COURT ORDERS** that TD is at liberty to bring a motion to the Court for further relief, directions, assistance, clarifications and further orders, including orders in relation to any breach of this order.

PLJ

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The Toronto-Dominion Bank      Stateview Construction Ltd. et al  
Plaintiff      and      Defendants

Court File No.:   CV-23-00696833-0000

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**ORDER**

**McCarthy Tétrault LLP**

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Lawyers for the Plaintiff

This is Exhibit "O" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

Court File No.: CV-23-00698576-00CL

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

THE HONOURABLE	)	TUESDAY, THE 2 <sup>ND</sup>
	)	
JUSTICE STEELE	)	DAY OF MAY, 2023

BETWEEN:

**KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION**

Applicants

- and -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS)  
INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS  
CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

Respondents

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

**ORDER  
(Appointing Receiver)**

THIS APPLICATION made by KingSett Mortgage Corporation and Dorr Capital Corporation (together, the "**Applicants**") for an Order pursuant to subsection 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 Restructuring Inc. ("**KSV**") as receiver and manager (in such capacities, the "**Receiver**") without security, of the real property legally described in Schedule "A" to this Receivership Order (the "**Real Property**") and all present and future undertakings and property, both real and personal of Stateview Homes (Minu Towns) Inc. ("**Minu**"), Stateview Homes (Nao Towns) Inc. ("**Nao**"), Stateview Homes (On the Mark) Inc. ("**On the Mark**"), TLSFD Taurasi Holdings Corp. ("**Taurasi Holdings**") and Stateview Homes (High Crown Estates) Inc. ("**High Crown**", and together with

Minu, Nao, On the Mark and Taurasi Holdings, the "**Debtors**" and each a "**Debtor**"), which is located at or related to or used in connection with or arising from or out the Real Property (collectively, the "**Property**") was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Daniel Pollack sworn April 26, 2023 and the Exhibits thereto (the "**Pollack Affidavit**"), and on hearing the submissions of counsel for the Applicants, the proposed Receiver and such other parties listed on the Participant Information Form, no one appearing for any other party although duly served as appears from the affidavit of service sworn and filed, and on reading the consent of KSV to act as the Receiver,

### **SERVICE AND DEFINITIONS**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS AND DECLARES that all terms not otherwise defined herein shall have the meaning ascribed to them in the Pollack Affidavit.

### **APPOINTMENT**

3. THIS COURT ORDERS that pursuant to subsection 243(1) of the BIA and section 101 of the CJA, KSV is hereby appointed Receiver, without security, of the Property.

### **RECEIVER'S POWERS**

4. THIS COURT ORDERS that notwithstanding anything else in this Order, no formal marketing or sale process shall be commenced (including the service of any motion for court approval of a sale process or solicitation of potential purchasers) in respect of Minu, Nao or Taurasi Holdings on or before May 29, 2023. For certainty, the Receiver may seek proposals from brokers provided that all brokers are required to sign non-disclosure agreements before being provided with any confidential information, prepare marketing materials and do such other things it deems appropriate to prepare for a marketing or sale process.



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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, or any of them, including the powers to enter into any agreements or incur any obligations in the ordinary course of business or in connection with the Property, cease to carry on all or any part of the business of the Debtors, or any of them, or cease to perform or disclaim any contracts of any of the Debtors, provided, however, that the Receiver shall not cease to perform or disclaim any agreements of purchase and sale of either Minu or Nao or any lease agreement of Taurasi Holdings prior to May 29, 2023 without further Order of this Court;
- (d) to engage construction managers, project managers, contractors, subcontractors, consultants, appraisers, agents, real estate brokers, 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;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors, or any of them, or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to any of the Debtors in connection with the Property (including, without limitation, any rent payments in respect of the Real Property) and to exercise all remedies of any of the Debtors in collecting such monies and accounts, including, without limitation, to enforce any security held by any of the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to any of the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, including, without limitation, in respect of construction permits and any requirements related thereto, whether in the Receiver's name or in the name and on behalf of any of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to any of the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to investigate, and report to this Court on, intercompany payments, transactions and other arrangements between any of the Debtors and other Persons (as defined below), including, without limitation, other companies and entities that are affiliates of any of the Debtors, that appear to the Receiver to be out of the ordinary course of business. All Persons shall be

required to provide any and all information and documents related to the Debtors requested by the Receiver in connection with such investigations;

- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion, and with the Applicants' consent, may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
  - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (m) 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;
- (n) to report to, meet with and discuss with such affected Persons 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;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the any of Debtors and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Debtors;
- (r) to undertake any investigations deemed appropriate by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, Property;
- (s) to exercise any shareholder, partnership, joint venture or other rights which any of the Debtors may have; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including opening any mail or other correspondence addressed to any of the Debtors,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including any of the Debtors and BDO Canada Limited in its capacity as information officer (in such capacity, the "**Information Officer**"), and without interference from any other Person.

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

6. THIS COURT ORDERS that (i) each of the Debtors, (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, (iii) the Information Officer, and (iv) all other

individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

7. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records, information and cloud-based data of any kind related to the business or affairs of any of the Debtors, and any computer programs, computer tapes, computer disks, cloud or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software, cloud and physical facilities relating thereto, provided however that nothing in this paragraph 7 or in paragraph 8 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.

8. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer, in a cloud 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, cloud or other system and providing the Receiver with any and all access codes, account names, account numbers and account creating credentials that may be required to gain access to the information.

**NO PROCEEDINGS AGAINST THE RECEIVER**

9. 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 DEBTORS OR THE PROPERTY**

10. THIS COURT ORDERS that no Proceeding against or in respect of any of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of any of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

11. THIS COURT ORDERS that all rights and remedies against the Debtors, 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 any of the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or any of the Debtors 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.

**NO INTERFERENCE WITH THE RECEIVER**

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

### **CONTINUATION OF SERVICES**

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

14. THIS COURT ORDERS that in the event that an account for the supply of goods and/or services is transferred from any of the Debtors to the Receiver, or is otherwise established in the Receiver's name, no Person, including but not limited to a utility service provider, shall assess or otherwise require the Receiver to post a security deposit as a condition to the transfer/establishment of the account.

### **RECEIVER TO HOLD FUNDS**

15. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

**EMPLOYEES**

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

**PIPEDA**

17. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by each of the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

**LIMITATION ON ENVIRONMENTAL LIABILITIES**

18. 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*,



1999, 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**

19. 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 subsections 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**

20. 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 (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to all security granted by High Crown to Dorr Capital Corporation ("**Dorr**") in connection with the Commitment Letter dated June 17, 2021 by and between High Crown and Dorr (the "**Dorr High Crown Security**") and to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that the Receiver and its legal counsel shall pass their 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.

22. 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**

23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from KingSett Mortgage Corporation 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 \$5,000,000 (or such greater amount that is acceptable to the Applicants and as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subordinate in priority to the Receiver's Charge, the Dorr High Crown Security and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. 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.

25. 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.

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

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

### **SERVICE AND NOTICE**

27. 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 with the following URL: <https://www.ksvadvisory.com/experience/case/stateview-homes>.

28. 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 any of the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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.

29. THIS COURT ORDERS that the Applicants, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 8100-2-175 (SOR/DORS).

## CRITICAL PAYMENTS

30. THIS COURT ORDERS that the Receiver may, with the written consent of the Applicants, make payments owing by any of the Debtors to suppliers, contractors, subcontractors and other creditors in respect of amounts owing prior to the date of this Order.

## GENERAL

31. THIS COURT ORDERS that notwithstanding anything else in this Order:

- (a) the Receiver shall keep separate accounts in respect of each Debtor and the applicable Property owned by it or in which it has an interest (in each case, the "**Debtor's Property**"), including any cash of such Debtor and any proceeds of such Property, whether held in the Post Receivership Accounts or elsewhere (in each case, the "**Debtor's Cash**");
- (b) the Receiver shall only use the Debtor's Cash of a Debtor to pay amounts in respect of operating costs of such Debtor and its Debtor's Property and not in respect of operating costs of another Debtor or its Debtor's Property;
- (c) to the extent practicable, the Receiver shall keep separate account of fees and disbursements incurred for each Debtor and its Debtor's Property, or when not attributable to a specific Debtor or Debtor's Property, the Receiver shall allocate such fees and disbursements on a reasonable basis between the applicable Debtors and their respective Debtor's Property; and
- (d) to the extent practicable, the Receiver shall keep separate account of amounts borrowed under the Receiver's Borrowing Charge for each Debtor and its Debtor's Property, or when not attributable to a specific Debtor or Debtor's Property, the Receiver shall allocate such borrowings on a reasonable basis between the applicable Debtors and their respective Debtor's Property, provided that nothing herein shall impact the nature and priority of any claims, mortgages, security interests, or liens in respect of the Debtors or over the Property and is without prejudice to any Person

(including the Applicants and the Receiver) seeking a variation or modification of this paragraph upon further motion to the Court on not less than seven days' notice.

32. THIS COURT ORDERS that, for greater certainty, all distributions in these proceedings will be subject to further Order of this Court, which will require an allocation of the Receiver's Charge and the Receiver's Borrowing Charge among the Property. All Persons reserve their rights with respect to such allocation.

33. 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.

34. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the Debtors.

35. 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.

36. 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.

37. THIS COURT ORDERS that the Applicants shall have their costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicants' security or, if not so provided by the Applicants' security, then on a substantial indemnity basis to

be paid by the Receiver from the net realizations from the Property with such priority and at such time as this Court may determine.

38. 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.

39. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Order and are enforceable without the need for entry and filing.

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## Schedule "A"

## REAL PROPERTY

*Stateview Homes (Minu Towns) Inc.*

## PIN 03061-5685 (LT)

BLOCK 1, PLAN 65M4729; SUBJECT TO AN EASEMENT AS IN YR200734; CITY OF MARKHAM

## PIN 03061-5686 (LT)

BLOCK 2, PLAN 65M4729; CITY OF MARKHAM

(together, the "Minu Real Property")

*Stateview Homes (Nao Towns) Inc.*

## PIN 02962-0856 (LT)

1STLY: PART OF LOT 6, CONCESSION 6 MARKHAM, PART 1, 65R38179, (STOPPED UP AND CLOSED BY YR3416947); 2NDLY: PART OF LOT 6, CONCESSION 6 MARKHAM, PART 2, 65R38179, (STOPPED UP AND CLOSED BY YR3416947); 3RDLY: PT LT 6, CON 6, AS IN MA51910; 4THLY: PT LT 6, CON 6, AS IN MA107810; 5THLY: PT LT 6, CON 6, PART 3, 64R5892, EXCEPT PT 1, 65R7816; 6THLY: PT LT 6, CON 6, PART 1, 64R5892; 7THLY: PT LT 6, CON 6, AS IN R434475; 8THLY: PT LT 6, CON 6, AS IN R264882; 9THLY: PT LT 6, CON 6, AS IN R329719; 10THLY: PT LT 6, CON 6, AS IN MA39709 EXCEPT MA51910, MA107810 AND 64R5892; CITY OF MARKHAM

(the "Nao Real Property")

*Stateview Homes (On the Mark) Inc.*

## PIN 30029-0001 (LT)

YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1497 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1810 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 70, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 70 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1809 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 69, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 69 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1808 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 68, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 68 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1807 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 67, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 67 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1806 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 66, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 66 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM



**PIN 03047-1805 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 65, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 65 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1804 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 64, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 64 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1803 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 63, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 63 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1802 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 62, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 62 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1801 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 61, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 61 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1800 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 60, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 60 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1799 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 59, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 59 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1798 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 58, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 58 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1797 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 57, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 57 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1796 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 56, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 56 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1795 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 55, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 55 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1794 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 54, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 54 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1793 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 53, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 53 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1792 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 52, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 52 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1791 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 51, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 51 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1776 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 36, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 36 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1775 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 35, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 35 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1774 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 34, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 34 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1773 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 33, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 33 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1772 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 32, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 32 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1771 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 32, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 32 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1756 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 16, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 16 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1755 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 15, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 15 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1754 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 14, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 14 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1753 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 13, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 13 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1752 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 12, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 12 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**PIN 03047-1751 (LT)**

PART BLOCK 3, PLAN 65M3925 PART 11, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 11 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

(collectively, the "**On the Mark Real Property**")

**TLSPD Taurasi Holdings Corp.****PIN 03273-0069 (LT)**

PCL 24-1 SEC M1832; LT 24 PL M1832; CITY OF VAUGHAN

**PIN 03275-0052 (LT)**

PT LT 11 PL 7925 VAUGHAN AS IN VA68142; CITY OF VAUGHAN

**PIN 03274-0132 (LT)**

PCL 10-1 SEC 65M2330; LT 10 PL 65M2330; S/T RIGHT AS IN LT332786; VAUGHAN; CITY OF VAUGHAN

**PIN 03274-0044 (LT)**

PCL 1-2 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 4, 65R4957; VAUGHAN; CITY OF VAUGHAN

**PIN 03274-0043 (LT)**

PCL 1-3 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 3, 65R4957; VAUGHAN

(collectively, the "**Taurasi Holdings Real Property**")

**Stateview Homes (High Crown Estates) Inc.**

**PIN 03372-1040 (LT)**

BLOCK 2, PLAN 65M4757; SUBJECT TO AN EASEMENT AS IN YR3467268; SUBJECT TO AN EASEMENT IN GROSS AS IN YR3502108; TOWNSHIP OF KING

(the "**High Crown Real Property**")

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

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

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

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "**Receiver**") without security, of the real property legally described in Schedule "A" (the "**Real Property**") to the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 2<sup>nd</sup> day of May, 2023 (the "**Order**") and all present and future undertakings and property, both real and personal of Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (On the Mark) Inc., TLSFD Taurasi Holdings Corp. and Stateview Homes (High Crown Estates) Inc. (collectively, the "**Debtors**"), which is located at or related to or used in connection with or arising from or out of the Real Property (collectively, the "**Property**"), appointed by the Order made in an application having Court File Number CV-23-00698576-00CL, 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 Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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



5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the 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 \_\_\_\_\_, 2023.

KSV Restructuring Inc., solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

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

Name:

Title:

**IN THE MATTER OF AN 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**

**KINGSETT MORTGAGE CORPORATION  
AND DORR CAPITAL CORPORATION**

and

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

Applicants

Respondents

Court File No.: CV-23-00698576-00CL

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

Proceedings commenced in Toronto

**RECEIVERSHIP ORDER**

**BENNETT JONES LLP**

One First Canadian Place, Suite 3400  
P.O. Box 130  
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Lawyers for the Applicants

Court File No. CV-23-00698395-00CL

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

THE HONOURABLE MADAM	)	TUESDAY, THE 2 <sup>ND</sup>
	)	
JUSTICE STEELE	)	DAY OF MAY, 2023
	)	

B E T W E E N:

**ATRIUM MORTGAGE INVESTMENT CORPORATION and DORR  
CAPITAL CORPORATION**

Plaintiffs

- and -

**STATEVIEW HOMES (NAO TOWNS II) INC., DINO TAURASI and  
CARLO TAURASI**

Defendants

**ORDER  
(appointing Receiver)**

**THIS MOTION**, made by the Plaintiffs 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 Restructuring Inc. as receiver (the “**Receiver**”) without security, of all of the assets, undertakings and properties of Stateview Homes (Nao Towns II) Inc. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day via videoconference.

**ON READING** the Affidavit of Brian Dorr sworn April 25, 2023 and the Exhibits thereto, and on hearing the submissions of counsel for the Plaintiffs, the Defendants, and the other parties listed on the Participant Information Sheet, no one else appearing for the parties listed on the service list although duly served as appears from the affidavits of service filed with the Court, and on reading the consent of KSV Restructuring Inc. to act as the Receiver, and on consent of the Debtor,

**SERVICE**

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

**APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “**Property**”), and including, without limitation, the real property municipally known as 7810, 7822, 7834 and 7846 McCowan Road, Markham, Ontario and described legally in Schedule “A” attached hereto.

**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 and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor, provided that the Receiver shall not cease to perform,

repudiate or disclaim any agreements of purchase and sale entered into by the Debtor prior to May 29, 2023, without further Order of the Court;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- 4 -

- (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the 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;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

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

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

3A. **THIS COURT ORDERS** that notwithstanding anything else in this Order, no formal marketing or sale process shall be commenced (including the service of any motion for court approval of a sale process or solicitation of potential purchasers) in respect of the Property before May 29, 2023. For certainty, the Receiver may seek proposals from brokers provided that all brokers are required to sign non-disclosure agreements before being provided with any confidential information, prepare marketing materials and do such other things it deems appropriate to prepare for a marketing or sale process.

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

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

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records,

or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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.

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

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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



**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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.

**NO INTERFERENCE WITH THE RECEIVER**

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

**CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current

telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

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

### **PIPEDA**

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to

whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. **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**

17. **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**

18. **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.

19. **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.

20. **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**

21. **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 \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**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.

22. **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.

23. **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.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

25. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at [www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/](http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/)) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL "<https://www.ksvadvisory.com/experience/case/stateview-homes>".

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

27. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

#### **GENERAL**

28. **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.

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

30. **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.

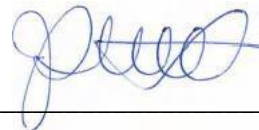
31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is 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.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, 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 Applicant from the Debtor's estate with such priority and at such time as this Court may determine.

33. **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.

34. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original, signing, entry and filing, as the case may be, when the Court returns to regular operation.



**SCHEDULE "A"**

**Legal Description:** PT LT 6, CON 6, AS IN R640261; MARKHAM

**PIN:** 02962 – 0270 LT

**Municipal Address:** 7810 MCCOWAN ROAD, MARKHAM, ONTARIO

**Legal Description:** PT LT 6, CON 6, AS IN MA69140; MARKHAM

**PIN:** 02962 – 0271 LT

**Municipal Address:** 7822 MCCOWAN ROAD, MARKHAM, ONTARIO

**Legal Description:** PT LT 6, CON 6, PART 1, 2, 65R17687

**PIN:** 02962 – 0272 LT

**Municipal Address:** 7834 MCCOWAN ROAD, MARKHAM, ONTARIO

**Legal Description:** PT LT 6, CON 6, AS IN R491185; T/W MA54373

**PIN:** 02962 – 0273 LT

**Municipal Address:** 7846 MCCOWAN ROAD, MARKHAM, ONTARIO



**SCHEDULE “B”**  
**RECEIVER CERTIFICATE**

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

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

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver (the “**Receiver**”) of the assets, undertakings and properties of Stateview Homes (Nao Towns II) Inc. (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “**Property**”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated the 2<sup>nd</sup> day of May, 2023 (the “**Order**”) made in a motion having Court file number CV-23-00698395-00CL, 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 Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such 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 \_\_\_\_\_, 202\_\_.

**KSV RESTRUCTURING INC.**, solely in its capacity as Receiver of the Property, and not in its personal capacity

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

Name:

Title:

**ATRIUM MORTGAGE INVESTMENT CORPORATION et al.** -and-

Plaintiffs

**STATEVIEW HOMES (NAO TOWNS II) INC., et al.**

Defendants

Court File No. CV-23-00698395-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER**

**CHAITONS LLP**

5000 Yonge Street, 10th Floor  
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Email: [laurac@chaitons.com](mailto:laurac@chaitons.com)

**Lawyers for the Plaintiffs**

Court File No. CV-23-00698632-00CL

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

THE HONOURABLE	)	TUESDAY, THE 2 <sup>nd</sup>
	)	
JUSTICE STEELE	)	DAY OF MAY, 2023

**DORR CAPITAL CORPORATION**

Applicant

- and -

**HIGHVIEW BUILDING CORP INC.**

Respondent

**APPLICATION UNDER** Section 243 of the *Bankruptcy and Insolvency Act* R.S.C.1985 c. B-3, as amended, and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**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 Restructuring Inc. as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Respondent, Highview Building Corp Inc. (the "**Debtor**"), including the real property owned by the Debtor municipally known as 88 Nashville Road and 99 Nashville Road, Kleinberg, Ontario ("**Real Property**"), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at Toronto, Ontario, by Zoom videoconference.

**ON READING** the Notice of Application issued April 27, 2023 (the “**Notice of Application**”), the Affidavit of Brian Dorr sworn April 28, 2023 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, the Respondent, the proposed Receiver, and such other parties listed on the Participant Information Form, no one else on the service list appearing, although duly served, as appears from the Affidavit of Service of Kelly Vickers sworn May 1, 2023, and on reading the consent of KSV Restructuring Inc. to act as the Receiver,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record dated May 1, 2023, 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 Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to a business carried on by the Respondent, including all proceeds thereof (the “**Property**”). For greater certainty, in this Order, Property includes, without limitation, the Real Property listed in Schedule “A” hereto, and all proceeds thereof.

### **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 and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent

security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any contracts or agreements in connection therewith (including any amendments and modifications thereto), repudiate or disclaim any contracts or agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform, modify, and/or terminate any contracts or agreements to which the Debtor is a party, provided that the Receiver shall not cease to perform, repudiate or disclaim any contracts of the Debtor prior to May 29, 2023, without further Order of the Court;
- (d) to engage contractors, tradespersons, quantity surveyors, consultants, appraisers, agents, experts, auditors, accountants, managers, including a property manager, mortgage brokers or administrators, 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;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to investigate, and report to this Court on, intercompany payments, transactions and other arrangements by the Debtor and other Persons (as defined below), including without limitation, other companies and entities that are affiliates of the Debtor, that appear to the Receiver to be out of the ordinary course of business. All Persons shall be required to provide any and all information and documents related to the Debtor requested by the Receiver in connection with such investigations;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (m) 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;
- (n) 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;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to undertake any investigation deemed appropriate by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, Property;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and



- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including opening any mail or other correspondence addressed to the Debtor,

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 Debtor and BDO Canada Limited in its capacity as information officer (in such capacity, the “**Information Officer**”), and without interference from any other Person.

3A. **THIS COURT ORDERS** that notwithstanding anything else in this Order, no formal marketing or sale process shall be commenced (including the service of any motion for court approval of a sale process or solicitation of potential purchasers) in respect of the Property before May 29, 2023. For certainty, the Receiver may seek proposals from brokers provided that all brokers are required to sign non-disclosure agreements before being provided with any confidential information, prepare marketing materials and do such other things it deems appropriate to prepare for a marketing or sale process.

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

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

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to

make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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.

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

**NO PROCEEDINGS AGAINST THE RECEIVER**

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

**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property or any assets located on premises belonging to the Debtor 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 Debtor or the Property or any assets located on premises belonging to the Debtor are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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.

**NO INTERFERENCE WITH THE RECEIVER**

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

### **CONTINUATION OF SERVICES**

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

13. **THIS COURT ORDERS** that in the event that an account for the supply of goods and/or services is transferred from the Debtor to the Receiver, or is otherwise established in the Receiver's name, no Person, including but not limited to a utility service provider, shall assess or otherwise require the Receiver to post a security deposit as a condition to the transfer/establishment of the account.

### **RECEIVER TO HOLD FUNDS**

14. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

**EMPLOYEES**

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

**PIPEDA**

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

**LIMITATION ON ENVIRONMENTAL LIABILITIES**

17. **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**

18. **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**

19. **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.

20. **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.

21. **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**

22. **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 \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. **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.

24. **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.

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

**SERVICE AND NOTICE**

26. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the “Guide”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL [‘https://www.ksvadvisory.com/experience/case/stateview-homes’](https://www.ksvadvisory.com/experience/case/stateview-homes).

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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.

28. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 8100-2-175 (SOR/DORS).



**GENERAL**

29. **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.

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

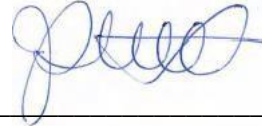
31. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

32. **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.

33. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

34. **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.

35. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal Order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal Order for original signing, entry and filing, as the case may be, when the Court returns to regular operation.



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**SCHEDULE "A"****REAL PROPERTY**

PIN 03323 – 0578 (LT) LRO #65

PART OF LOTS 54, 55 & 56, PLAN 9, PART 1, PLAN 65R37961; CITY OF VAUGHAN

PIN 03323 – 0579 (LT) LRO #65

PART OF LOTS 52 & 53, PLAN 9, PART 2, PLAN 65R37961; CITY OF VAUGHAN

PIN 03323 – 0580 (LT) LRO #65

PART LOTS 52, 53, 54, 55 & 56, PLAN 9 & PART LOT 24, CONCESSION 8(VGN), PART3,  
PLAN 65R37961; CITY OF VAUGHAN

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

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

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

1. **THIS IS TO CERTIFY** that KSV Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Highview Building Corp Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the \_\_\_ day of \_\_\_\_\_, 2023 (the "**Order**") made in an application having Court file number \_\_-\_\_\_\_\_, 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 Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such 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 RESTRUCTURING INC.**, solely in its capacity as Receiver of the Debtor, and not in its personal capacity

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

Name:

Title:

**DORR CAPITAL CORPORATION**

Applicant

and

Court File No. CV-23-00698632-00CL  
**HIGHVIEW BUILDING CORP INC.**

Respondent

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

Proceeding commenced at Toronto

**ORDER APPOINTING RECEIVER**

**BLANEY McMURTRY LLP**  
Barristers & Solicitors  
2 Queen Street East, Suite 1500  
Toronto ON M5C 3G5

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Lawyers for the Applicant

Court File No. CV-23-00698637-00CL

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

THE HONOURABLE	)	TUESDAY, THE 2 <sup>nd</sup>
	)	
JUSTICE STEELE	)	DAY OF MAY, 2023

**DORR CAPITAL CORPORATION**

Applicant

- and -

**STATEVIEW HOMES (BEA TOWNS) INC.**

Respondent

**APPLICATION UNDER** Section 243 of the *Bankruptcy and Insolvency Act* R.S.C.1985 c. B-3, as amended, and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**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 Restructuring Inc. as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Respondent, Stateview Homes (BEA Towns) Inc. (the "**Debtor**"), including the real property owned by the Debtor legally described as Block 76, Plan 51m1167, City of Barrie, being all of PIN 58763-1764 (LT) in LRO #51 ("**Real Property**"), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at Toronto, Ontario, by Zoom videoconference.

**ON READING** the Notice of Application issued April 27, 2023 (the “**Notice of Application**”), the Affidavit of Brian Dorr sworn April 28, 2023 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, the Respondent, the proposed Receiver, and such other parties listed on the Participant Information Form, no one else on the service list appearing, although duly served, as appears from the Affidavit of Service of Kelly Vickers sworn May 1, 2023, and on reading the consent of KSV Restructuring Inc. to act as the Receiver,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record dated May 1, 2023, 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 Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to a business carried on by the Respondent, including all proceeds thereof (the “**Property**”). For greater certainty, in this Order, Property includes, without limitation, the Real Property listed in Schedule “A” hereto, and all proceeds thereof.

### **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 and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent



security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any contracts or agreements in connection therewith (including any amendments and modifications thereto), repudiate or disclaim any contracts or agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform, modify, and/or terminate any contracts or agreements to which the Debtor is a party provided that the Receiver shall not cease to perform, repudiate or disclaim any contracts of the Debtor prior to May 29, 2023, without further Order of the Court;
- (d) to engage contractors, tradespersons, quantity surveyors, consultants, appraisers, agents, experts, auditors, accountants, managers, including a property manager, mortgage brokers or administrators, 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;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to investigate, and report to this Court on, intercompany payments, transactions and other arrangements by the Debtor and other Persons (as defined below), including without limitation, other companies and entities that are affiliates of the Debtor, that appear to the Receiver to be out of the ordinary course of business. All Persons shall be required to provide any and all information and documents related to the Debtor requested by the Receiver in connection with such investigations;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (m) 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;
- (n) 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;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to undertake any investigation deemed appropriate by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, Property;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including opening any mail or other correspondence addressed to the Debtor,

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 Debtor and BDO Canada Limited in its capacity as information officer (in such capacity, the “**Information Officer**”), and without interference from any other Person.

3A. **THIS COURT ORDERS** that notwithstanding anything else in this Order, no formal marketing or sale process shall be commenced (including the service of any motion for court approval of a sale process or solicitation of potential purchasers) in respect of the Property before May 29, 2023. For certainty, the Receiver may seek proposals from brokers provided that all brokers are required to sign non-disclosure agreements before being provided with any confidential information, prepare marketing materials and do such other things it deems appropriate to prepare for a marketing or sale process.

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

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

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to

make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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.

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

**NO PROCEEDINGS AGAINST THE RECEIVER**

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

**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property or any assets located on premises belonging to the Debtor 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 Debtor or the Property or any assets located on premises belonging to the Debtor are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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.

**NO INTERFERENCE WITH THE RECEIVER**

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

**CONTINUATION OF SERVICES**

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

13. **THIS COURT ORDERS** that in the event that an account for the supply of goods and/or services is transferred from the Debtor to the Receiver, or is otherwise established in the Receiver's name, no Person, including but not limited to a utility service provider, shall assess or otherwise require the Receiver to post a security deposit as a condition to the transfer/establishment of the account.

**RECEIVER TO HOLD FUNDS**

14. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

**EMPLOYEES**

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

**PIPEDA**

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

**LIMITATION ON ENVIRONMENTAL LIABILITIES**

17. **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**

18. **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**

19. **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.

20. **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.

21. **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**

22. **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 \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. **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.

24. **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.

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

**SERVICE AND NOTICE**

26. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL ‘<https://www.ksvadvisory.com/experience/case/stateview-homes>’.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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.

28. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 8100-2-175 (SOR/DORS).

**GENERAL**

29. **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.

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

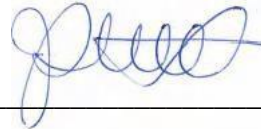
31. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

32. **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.

33. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

34. **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.

35. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal Order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal Order for original signing, entry and filing, as the case may be, when the Court returns to regular operation.



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**SCHEDULE "A"**  
**REAL PROPERTY**

PIN 58763 – 1764 LT in LRO #51

BLOCK 76, PLAN 51M1167; CITY OF BARRIE

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

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

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

1. **THIS IS TO CERTIFY** that KSV Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Stateview Homes (BEA Towns) Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the \_\_\_ day of \_\_\_\_\_, 2023 (the "**Order**") made in an application having Court file number \_\_\_-\_\_\_\_\_, 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 Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such 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 RESTRUCTURING INC.**, solely in its capacity as Receiver of the Debtor, and not in its personal capacity

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

Name:

Title:



**DORR CAPITAL CORPORATION**

Applicant

and

Court File No. CV-23-00698637-00CL  
**STATEVIEW HOMES (BEA TOWNS) INC.**

Respondent

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

Proceeding commenced at Toronto

**ORDER APPOINTING RECEIVER**

**BLANEY McMURTRY LLP**

Barristers & Solicitors  
2 Queen Street East, Suite 1500  
Toronto ON M5C 3G5

**Eric Golden** (LSO #38239M)  
(416) 593-3927 (Tel)  
Email: egolden@blaney.com

**Chad Kopach** (LSO #48084G)  
(416) 593-2985 (Tel)  
Email: ckopach@blaney.com

Lawyers for the Applicant

This is Exhibit "P" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

**Masters Insurance Limited**

TORONTO | HAMILTON | OTTAWA | WINDSOR | NEW YORK | FLORIDA

T 905 738 4164 F 905 738 5143

7501 Keele St., Suite 400, Vaughan, ON L4K 1Y2

mastersinsurance.com

April 18, 2023

Delivered By Registered Letter

Dorr Capital Corporation  
41 Scarsdale Road, Unit 6  
Toronto, Ontario M3B 2R2

**RE: Notice of Cancellation – Stateview Construction Ltd. / Stateview Homes (Elm & Co) Inc**  
**Insurer: Northbridge General Ins. Corp.**  
**Policy: CBC0651149 & CBC065140**

Dear Sirs :

Please note that the above referenced policy has been cancelled effective 12:01AM May 03, 2023.

Included is a copy of the Registered Letters for the insuring policies as Issued by Northbridge General Insurance Company for your files, as per Statutory Conditions of the insuring policies.

We would instruct you to conduct yourselves accordingly based on this notice of cancellation and your interest as it relates to the policy.

Should there be any questions or concerns, please do not hesitate to contact our office.

Sincerely,  
**MASTERS INSURANCE LIMITED**



This is Exhibit "Q" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**



Fogler, Rubinoff LLP  
Lawyers

77 King Street West  
Suite 3000, PO Box 95  
TD Centre North Tower  
Toronto, ON M5K 1G8  
t: 416.864.9700 | f: 416.941.8852  
foglers.com

Lawyer: Scott R. Venton  
Direct Dial: 416.941.8870  
E-mail: sventon@foglers.com

April 19, 2023

Our File No. 231535

**VIA REGULAR and REGISTERED MAIL**

Stateview Homes (Elm&Co) Inc.  
410 Chrislea Road, Unit 16  
Vaughan ON L4L 8B5

Dear Sir:

**Re: Meridian Credit Union Limited ("Meridian") credit facilities provided to Stateview Homes (Elm&Co) Inc. (the "Borrower") pursuant to the Credit Agreement between Meridian and the Borrower et. al. dated December 5, 2022 (the "Credit Agreement")**

We are lawyers for Meridian in this matter.

The Borrower is indebted to Meridian pursuant to the terms of the credit facilities provided to the Borrower by Meridian pursuant to the Credit Agreement entered into between the Borrower, Meridian and other parties.

As security for the obligations of the Borrower under the Credit Agreement, Meridian holds comprehensive security from the Borrower and other parties, including, but not limited to the following security from the Borrower (collectively, the "**Security**"):

1. a General Security Agreement dated December 6, 2022 and executed December 8, 2022, granted by the Borrower in favour of Meridian; and
2. a collateral Charge/Mortgage granted by the Borrower in favour of Meridian registered as YR3506925 on December 9, 2022, in the principal amount of \$17,800,000.00 against title to the property known municipally as 12972 York Durham Line, Stouffville, Ontario (the "**Property**").

As of the date of this letter, the Borrower is in default of its obligations pursuant to the Credit Agreement and Security including, without limiting the foregoing, legal proceedings having been commenced against the Borrower that are detrimental to the affairs of the Borrower, the Borrower granting or allowing other charges or mortgages to be registered on the Property and material adverse changes generally taking place regarding the Borrower.

As of April 18, 2023, the Borrower is indebted to Meridian pursuant to the Credit Agreement in the total amount of \$17,974,586.30, including interest accrued to date and continuing to accrue,

and excluding legal costs of Meridian and disbursements, which is more particularly set out in Schedule "A" attached hereto to this letter (collectively, the "Indebtedness").

We have been instructed by Meridian and do hereby demand payment of the Indebtedness, which is now due and payable. If we do not receive a certified cheque, money order or bank draft payable to "Meridian Credit Union Limited" for the total amount of the Indebtedness within ten (10) days of the date of this demand, we will take such further action, remedy or proceeding available to us under the Credit Agreement, the Security, at law, in equity or otherwise.

However, if prior to such date, circumstances require that we take steps to protect, preserve or recover any or all of the collateral or property under the Security, we reserve the right to do so without further notice.

We enclose the form 86 Notice of Intention to Enforce Security pursuant to subsection 244(l) of the *Bankruptcy and Insolvency Act*.

Yours truly,

**FOGLER, RUBINOFF LLP**

Scott R. Venton\*

\*Services provided through a professional corporation

SRV jh  
Encl.

**Schedule "A"****Stateview Homes****Demand Loan**

Outstanding Loan Balance	\$ 17,800,000.00
Interest as of April 17, 2023	<u>\$ 174,586.30</u>

Interest per diem \$4,364.66

<b>TOTAL PAYOUT AMOUNT</b>	<b><u>\$ 17,974,586.30</u></b>
----------------------------	--------------------------------

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1) of the Bankruptcy and Insolvency Act)

**TO: STATEVIEW HOMES (ELM&CO) INC., ("Stateview Homes")** an insolvent person

TAKE NOTICE THAT:

1. Meridian Credit Union Limited ("Meridian"), a secured creditor, intends to enforce its security on the property of the insolvent person described below:

all personal property, including without limitation, inventory, equipment, accounts receivable of every kind and nature whatsoever, books, records, chattel paper, documents of title, securities, debts, accounts, claims, chooses in action, monies and proceeds.

2. The security that is to be enforced is in the form of:
- (a) General Security Agreement from Stateview Homes dated December 6, 2022, in favour of Meridian;
  - (b) General Assignment of Rents and Leases dated December 8, 2022;
  - (c) Subordination and Standstill Agreement from Dorr Capital Corporation and 797377 Ontario Inc. dated December 9, 2022; and
  - (d) Any other security granted by Stateview Homes in favour of Meridian.

The total amount of indebtedness secured by the security as of April 18, 2023, is \$17,974,586.30, plus interest and costs.

3. Meridian will not have the right to enforce its security until after the expiry of the 10-day period after this notice is sent unless the insolvent person, Stateview Homes, consents to an earlier enforcement.

DATED at Toronto, this 19<sup>th</sup> day of April, 2023.

**FOGLER, RUBINOFF LLP**  
on behalf of Meridian Credit Union Limited

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

Scott R. Venton



**CONSENT**

The undersigned hereby acknowledges as follows:

- (a) the undersigned has received the Notice of Intention to Enforce Security issued by Meridian Credit Union Limited (the "Secured Creditor") dated the 19<sup>th</sup> day of April, 2023;
- (b) the undersigned confirms that it does not have the resources to meet or satisfy the Secured Creditor's demand dated the 19<sup>th</sup> day of April, 2023; and
- (c) the undersigned consents to the Secured Creditor forthwith enforcing the security that the Secured Creditor holds in respect of the liabilities of the undersigned to the Secured Creditor, including without limitation the appointment by court order, of a Receiver (which term includes receiver and manager) to realize upon Stateview Homes and its assets and undertaking pursuant to the Secured Creditor's security.

Dated at: \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2023

) **STATEVIEW HOMES (ELM&CO) INC.**  
 )  
 )  
 ) \_\_\_\_\_  
 ) Per:  
 ) Name:  
 ) Title:  
 ) I have authority to bind the Corporation



Fogler, Rubinoff LLP  
Lawyers

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foglers.com

April 19, 2023

Reply To: Scott R. Venton  
Direct Dial: 416.941.8870  
E-mail: sventon@foglers.com  
Our File No. 231535

**VIA REGULAR & REGISTERED MAIL**

Stateview Homes (Elm&Co) Inc.  
410 Chrislea Road, Unit 16  
Woodbridge ON L4L 8B5

Dorr Capital Corporation  
41 Scarsdale Road, Unit 6  
Toronto ON M3B 2R2

797377 Ontario Inc.  
5 Paisley Lane  
Uxbridge ON L9P 0G5

Bergo Investment Limited  
44 Upjohn Road  
Toronto ON M3B 2W1

MCO Management Inc.  
8920 Woodbine Avenue, Suite 400  
Markham ON L3R 9W9

Tony Karamitsos  
44 Upjohn Road  
Toronto ON M3B 2W1

Stateview Construction Ltd.  
410 Chrislea Road, Unit 16  
Woodbridge ON L4L 8B5

Dino Taurasi  
48 Puccini Drive  
Richmond Hill ON L4E 2Y6

Carlo Taurasi  
48A Puccini Drive  
Richmond Hill ON L4E 2Y6

fogler  
rubinoff

Daniel Ciccone  
55 Cooperage Crescent  
Richmond Hill ON L4C 9M2

Dear Sir/Madam:

**Re: Meridian Credit Union Limited ("Meridian") Credit Facilities Provided to Stateview Homes (Elm&Co) In. (the "Borrower") Pursuant to an Agreement Dated December 5, 2022 (the "Credit Agreement")**

---

Please be advised we have been retained as lawyers for Meridian.

Enclosed is a Notice under the *Personal Property Security Act* (Ontario) with respect to Meridian's intention to enforce its security, which is hereby served upon you.

Yours very truly,

**FOGLER, RUBINOFF LLP**



Scott R. Venton\*

\*Services provided through a professional corporation

SRV/jh  
Encl.

**NOTICE PURSUANT TO SECTION 63(4) OF THE  
PERSONAL PROPERTY SECURITY ACT (ONTARIO)**

**TO:** Those persons listed on Schedule "A" hereto.

**RE: STATEVIEW HOMES (ELM&CO) INC. ("Debtor")**

Indebtedness to Meridian Credit Union Limited ("**Secured Party**")

**TAKE NOTICE THAT:**

1. By virtue of the security agreements described in Schedule "B" hereto, the Secured Party is the holder of a security interest(s) in the collateral more particularly described in Schedule "C" hereto ("Collateral").
2. The amount required to satisfy the obligation(s) secured by the said security interest(s) is SEVENTEEN MILLION, NINE HUNDRED AND SEVENTY FOUR THOUSAND, FIVE HUNDRED AND EIGHTY SIXTY DOLLARS and THIRTY CENTS (\$17,974,586.30) for principal and interest accrued thereon to and including April 18, 2023, plus legal costs and interest continuing to accrue thereafter (the "Debt").
3. A reasonable estimate of the expenses of the Secured Party, including cost of insurance and payment of taxes and other charges incurred in retaking, holding, repairing, processing and preparing for disposition and disposing of the Collateral, and other reasonable expenses of the Secured Party, is THIRTY-FIVE THOUSAND DOLLARS (\$35,000.00) (the "Expenses").
4. Upon receipt of the Debt and the Expenses, the payer will be credited with any rebates or allowances to which the Debtor is entitled by law or under the said security agreements.
5. Upon payment of the Debt and the Expenses, any person entitled to receive notice under Section 63 of the *Personal Property Security Act* (Ontario) may redeem the Collateral.
6. Unless the Debt and Expenses are paid by the earlier of 15 days from the date you actually receive this notice or 25 days after this notice is served upon you by registered mail, the Secured Party will dispose of the Collateral by private sale, public tender, public auction and the Debtor as well as any other person liable for payment of the obligations secured, will be liable for any deficiency.

**DATED:** April 19, 2023

**MERIDIAN CREDIT UNION LIMITED**

by its lawyers,

**FOGLER, RUBINOFF LLP**

per:

P.P. 

---

Scott R. Venton

**CONSENT**

The undersigned hereby consents to the immediate disposition of the Collateral and waives its rights and remedies with respect to the redemption periods set out in the *Personal Property Security Act* (Ontario), as amended, with respect to this notice and any disposition thereunder.

Dated: \_\_\_\_\_

**STATEVIEW HOMES (ELM&CO) INC.**

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

Name:

Title:

*I have authority to bind the Corporation*

**SCHEDULE "A"****RECIPIENTS OF NOTICE**

Stateview Homes (Elm&Co) Inc.  
410 Chrislea Road, Unit 16  
Woodbridge ON L4L 8B5

Dorr Capital Corporation  
41 Scarsdale Road, Unit 6  
Toronto ON M3B 2R2

797377 Ontario Inc.  
5 Paisley Lane  
Uxbridge ON L9P 0G5

Bergo Investment Limited  
44 Upjohn Road  
Toronto ON M3B 2W1

MCO Management Inc.  
8920 Woodbine Avenue, Suite 400  
Markham ON L3R 9W9

Tony Karamitsos  
44 Upjohn Road  
Toronto ON M3B 2W1

Stateview Construction Ltd.  
410 Chrislea Road, Unit 16  
Woodbridge ON L4L 8B5

Dino Taurasi  
48 Puccini Drive  
Richmond Hill ON L4E 2Y6

Carlo Taurasi  
48A Puccini Drive  
Richmond Hill ON L4E 2Y6

Daniel Ciccone  
55 Cooperage Crescent  
Richmond Hill ON L4C 9M2

**SCHEDULE "B"****SECURITY AGREEMENT**

1. General Security Agreement dated December 6, 2022 between Stateview Homes (Elm&Co) Inc. and Meridian Credit Union Limited.

**SCHEDULE "C"****COLLATERAL**

All the undertaking and assets of the Debtor, including but not limited to inventory, equipment, receivables, books, records, chattel paper, documents of title, securities, debts, accounts, claims, choses in action, monies, and proceeds.





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Lawyers

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Suite 3000, PO Box 95  
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t: 416.864.9700 | f: 416.941.8852  
foglers.com

April 19, 2023

Reply To: Scott R. Venton  
Direct Dial: 416.941.8870  
E-mail: sventon@foglers.com  
Our File No. 231535

**VIA REGULAR & REGISTERED MAIL**

Carlo Taurasi  
48A Puccini Drive  
Richmond Hill ON L4E 2Y6

Dear Sir:

**Re: Meridian Credit Union Limited Loan to Stateview Homes (Elm&Co) Inc.**

---

Please be advised we have been retained as lawyers for Meridian Credit Union Limited ("Meridian").

Meridian holds an unlimited Guarantee and Postponement of Claim from you dated December 8, 2022, in relation to the indebtedness of Stateview Homes (Elm&Co) Inc. to Meridian (the "Guarantee").

This letter constitutes demand upon you for the satisfaction of your Guarantee, concurrent with Meridian's demand upon Stateview Homes (Elm&Co) Inc.

As of April 18, 2023, Stateview Homes (Elm&Co) Inc is indebted to Meridian pursuant to the Credit Agreement in the total amount of \$17,974,586.30, including interest accrued to date and continuing to accrue, and excluding legal costs of Meridian and disbursements.

If the sum is not received within 10 days from the date of this letter, Meridian shall take such action as may be necessary for collection thereof.

We enclose the Form 86 Notice of Intention to Enforce Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* to Stateview Homes (Elm&Co) Inc.

Yours very truly,

**FOGLER, RUBINOFF LLP**

Scott R. Venton\*

\*Services provided through a professional corporation

SRV/jh  
Encl.

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1) of the Bankruptcy and Insolvency Act)

**TO: STATEVIEW HOMES (ELM&CO) INC., ("Stateview Homes")** an insolvent person

TAKE NOTICE THAT:

1. Meridian Credit Union Limited ("Meridian"), a secured creditor, intends to enforce its security on the property of the insolvent person described below:

all personal property, including without limitation, inventory, equipment, accounts receivable of every kind and nature whatsoever, books, records, chattel paper, documents of title, securities, debts, accounts, claims, chooses in action, monies and proceeds.

2. The security that is to be enforced is in the form of:
  - (a) General Security Agreement from Stateview Homes dated December 6, 2022, in favour of Meridian;
  - (b) General Assignment of Rents and Leases dated December 8, 2022;
  - (c) Subordination and Standstill Agreement from Dorr Capital Corporation and 797377 Ontario Inc. dated December 9, 2022; and
  - (d) Any other security granted by Stateview Homes in favour of Meridian.

The total amount of indebtedness secured by the security as of April 18, 2023, is \$17,974,586.30, plus interest and costs.

3. Meridian will not have the right to enforce its security until after the expiry of the 10-day period after this notice is sent unless the insolvent person, Stateview Homes, consents to an earlier enforcement.

DATED at Toronto, this 19<sup>th</sup> day of April, 2023.

**FOGLER, RUBINOFF LLP**  
on behalf of Meridian Credit Union Limited

Per:   
\_\_\_\_\_  
Scott R. Venton

**CONSENT**

The undersigned hereby acknowledges as follows:

- (a) the undersigned has received the Notice of Intention to Enforce Security issued by Meridian Credit Union Limited (the "Secured Creditor") dated the 19<sup>th</sup> day of April, 2023;
- (b) the undersigned confirms that it does not have the resources to meet or satisfy the Secured Creditor's demand dated the 19<sup>th</sup> day of April, 2023; and
- (c) the undersigned consents to the Secured Creditor forthwith enforcing the security that the Secured Creditor holds in respect of the liabilities of the undersigned to the Secured Creditor, including without limitation the appointment by court order, of a Receiver (which term includes receiver and manager) to realize upon Stateview Homes and its assets and undertaking pursuant to the Secured Creditor's security.

Dated at: \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2023

) **STATEVIEW HOMES (ELM&CO) INC.**  
 )  
 )  
 ) \_\_\_\_\_  
 ) Per:  
 ) Name:  
 ) Title:  
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April 19, 2023

Reply To: Scott R. Venton  
Direct Dial: 416.941.8870  
E-mail: sventon@foglers.com  
Our File No. 231535

**VIA REGULAR & REGISTERED MAIL**

Dino Taurasi  
48 Puccini Drive  
Richmond Hill ON L4E 2Y6

Dear Sir:

**Re: Meridian Credit Union Limited Loan to Stateview Homes (Elm&Co) Inc.**

---

Please be advised we have been retained as lawyers for Meridian Credit Union Limited ("Meridian").

Meridian holds an unlimited Guarantee and Postponement of Claim from you dated December 8, 2022, in relation to the indebtedness of Stateview Homes (Elm&Co) Inc. to Meridian (the "Guarantee").

This letter constitutes demand upon you for the satisfaction of your Guarantee, concurrent with Meridian's demand upon Stateview Homes (Elm&Co) Inc.

As of April 18, 2023, Stateview Homes (Elm&Co) Inc is indebted to Meridian pursuant to the Credit Agreement in the total amount of \$17,974,586.30, including interest accrued to date and continuing to accrue, and excluding legal costs of Meridian and disbursements.

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Scott R. Venton\*

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(Subsection 244(1) of the Bankruptcy and Insolvency Act)

**TO: STATEVIEW HOMES (ELM&CO) INC., ("Stateview Homes")** an insolvent person

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The total amount of indebtedness secured by the security as of April 18, 2023, is \$17,974,586.30, plus interest and costs.

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DATED at Toronto, this 19<sup>th</sup> day of April, 2023.

**FOGLER, RUBINOFF LLP**  
on behalf of Meridian Credit Union Limited

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

Scott R. Venton

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- (c) the undersigned consents to the Secured Creditor forthwith enforcing the security that the Secured Creditor holds in respect of the liabilities of the undersigned to the Secured Creditor, including without limitation the appointment by court order, of a Receiver (which term includes receiver and manager) to realize upon Stateview Homes and its assets and undertaking pursuant to the Secured Creditor's security.

Dated at: \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2023

) **STATEVIEW HOMES (ELM&CO) INC.**  
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April 19, 2023

Reply To: Scott R. Venton  
Direct Dial: 416.941.8870  
E-mail: sventon@foglers.com  
Our File No. 231535

**VIA REGULAR and REGISTERED MAIL**

Daniel Ciccone  
55 Cooperage Crescent  
Richmond Hill ON L4C 9M2

Dear Sir:

**Re: Meridian Credit Union Limited Loan to Stateview Homes (Elm&Co) Inc.**

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Please be advised we have been retained as lawyers for Meridian Credit Union Limited ("Meridian").

Meridian holds an unlimited Guarantee and Postponement of Claim from you dated December 8, 2022, in relation to the indebtedness of Stateview Homes (Elm&Co) Inc. to Meridian (the "Guarantee").

This letter constitutes demand upon you for the satisfaction of your Guarantee, concurrent with Meridian's demand upon Stateview Homes (Elm&Co) Inc.

As of April 18, 2023, Stateview Homes (Elm&Co) Inc is indebted to Meridian pursuant to the Credit Agreement in the total amount of \$17,974,586.30, including interest accrued to date and continuing to accrue, and excluding legal costs of Meridian and disbursements.

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Yours very truly,

**FOGLER, RUBINOFF LLP**

P.P. 

Scott R. Venton\*

\*Services provided through a professional corporation

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(Subsection 244(1) of the Bankruptcy and Insolvency Act)

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  - (d) Any other security granted by Stateview Homes in favour of Meridian.

The total amount of indebtedness secured by the security as of April 18, 2023, is \$17,974,586.30, plus interest and costs.

3. Meridian will not have the right to enforce its security until after the expiry of the 10-day period after this notice is sent unless the insolvent person, Stateview Homes, consents to an earlier enforcement.

DATED at Toronto, this 19<sup>th</sup> day of April, 2023.

**FOGLER, RUBINOFF LLP**  
on behalf of Meridian Credit Union Limited

Per:  \_\_\_\_\_  
Scott R. Venton



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Dated at: \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2023

) **STATEVIEW HOMES (ELM&CO) INC.**  
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 ) Name:  
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 ) I have authority to bind the Corporation

April 19, 2023

Reply To: Scott R. Venton  
Direct Dial: 416.941.8870  
E-mail: sventon@foglers.com  
Our File No. 231535**VIA REGULAR & REGISTERED MAIL**Stateview Construction Ltd.  
410 Chrislea Road, Unit 16  
Woodbridge ON L4L 8B5

Dear Sir:

**Re: Meridian Credit Union Limited Loan to Stateview Homes (Elm&Co) Inc.**

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Please be advised we have been retained as lawyers for Meridian Credit Union Limited ("Meridian").

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Yours very truly,

**FOGLER, RUBINOFF LLP**P.P. 

Scott R. Venton\*

\*Services provided through a professional corporation

SRV/jh  
Encl.

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1) of the Bankruptcy and Insolvency Act)

**TO: STATEVIEW HOMES (ELM&CO) INC., ("Stateview Homes")** an insolvent person

TAKE NOTICE THAT:

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3. Meridian will not have the right to enforce its security until after the expiry of the 10-day period after this notice is sent unless the insolvent person, Stateview Homes, consents to an earlier enforcement.

DATED at Toronto, this 19<sup>th</sup> day of April, 2023.

**FOGLER, RUBINOFF LLP**  
on behalf of Meridian Credit Union Limited

Per:   
\_\_\_\_\_  
Scott R. Venton

**CONSENT**

The undersigned hereby acknowledges as follows:

- (a) the undersigned has received the Notice of Intention to Enforce Security issued by Meridian Credit Union Limited (the "Secured Creditor") dated the 19<sup>th</sup> day of April, 2023;
- (b) the undersigned confirms that it does not have the resources to meet or satisfy the Secured Creditor's demand dated the 19<sup>th</sup> day of April, 2023; and
- (c) the undersigned consents to the Secured Creditor forthwith enforcing the security that the Secured Creditor holds in respect of the liabilities of the undersigned to the Secured Creditor, including without limitation the appointment by court order, of a Receiver (which term includes receiver and manager) to realize upon Stateview Homes and its assets and undertaking pursuant to the Secured Creditor's security.

Dated at: \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2023

) **STATEVIEW HOMES (ELM&CO) INC.**  
 )  
 )  
 ) \_\_\_\_\_  
 ) Per:  
 ) Name:  
 ) Title:  
 ) I have authority to bind the Corporation

This is Exhibit "R" referred to in the Affidavit of Amber Waheed sworn by Amber Waheed of the Town of Milton, in the Regional Municipality of Halton, before me at the City of Mississauga, in the Province of Ontario, on May 5, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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*Commissioner for Taking Affidavits (or as may be)*

**Katelin Zoe Parker, a Commissioner, etc.,  
Province of Ontario, for Fogler, Rubinoff LLP,  
Barristers and Solicitors. Expires April 23, 2026.**

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:****MERIDIAN CREDIT UNION LIMITED****Applicant****-and-****STATEVIEW HOMES (ELM&CO) INC.****Respondent**

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE  
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND  
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS  
AMENDED**

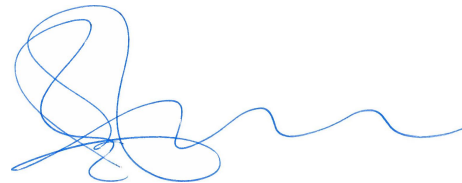
**CONSENT**

KSV Restructuring Inc. hereby consents to being appointed as receiver, without security, of all the assets, undertakings and properties of Stateview Homes (Elm&Co) Inc.

DATED AT TORONTO, ONTARIO this 5<sup>th</sup> day of May, 2023.

**KSV RESTRUCTURING INC.**

By:



---

Name: Bobby Kofman

I have authority to bind the corporation

# TAB 3

Court File No. CV-23-00699067-00CL

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

THE HONOURABLE	)	THURSDAY, THE 18 <sup>th</sup>
	)	
JUSTICE PENNY	)	DAY OF MAY, 2023

B E T W E E N:

**MERIDIAN CREDIT UNION LIMITED**

**Applicant**

-and-

**STATEVIEW HOMES (ELM&CO) INC.**

**Respondent**

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND  
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**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 Restructuring Inc. as receiver (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Stateview Homes (Elm&Co) Inc. (the “**Debtor**”), including the real property owned by the Debtor municipally known as 12942 York Durham Line, Stouffville, Ontario (the “**Real Property**”), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at Toronto, Ontario, by Zoom videoconference.



ON READING the Notice of Application issued May 5, 2023 (the “**Notice of Application**”), the Affidavit of Amber Waheed sworn May 5, 2023 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, the Respondent, the proposed Receiver, and such other parties listed on the Participant Information Form, no one else on the service list appearing although duly served, as appears from the Affidavit of Service of Michelle Pham sworn May 8, 2023, and on reading the consent of KSV Restructuring Inc. to act as the Receiver,

### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record dated May 8, 2023, 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 Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “**Property**”). For greater certainty, in this Order, Property includes, without limitation, the Real Property listed in Schedule “A” hereto, and all proceeds thereof.

### **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 and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security

codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any contracts or agreements in connection therewith (including any amendments and modifications thereto), repudiate or disclaim any contracts or agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform, modify, and/or terminate any contracts or agreements to which the Debtor is a party, provided that the Receiver shall not cease to perform, repudiate or disclaim any contracts of the Debtor prior to May 29, 2023, without further Order of the Court;
- (d) to engage contractors, subcontractors, tradespersons, quantity surveyors, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, including a property manager, mortgage brokers or administrators, 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;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to investigate, and report to this Court on, intercompany payments, transactions and other arrangements by the Debtor and other Persons (as defined below), including without limitation, other companies and entities that are affiliates of the Debtor or related to the Debtor (the “**Other Stateview Entities**”), that appear to the Receiver to be out of the ordinary course of business. All Persons, including any Other Stateview Entities, shall be required to provide any and all information and documents related to the Debtor requested by the Receiver in connection with such investigations;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion, and with the Applicant's consent, may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and

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

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

- (m) 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;
- (n) 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;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (r) to undertake any investigation deemed appropriate by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, Property;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including opening any mail or other correspondence addressed to the Debtor.

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 Debtor and BDO Canada Limited in its capacity as information officer (in such capacity, the “**Information Officer**”), and without interference from any other Person.

3A. THIS COURT ORDERS that notwithstanding anything else in this Order, no formal marketing or sale process shall be commenced (including the service of any motion for court approval of a sale process or solicitation of potential purchasers) in respect of the Property before May 29, 2023. For certainty, the Receiver may seek proposals from brokers provided that all brokers are required to sign non-disclosure agreements before being provided with any confidential information, prepare marketing materials and do such other things it deems appropriate to prepare for a marketing or sale process.

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

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of

the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

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

10. THIS COURT ORDERS that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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.

#### **NO INTERFERENCE WITH THE RECEIVER**

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

### **CONTINUATION OF SERVICES**

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

13. THIS COURT ORDERS that in the event that an account for the supply of goods and/or services is transferred from the Debtor to the Receiver, or is otherwise established in the Receiver's name, no Person, including but not limited to a utility service provider, shall assess or otherwise require the Receiver to post a security deposit as a condition to the transfer/establishment of the account.

### **RECEIVER TO HOLD FUNDS**

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.



**EMPLOYEES**

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

**PIPEDA**

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

**LIMITATION ON ENVIRONMENTAL LIABILITIES**

17. 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**

18. 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**

19. 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.

20. 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.

21. 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**

22. 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 \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. 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.

24. 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.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

**SERVICE AND NOTICE**

26. THIS COURT ORDERS that the E-Service Guide of the Commercial List (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.ksvadvisory.com/experience/case/stateview-homes.>’.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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.

28. THIS COURT ORDERS that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

**GENERAL**

29. THIS COURT ORDERS that notwithstanding anything else in this Order: (a) the Receiver shall keep accounts in respect of the Debtor and the Property separate or distinguished from accounts regarding any Other Stateview Entities or their applicable property in which KSV has been court-appointed as receiver; (b) the Receiver shall only use the Debtor's Property, including any funds of the Debtor or any proceeds from such Property, to pay amounts in respect of the operating costs of the Debtor and its Debtor's Property and not in respect of the operating costs of any Other Stateview Entities or their applicable property in which KSV has been court-appointed as receiver; (c) to the extent practicable, the Receiver shall keep accounts of fees and disbursements incurred for the Debtor and the Property separate or distinguished from accounts of fees and disbursements regarding any Other Stateview Entities or their applicable property in which KSV has been court-appointed as receiver; and (d) to the extent practicable, the Receiver shall keep account of any amounts borrowed, if applicable, under the Receiver's Borrowing Charge for the Debtor and the Property separate or distinguished from any amounts borrowed regarding any Other Stateview Entities or their applicable property in which KSV has been court-appointed as receiver.

30. 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.

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

32. 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.

33. 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.

34. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

35. 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.

36. THIS COURT ORDERS that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing, as the case may be, including when the Court returns to regular operation.

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**SCHEDULE "A"**

**REAL PROPERTY**

PIN 03707 – 0188 (LT) LRO #65

PART LOT 5, CONCESSION 10 WHITCHURCH, PART 1, PLAN 65R37148; TOWN OF WHITCHURCH-STOUFFVILLE

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

CERTIFICATE NO.

AMOUNT \$

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Stateview Homes (Elm&Co) Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 18<sup>th</sup> day of May, 2023 (the "**Order**") made in an application having Court file number CV-23-00699067-00CL, 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 Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such 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 MONTH, 20YR.

**KSV RESTRUCTURING INC.**, solely in its capacity as Receiver of the Property, and not in its personal capacity

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

Name:

Title:

MERIDIAN CREDIT UNION LIMITED  
Applicant

-and- STATEVIEW HOMES (ELM&CO) INC.  
Respondent

Court File No. CV-23-00699067-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**ORDER  
(APPOINTING RECEIVER)**

**FOGLER, RUBINOFF LLP**

Lawyers

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Lawyers for the Applicant,  
Meridian Credit Union Limited

# TAB 4

Revised: January 21, 2014  
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

Court File No. ~~\_\_\_\_\_~~ CV-23-  
00699067-00CL

ONTARIO  
 SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE )  
 JUSTICE ~~\_\_\_\_\_~~ PENNY ) THE #18<sup>th</sup>  
 )  
 DAY OF ~~MONTH~~ MAY, ~~20YR~~ 2023

**~~PLAINTIFF~~<sup>†</sup>**

MERIDIAN CREDIT UNION LIMITED

~~Plaintiff~~ Applicant

-and-

**~~DEFENDANT~~**

STATEVIEW HOMES (ELM&CO) INC.

~~Defendant~~ Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE  
 BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND  
 SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

**ORDER**

**(appointing Receiver)**

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<sup>†</sup> ~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

THIS ~~MOTION~~APPLICATION made by the ~~Plaintiff~~<sup>2</sup>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 ~~[RECEIVER'S NAME]~~KSV Restructuring Inc. as receiver (in such capacities, the "~~Receiver~~") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME] (the "Debtor")~~Stateview Homes (Elm&Co) Inc. (the "Debtor"), including the real property owned by the Debtor municipally known as 12942 York Durham Line, Stouffville, Ontario (the "~~Real Property~~"), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at ~~330 University Avenue, Toronto, Ontario, by Zoom~~videoconference.

ON READING the ~~affidavit of [NAME] sworn [DATE]~~Notice of Application issued May 5, 2023 (the "Notice of Application"), the Affidavit of Amber Waheed sworn May 5, 2023 and the Exhibits thereto, and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME]~~the Applicant, the Respondent, the proposed Receiver, and such other parties listed on the Participant Information Form, no one else on the service list appearing although duly served, as appears from the ~~affidavit of service of [NAME] sworn [DATE]~~Affidavit of Service of Michelle Pham sworn May 8, 2023, and on reading the consent of ~~[RECEIVER'S NAME]~~KSV Restructuring Inc. to act as the Receiver,

## SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion and the Motion~~Application and the Application Record dated May 8, 2023, is hereby abridged and validated<sup>3</sup> so that this ~~motion~~Application is properly returnable today and hereby dispenses with further service thereof.

## APPOINTMENT

<sup>2</sup> ~~Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

<sup>3</sup> ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~RECEIVER'S NAME~~ KSV Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the ~~"Property"~~: "Property"). For greater certainty, in this Order, Property includes, without limitation, the Real Property listed in Schedule "A" hereto, and all proceeds thereof.

### 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 and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any contracts or agreements in connection therewith (including any amendments and modifications thereto), repudiate or disclaim any contracts or agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform, modify, and/or terminate any contracts or agreements to which the Debtor is a party, provided that the Receiver shall not cease to perform, repudiate or disclaim any contracts of the Debtor prior to May 29, 2023, without further Order of the Court;

- (d) to engage contractors, subcontractors, tradespersons, quantity surveyors, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, including a property manager, mortgage brokers or administrators, 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;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.<sup>4</sup> 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;

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~~<sup>4</sup>This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

(j) to investigate, and report to this Court on, intercompany payments, transactions and other arrangements by the Debtor and other Persons (as defined below), including without limitation, other companies and entities that are affiliates of the Debtor or related to the Debtor (the “Other Stateview Entities”), that appear to the Receiver to be out of the ordinary course of business. All Persons, including any Other Stateview Entities, shall be required to provide any and all information and documents related to the Debtor requested by the Receiver in connection with such investigations;

(k) ~~(j)~~ to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion, and with the Applicant's consent, may deem appropriate;

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

(i) without the approval of this Court in respect of any transaction not exceeding \$~~250,000.00~~, provided that the aggregate consideration for all such transactions does not exceed \$ 500,000.00; and

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

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~+~~ or section 31 of the Ontario *Mortgages*



Act, as the case may be,<sup>5</sup> shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~

- (m) ~~(l)~~ to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) ~~(m)~~ to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) ~~(n)~~ to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) ~~(o)~~ to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor; and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);
- (q) ~~(p)~~ to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

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<sup>5</sup> ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- (r) to undertake any investigation deemed appropriate by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, Property;
- (s) ~~(q)~~ to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (t) ~~(r)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including opening any mail or other correspondence addressed to the Debtor.

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 Debtor and BDO Canada Limited in its capacity as information officer (in such capacity, the “Information Officer”), and without interference from any other Person.

3A. THIS COURT ORDERS that notwithstanding anything else in this Order, no formal marketing or sale process shall be commenced (including the service of any motion for court approval of a sale process or solicitation of potential purchasers) in respect of the Property before May 29, 2023. For certainty, the Receiver may seek proposals from brokers provided that all brokers are required to sign non-disclosure agreements before being provided with any confidential information, prepare marketing materials and do such other things it deems appropriate to prepare for a marketing or sale process.

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

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of

the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

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

10. THIS COURT ORDERS that all rights and remedies against the Debtor, 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 Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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.

#### **NO INTERFERENCE WITH THE RECEIVER**

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

## CONTINUATION OF SERVICES

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

13. THIS COURT ORDERS that in the event that an account for the supply of goods and/or services is transferred from the Debtor to the Receiver, or is otherwise established in the Receiver's name, no Person, including but not limited to a utility service provider, shall assess or otherwise require the Receiver to post a security deposit as a condition to the transfer/establishment of the account.

## RECEIVER TO HOLD FUNDS

14. ~~13.~~ THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

## EMPLOYEES

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

## PIPEDA

16. ~~15.~~ THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## LIMITATION ON ENVIRONMENTAL LIABILITIES

17. ~~16.~~ 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

18. ~~17.~~ 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

19. ~~18.~~ 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.<sup>6</sup>

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~~<sup>6</sup> Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

20. ~~19.~~ 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.

21. ~~20.~~ 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 ~~normal~~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**

22. ~~21.~~ 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 \$~~250,000.00~~250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. ~~22.~~ 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.



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

25. ~~24.~~ THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

### SERVICE AND NOTICE

26. ~~25.~~ THIS COURT ORDERS that the E-Service ~~Protocool~~Guide of the Commercial List (the "~~Protocool~~Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the ~~Protocool~~Guide (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocool/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph ~~24~~13 of the ~~Protocool~~Guide, service of documents in accordance with the ~~Protocool~~Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the ~~Protocool~~Guide with the following URL ~~'<@>'~~: <https://www.ksvadvisory.com/experience/case/stateview-homes.>'.

27. ~~26.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the ~~Protocool~~Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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.

28. THIS COURT ORDERS that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

### **GENERAL**

29. THIS COURT ORDERS that notwithstanding anything else in this Order: (a) ~~the Receiver~~ shall keep accounts in respect of the Debtor and the Property separate or distinguished from accounts regarding any Other Stateview Entities or their applicable property in which KSV has been court-appointed as receiver; (b) ~~the Receiver~~ shall only use the Debtor's Property, including any funds of the Debtor or any proceeds ~~from such~~ Property, to pay amounts in respect of ~~the~~ operating costs of the Debtor and its Debtor's Property and not in respect of the operating costs of any Other Stateview Entities or their applicable property in which KSV has been court-appointed as receiver; (c) to the extent practicable, the Receiver shall keep accounts of fees and disbursements incurred for the Debtor and the Property separate or distinguished from accounts of fees and disbursements regarding any Other Stateview Entities or their applicable property in which KSV has been court-appointed as receiver; and (d) to the extent practicable, the Receiver shall keep account of any amounts borrowed, if applicable, under the Receiver's Borrowing Charge for the Debtor and the Property separate or distinguished from any amounts borrowed regarding any Other Stateview Entities or their applicable property in which KSV has been court-appointed as receiver.

30. ~~27.~~ 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.

31. ~~28.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

32. ~~29.~~ 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.

33. ~~30.~~ 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.

34. ~~31.~~ THIS COURT ORDERS that the ~~Plaintiff~~Applicant shall have its costs of this ~~motion~~Application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Applicant's security or, if not so provided by the ~~Plaintiff's~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

35. ~~32.~~ 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.

36. THIS COURT ORDERS that, notwithstanding Rule 59.05, this order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing, as the case may be, including when the Court returns to regular operation.



SCHEDULE "A"

REAL PROPERTY

PIN 03707 – 0188 (LT) LRO #65

PART LOT 5, CONCESSION 10 WHITCHURCH, PART 1, PLAN 65R37148; TOWN OF WHITCHURCH-STOUFFVILLE

**SCHEDULE "AB"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO.

AMOUNT \$

1. THIS IS TO CERTIFY that ~~{RECEIVER'S NAME}~~ KSV Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties ~~{DEBTOR'S NAME}~~ of Stateview Homes (Elm&Co) Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the        18<sup>th</sup> day of ~~-MONTH~~ May, ~~20YR~~ 2023 (the "**Order**") made in an ~~action~~ application having Court file number        ~~CL~~ CV-23-00699067-00CL, 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 Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such 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 MONTH, 20YR.

~~[RECEIVER'S NAME]~~ KSV  
RESTRUCTURING INC., solely in its  
capacity  
- as Receiver of the Property, and not in its  
personal capacity

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

Name:

Title:

MERIDIAN CREDIT UNION LIMITED  
Applicant

-and- STATEVIEW HOMES (ELM&CO) INC.  
Respondent

Court File No. CV-23-00699067-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**APPLICATION RECORD  
(Returnable May 18, 2023)**

**FOGLER, RUBINOFF LLP**

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