

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

B E T W E E N :

KINGSETT MORTGAGE CORPORATION

Applicant

- and -

SUNRISE ACQUISITIONS (HWY 7) INC.

Respondent

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

**MOTION RECORD OF THE RECEIVER  
(Volume 1 of 3)**

October 20, 2021

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capacity as Court-appointed Receiver and not in  
its personal capacity

TO: THE SERVICE LIST

**INDEX**

<b>TAB NO.</b>	<b>DOCUMENT</b>
<b>MOTION RECORD VOLUME 1 of 3</b>	
1.	Notice of Motion
2.	Third Report of the Receiver dated October 20, 2021
A	Real Property Legal Descriptions
B	Receivership Order and Endorsement of Justice Wilton-Siegel dated June 9, 2021
C	September 13, 2021 Court Order
<b>MOTION RECORD VOLUME 2 of 3</b>	
D	Purchase and Sale Agreements
<b>MOTION RECORD VOLUME 3 of 3</b>	
E	Receiver's Letters to the Spouses dated August 16, 2021
F	Email Chain Between the Receiver and Mr. Kodwavi
G	Receiver's Letter to the Principals dated September 8, 2021
H	Company's Loan Agreement with Sorrenti Law dated August 6, 2015
I	Correspondence dated July 13, 2021 between Company's Former Counsel and the Receiver's Counsel
J	Osler Emails to Mr. Winter
K	Bank Information
L	Lease Agreement re Remaining Units
M	Remaining Units PSA
N	Parcel Registry Abstracts dated October 18, 2021 re Remaining Units
3.	Draft Second Sale Process and Disclaimer Order
4.	Draft Remaining Units Approval and Vesting Order
5.	Blackline of the Remaining Units Approval and Vesting Order to the Model Approval and Vesting Order

# TAB 1

**ONTARIO  
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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

**NOTICE OF MOTION  
(Returnable October 27, 2021)**

KSV Restructuring Inc. ("**KSV**") in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Sunrise Acquisitions (Hwy 7) Inc. (the "**Company**") acquired for, or used in relation to a business carried on by the Company and the proceeds therefrom, including, without limitation, certain real property owned by the Company in Markham, Ontario (the "**Real Property**"), will make a motion before the Honourable Justice Koehnen of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on October 27, 2021, at 11:00 a.m. or as soon after that time as the motion can be heard.

**PROPOSED METHOD OF HEARING:** The motion is to be heard by videoconference as a result of the COVID-19 pandemic, the details of which can be found at Schedule "A" hereto.

**THE MOTION IS FOR:**

1. An order (the "**Second Sale Process and Disclaimer Order**") substantially in the form attached hereto at Tab 3 of this motion record, *inter alia*:
  - (a) terminating, repudiating and/or disclaiming the Pre-Receivership Agreements of Purchase and Sale (as defined below) (the "**Disclaimer**");
  - (b) approving a proposed sale process (the "**Second Sale Process**") for the Remaining Units (as defined below), each of which were subject to the Pre-Receivership Agreements of Purchase and Sale;
  - (c) approving the Distributions (as defined below); and
  - (d) approving the Third Report of the Receiver dated October 20, 2021 (the "**Third Report**"), and the activities of the Receiver and its counsel referred to therein.
  
2. An order (the "**Remaining Units Approval and Vesting Order**") substantially in the form attached hereto at Tab 4 of this motion record, *inter alia*, authorizing the Receiver to enter into and effect sales transactions for the Remaining Units (each a "**Transaction**" and together, the "**Transactions**"), contemplated by an agreement of purchase and sale (each a "**Sale Agreement**") in a form substantially similar to that appended to the Third Report and vesting in a purchaser one or more of the Remaining Units as designated and described in the relevant Sale Agreement and confirmed in a Receiver's certificate in the form attached as Schedule "A" to the Remaining Units Approval and Vesting Order.
  
3. Such further and other relief as this Honourable Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

***Background***

4. The Company is part of a real property development group known as Sunrise Homes, which develops residential and commercial projects in southern Ontario. Its sole directors and officers are Sajjad Hussain and Muzammil Kodwavi (together, the "**Principals**"). The Company

is a special purpose vehicle created solely for the purpose of developing the Unionvillas Project (as defined below).

5. The Real Property is the Company's principal asset and, following the sale of Lot 43 (as defined below), comprises four (4) townhome units (the "**Remaining Units**") developed and built by the Company as part of its "Unionvillas" development project located in Markham, Ontario (the "**Unionvillas Project**"). The Remaining Units are the only townhomes which have not yet been transferred to a purchaser and each is subject to a purchase and sale agreement (collectively, the "**Pre- Receivership Agreements of Purchase and Sale**") between the Company and the spouses of the Company's Principals (together, the "**Spouses**"). The Pre- Receivership Agreements of Purchase and Sale do not meet the net minimum purchase price thresholds under KingSett Mortgage Corporation's ("**KingSett**") loan terms.

6. The Company is the registered owner of the Real Property, with the exception of the property legally described within PIN 29951-0001(LT) which is a commonly owned access route within the Unionvillas Project.

7. Since 2015, KingSett has provided secured financing to the Company in connection with the development of the Unionvillas Project.

8. In addition to KingSett, the other primary source of financing for the Unionvillas Project was a syndicated mortgage financing arranged by Fortress Real Developments Inc. ("**Fortress**") and its affiliates and was previously administered by an Ontario lawyer named Derek Sorrenti ("**Sorrenti**") through his law firm, Sorrenti Law Professional Corporation ("**Sorrenti Law**").

9. By Order of the Honourable Justice Hailey of the Court dated September 30, 2019, FAAN Mortgage Administrators Inc. was appointed as trustee over all assets, undertakings and properties of Sorrenti and Sorrenti Law (in such capacity, the "**Sorrenti Trustee**") relating to their trusteeship and the administration of syndicated mortgage loans in projects affiliated with Fortress, including any real property mortgages registered in the names of Sorrenti and Sorrenti Law.

10. The Company is also a defendant to certain construction lien and small claims litigation matters.

11. On June 9, 2021, the Court granted an order (the "**Receivership 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 Ontario *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended (the "**CJA**"), appointing KSV as Receiver, without security, of all of the assets, undertakings and properties of the Company.

12. On August 3, 2021, the Court granted an order which, among other things, approved a proposed sale process for the townhouse unit municipally described as 4134 Highway 7 East, Markham, Ontario ("**Lot 43**"), formerly one of the Remaining Units, for which the Receiver was provided with an Agreement of Purchase and Sale dated June 24, 2016 (the "**Pre-Filing Lot 43 APS**") with 1879281 Ontario Inc.

13. On September 13, 2021, the Court granted an order (the "**Lot 43 Approval and Vesting Order**") which, among other things:

- (a) to the extent not already terminated, terminated, repudiated and/or disclaimed the Pre-Filing Lot 43 APS;
- (b) approved the sale transaction (the "**Lot 43 Transaction**") contemplated by the agreement of purchase and sale between the Receiver, as vendor, and Silas Si Long Yip and Etta Chee, as purchaser (the "**Lot 43 Purchasers**"), dated August 17, 2021 (the "**Lot 43 Sale Agreement**"), and vesting in the Lot 43 Purchasers all of the Company's rights, title and interest in and to the property described in the Lot 43 Sale Agreement;
- (c) expunged and discharged various encumbrances from title to Lot 43;
- (d) approved certain distributions; and
- (e) approved the Receiver's reports filed to date and the activities of the Receiver and its counsel referred to therein.

14. On September 28, 2021, the Lot 43 Transaction closed.

15. The Receiver continues to further its investigative efforts in accordance with the Receivership Order by, among other things, reviewing the receipts and disbursements of the Company, as provided for in the unaudited general ledger (the "**General Ledger**") of the Company, and certain requested information provided by the Company's banks (the "**Bank Information**"). To date, the Receiver's review of the General Ledger and Bank Information has uncovered a number of issues of very significant concern.

***The Second Sale Process and Disclaimer Order***

*(i) the Pre-Receivership Agreements of Purchase and Sale*

16. Following its appointment, the Receiver was provided with the Pre-Receivership Agreements of Purchase and Sale, the agreements of purchase and sale for each of the four (4) Remaining Units pursuant to which the Spouses are the purchasers.

17. The Spouses have:

- (a) purported to take interim occupancy of the Remaining Units pursuant to section 80 of the *Condominium Act*, S.O. 1998, c. 19, as amended, and the related regulations (the "**Condominium Act**"); and
- (b) leased the Remaining Units to third parties pursuant to lease agreements for an initial term of up to one year (collectively, the "**Lease Agreements**" and each a "**Lease Agreement**"), with each such lease having then been extended by the lessors on a month-to-month basis.

18. Pursuant to the terms of the Pre-Receivership Agreements of Purchase and Sale, the Spouses are required to pay, among other things, monthly occupancy fees (the "**Occupancy Fees**") to the Company until the transactions contemplated by the Pre-Receivership Agreements of Purchase and Sale close. Despite requesting the Spouses provide evidence that the Occupancy Fees had been paid, including prior to these proceedings, no such evidence has been received. Additionally, the Receiver has been unable to identify any evidence in the Company's books and records that the Occupancy Fees prior to these proceedings had been paid. No payments have been made in respect of the Occupancy Fees since the Receivership Order was granted.



19. The Spouses appear to have been collecting rent payments from the Tenants (as defined below), but not paying the contractually required Occupancy Fees.

20. In addition to the foregoing, the Pre-Receivership Agreements of Purchase and Sale contain unusually high deposits in excess of 50% of the total purchase price<sup>1</sup> contemplated thereunder (collectively, the "**Deposits**"), which have been depleted by the Company and are no longer available to satisfy claims against the Company. Of further concern, and following its review of the Bank Information, the Deposits were all funded by Mr. Kodwavi rather than the Spouses.

*(ii) Termination, Repudiation and/or Disclaimer of the Pre-Receivership Agreements of Purchase and Sale*

21. At this time, the Receiver is seeking to terminate, repudiate and/or disclaim the Pre-Receivership Agreements of Purchase and Sale for the following reasons:

- (a) the purchase prices under the Pre-Receivership Agreements of Purchase and Sale are materially lower than the current market value of the Remaining Units;
- (b) to the Receiver's knowledge, the Spouses have failed to pay any Occupancy Fees despite the fact that they have purported to take interim occupancy of the Remaining Units and have personally benefited from rent payments pursuant to the Lease Agreements;
- (c) it will increase recoveries for the secured mortgagees who appear to be significantly impaired – namely Sorrenti Law (on behalf of the individual lenders under the syndicated mortgage loan secured by the Sorrenti Charge);
- (d) it will not have a negative impact on the creditor pool as a whole;
- (e) the Spouses may participate in the Second Sale Process if they wish to purchase one or more of the Remaining Units; and

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<sup>1</sup> Based on the Receiver's review, these deposits are materially higher than other deposits made for the balance of the purchase and sale agreements in respect of the Unionvillas Project.

- (f) the Deposits appear to have actually been the equity contribution required from the Principals to fund construction as a result of having paid out significant sums to related parties, including the Principals themselves.

*(iii) the Second Sale Process*

22. The Receiver interviewed two (2) brokers – namely Cityscape Realty Inc. ("**Cityscape**") and David & Gloria Remax Hallmark DG Group Realty ("**Remax**" and together with Cityscape, the "**Brokers**"). The Brokers were chosen to be interviewed as a result of discussions with the Sorrenti Trustee and KingSett, respectively.

23. While both the Brokers have the experience and credentials necessary to market the Remaining Units for sale, the Receiver selected Cityscape – primarily because it offered a lower commission rate.

24. Based on advice from Cityscape, the Receiver intends to list the Remaining Units for sale for a price similar to Lot 43. The Receiver also intends to work with Cityscape to determine whether the Remaining Units will be listed concurrently or consecutively. As part of the Second Sale Process, Cityscape intends to, among other things:

- (a) prepare a brochure for each of the Remaining Units;
- (b) send an e-mail before each of the Remaining Units are listed to its database of approximately 10,000 parties, including industry contacts and the brokerage community, regarding the opportunities;
- (c) post each of the Remaining Units on the Toronto Real Estate Board Multiple Listing Services; and
- (d) hold open houses for the Remaining Units.

*(iv) the Lease Agreements*

25. As previously noted, each of the Remaining Units is subject to a Lease Agreement and is currently occupied by a third-party tenant (collectively, the "**Tenants**"). If the Second Sale Process and Disclaimer Order is granted, it is unclear what the legal impact would be on the Tenants. If the Disclaimer is granted, the Spouses will have no continuing right to lease the Remaining Units

to the Tenants, however, the Receiver does not believe that the Tenants should be impacted. As such, the Second Sale Process and Disclaimer Order proposes that the Lease Agreements continue unchanged on a month-to-month basis with the landlord being the Company from and after the date the Second Sale Process and Disclaimer Order is granted.

26. The Receiver intends to market the Remaining Units for sale as tenanted units, however, it reserves its right to provide any or all of the Tenants with the requisite notice, as prescribed by the *Residential Tenancies Act*, 2006, S.O. 2006, c. 17, that their tenancy will be ending.

(v) *the Distributions*

27. The Second Sale Process and Disclaimer Order contemplates a distribution to Cityscape, (the "**Cityscape Distribution**"), KingSett (the "**KingSett Distribution**") and, once KingSett is repaid in full, the Sorrenti Trustee (the "**Sorrenti Distribution**", and together with the Cityscape Distribution and the KingSett Distribution, the "**Distributions**").

28. Pursuant to a listing agreement between Cityscape and the Receiver, Cityscape is entitled to a commission of 3.25%.

29. As previously noted, the primary secured creditors of the Company are KingSett and Sorrenti Law, with the obligations owing to Sorrenti Law being subordinate to KingSett's debt. The Receiver's counsel has provided an opinion to the Receiver that KingSett's and Sorrenti Law's security is valid and enforceable, subject to the usual qualifications and assumptions.

30. On August 3, 2021, Rivervalley Masonry Group Ltd. ("**Rivervalley**") registered a construction lien on title against each of the Remaining Units (the "**Rivervalley Lien**") pursuant to the *Construction Act*, R.S.O. 1990, c. C.30, as amended. Based on the information the Receiver has with respect to the Rivervalley Lien, the Receiver is of the view that it is unenforceable and that Rivervalley is not entitled to any proceeds from any eventual Transaction in respect of the Remaining Units. Rivervalley is being served with this motion.

***The Remaining Units Approval and Vesting Order***

31. In order for the Receiver to convey clean title to the Remaining Units without incurring the costs of preparing motion materials and attending at Court for, potentially, each of the four (4)

Transactions, the Receiver is prospectively seeking approval of the Remaining Units Approval and Vesting Order.

32. The Receiver is requesting authority from the Court to complete the Transactions for the Remaining Units provided the Receiver is satisfied with the purchase price, and other terms of the Transactions, and receives consent from KingSett (only until KingSett has been repaid in full) and the Sorrenti Trustee, as the only other creditor that has a financial interest in the Transactions. In connection with the foregoing, the Receiver is also seeking approval of the Sale Agreement and authority to execute same.

33. The Receiver is serving all parties that have an encumbrance that will be vested off title to the Remaining Units with its motion record. The proposed Remaining Units Approval and Vesting Order does not prejudice any parties with potential claims, as those claims will attach to the net proceeds from the sale of the applicable Remaining Unit.

(i) *Tarion, ONHWPAA and the Condominium Act*

34. Similar to the Lot 43 Approval and Vesting Order, the Remaining Units Approval and Vesting Order includes language regarding Tarion Warranty Corporation, the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, c. 0.31, as amended, and the related regulations, and the Condominium Act.

**OTHER GROUNDS:**

35. The provisions of the BIA and the inherent and equitable jurisdiction of the Court;

36. Rules 1.04, 1.05, 2.03, 3.02, 14.05(2), 16, 37 and 39 of the *Ontario Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and section 101 of the CJA; and

37. Such further and other grounds as counsel may advise and the Court may permit.

**DOCUMENTARY EVIDENCE:**

38. The following documentary evidence will be used at the hearing of the motion:

(a) the Third Report;

- (b) the Factum of the Receiver, to be filed; and
- (c) such further and other evidence as counsel may advise and the Court may permit.

October 20, 2021

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Lawyers for KSV Restructuring Inc., solely in  
its capacity as Court-appointed Receiver and  
not in its personal capacity

## Schedule "A"

### Join Zoom Meeting

<https://us02web.zoom.us/j/81528549252>

Meeting ID: 815 2854 9252

One tap mobile

+12532158782,,81528549252# US (Tacoma)

+13017158592,,81528549252# US (Washington DC)

Dial by your location

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

+1 646 558 8656 US (New York)

+1 669 900 9128 US (San Jose)

Meeting ID: 815 2854 9252

Find your local number: <https://us02web.zoom.us/u/kblrbC82Pi>

**KINGSETT MORTGAGE CORPORATION**

- and -

**SUNRISE ACQUISITIONS (HWY 7) INC.**

Applicant

Respondent

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

Proceeding commenced at Toronto

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**NOTICE OF MOTION**

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Counsel to KSV Restructuring Inc., solely in its capacity as  
Court-appointed Receiver and not in its personal capacity

# TAB 2





**Third Report of  
KSV Restructuring Inc. as  
Receiver and Manager of  
Sunrise Acquisitions  
(Hwy 7) Inc.**

October 20, 2021

<b>Contents</b>	<b>Page</b>
1. Introduction.....	1
1.1 Purposes of this Report.....	2
1.2 Currency .....	2
1.3 Restrictions .....	3
2. Background .....	3
2.1 Secured Creditors .....	3
3. Remaining Units Investigation .....	5
3.1 PSAs.....	5
3.2 Investigation of Receipts and Disbursements of the Unionvillas Project...6	6
3.3 Principal Findings.....	6
3.4 Payments to Sunrise Parties in General Ledger .....	7
3.5 Misleading Emails sent to the Receiver .....	10
3.6 Deposits .....	11
3.7 Market Value of the Remaining Units .....	12
3.8 Recommendation .....	12
4. Second Sale Process .....	12
5. Rivervalley Masonry .....	15
6. Next Steps.....	16
7. Conclusion and Recommendation .....	16

## Appendices

<b>Appendix</b>	<b>Tab</b>
Real Property Legal Descriptions.....	A
Receivership Order and Endorsement of Justice Wilton-Siegel dated June 9, 2021 .....	B
September 13, 2021 Court Order.....	C
Purchase and Sale Agreements .....	D
Receiver’s letters to the Spouses dated August 16, 2021 .....	E
Email chain between the Receiver and Mr. Kodwavi.....	F
Receiver’s letter to the Principals dated September 8, 2021 .....	G
Company’s Loan Agreement with Sorrenti Law dated August 6, 2015 .....	H
Correspondence dated July 13, 2021 between Company’s former counsel and Receiver’s counsel .....	I
Osler Emails to Mr. Winter .....	J
Bank Information .....	K
Lease Agreements re Remaining Units .....	L
Remaining Units PSA.....	M
Parcel Registry Abstracts dated October 18, 2021 re Remaining Units .....	N



COURT FILE NO.: CV-21-00663051-00CL

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JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**THIRD REPORT OF KSV RESTRUCTURING INC.  
AS RECEIVER AND MANAGER**

**OCTOBER 20, 2021**

## **1. Introduction**

1. This report ("Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager (in such capacity, the "Receiver") of Sunrise Acquisitions (Hwy 7) Inc. (the "Company"). Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on June 9, 2021 (the "Receivership Order"), KSV was appointed Receiver of all of the assets, undertakings and properties of the Company acquired for, or used in relation to a business carried on by the Company and the proceeds therefrom, including, without limitation, certain real property owned by the Company in Markham, Ontario, the legal descriptions of which are set out within the title searches attached as Appendix "A" (the "Real Property"). Attached as Appendix "B" is the Receivership Order and the Endorsement of Justice Wilton-Siegel (the "Receivership Endorsement") issued in connection with the Receivership Order.
2. The remaining Real Property owned by the Company comprises four (4) townhome units (the "Remaining Units") developed and built by the Company as part of its "Unionvillas" development project located in Markham, Ontario (the "Unionvillas Project").

3. Since 2015, KingSett Mortgage Corporation ("KingSett") has provided secured financing to the Company in connection with the development of the Unionvillas Project. The Remaining Units are subject to purchase and sale agreements (collectively, the "PSAs") between the Company and the spouses of the Company's Principals (as defined below) (the "Spouses"). The PSAs do not meet the net minimum purchase price thresholds under KingSett's loan terms and raise significant other issues and concerns, as described below.
4. The Real Property subject to these proceedings initially consisted of five (5) townhomes. Pursuant to an order issued by the Court on September 13, 2021 (the "September 13th Order"), the Receiver sold the townhome unit municipally described as 4134 Highway 7 East, Markham, Ontario ("Lot 43"). Lot 43 was subject to a pre-filing purchase and sale agreement, which was terminated, repudiated and/or disclaimed pursuant to the terms of the September 13th Order. A copy of the September 13<sup>th</sup> Order is attached as Appendix "C".

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
  - a) provide background information about these proceedings;
  - b) provide an update on the Receiver's investigative efforts relating to the Company, the Company's Principals and the Unionvillas Project;
  - c) discuss the PSAs, including the reasons the Receiver is recommending that they be, terminated, repudiated and/or disclaimed (the "Disclaimer");
  - d) summarize a proposed sale process (the "Second Sale Process") for the Remaining Units and the recommended process to complete sales for the Remaining Units;
  - e) recommend that the Court grant the Second Sale Process and Disclaimer Order and the Approval and Vesting Order (each as defined below), among other things:
    - approving the Second Sale Process;
    - disclaiming, repudiating and/or terminating the PSAs;
    - prospectively approving transactions for the Remaining Units, subject to certain consents having been obtained;
    - authorizing a distribution to Cityscape Realty Inc. ("Cityscape"), the realtor to be engaged by the Receiver in the Second Sale Process, KingSett and, once KingSett has been repaid in full, FAAN in its capacity as Sorrenti Trustee (each as defined below) (collectively, the "Distributions"); and
    - approving this Report and the Receiver's activities detailed therein.

## 1.2 Currency

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

### 1.3 Restrictions

1. In preparing this Report, except as otherwise detailed herein, the Receiver has relied upon the Company's unaudited financial statements, its books and records and discussions with representatives of KingSett, FAAN Mortgage Administrators Inc. ("FAAN"), in its capacity as court-appointed trustee of a subordinate mortgagee, and the Company (collectively, the "Information").
2. The Receiver has not audited, or otherwise attempted to verify, the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the Information, including financial information, should perform its own diligence.

## 2. Background

1. The Company is one of many entities comprising a real property development group known as Sunrise Homes, which develops residential and commercial projects in southern Ontario. The Company is a special purpose vehicle created solely for the purpose of developing the Unionvillas Project.
2. The Company is a privately held corporation incorporated under the *Business Corporations Act* (Ontario), RSO 1990, c. B. 16. Its registered head office address is 50 West Wilmot Street, Suite #100, Richmond Hill, Ontario. The directors and officers of the Company are Sajjad Hussain and Muzammil Kodwavi (jointly, the "Principals").
3. The Company is the registered owner of the Remaining Units.
4. The Unionvillas Project is a 52-townhome development project located in Markham, Ontario. The Unionvillas Project is well advanced with all 52 townhomes having been constructed. The Remaining Units are the only townhomes which have not yet been transferred to a purchaser.

### 2.1 Secured Creditors

1. The Company's senior secured creditor is KingSett which was owed approximately \$2 million at the commencement of these proceedings (the "Indebtedness"). Pursuant to the September 13th Order, the Receiver distributed \$1 million to KingSett from the sale proceeds of Lot 43 such that the current Indebtedness is approximately \$1.1 million, including accrued interest and costs. The Receiver understands that the majority of KingSett's remaining debt relates to a letter of credit ("LC") posted in favour of the City of Markham ("City") to secure performance of certain work by the Company in connection with the development. The Receiver understands further that the City of Markham currently holds \$823,000 that would be refundable to the Company absent a claim by the City under the LC.

2. KingSett entered into a Commitment Letter with the Company on May 5, 2015 (as amended from time to time, the "KingSett Commitment Letter"). The Indebtedness is secured by, among other things:
  - a) mortgages against the Real Property;
  - b) a general assignment of rents in respect of the Real Property; and
  - c) a general security agreement.
3. The other primary source of financing for the Unionvillas Project was a syndicated mortgage financing arranged by Fortress Real Developments Inc. ("Fortress") and its affiliates, which was previously administered by an Ontario lawyer named Derek Sorrenti ("Sorrenti") through his law firm, Sorrenti Law Professional Corporation ("Sorrenti Law"). On August 18, 2015, Sorrenti Law registered a charge against the Real Property in the amount of \$8,000,000, which was later amended by the registration of a notice on September 15, 2016 to increase the principal amount of the charge to \$9,873,262 and to list Sorrenti Law and Olympia Trust Company as chargees (the "Sorrenti Charge"). As at September 30, 2021, the total amount owing to the 145 investors in the syndicated mortgage loan administered by Sorrenti Law was approximately \$11 million, including approximately \$3 million of unpaid interest.
4. Even if the Disclaimer is granted and the Remaining Units are sold to third parties, Sorrenti Law is expected to suffer a significant shortfall on its indebtedness.
5. Sorrenti Law, KingSett and Sunrise entered two (2) Subordination and Standstill Agreements under which Sorrenti Law subordinated and postponed all indebtedness owing by the Company to Sorrenti Law and all security in favour of Sorrenti Law in respect thereof in favour of KingSett's Indebtedness and security.
6. By order of the Court dated September 30, 2019, FAAN was appointed as trustee over all of the assets, undertakings and properties of Sorrenti and Sorrenti Law (in such capacity, the "Sorrenti Trustee") relating to their trusteeship and the administration of syndicated mortgage loans in projects affiliated with Fortress, including any real property mortgages registered in the names of Sorrenti and Sorrenti Law.
7. The Company is also a defendant to certain construction lien and small claims litigation matters.
8. Additional information about the Company and the receivership are provided in the Affidavits of Daniel Pollack, a representative of KingSett, sworn May 28, 2021 and June 1, 2021 in support of the Receivership Order (the "Pollack Affidavits") and the First and Second Reports of the Receiver. Court materials filed in these proceedings, including the Pollack Affidavits and the First and Second Reports of the Receiver, are available on the Receiver's website at <https://www.ksvadvisory.com/insolvency-cases/case/sunrise-acquisitions>.

### 3. Remaining Units Investigation

#### 3.1 PSAs

1. The Remaining Units constitute Property under the Receivership Order and the Receivership Endorsement authorized the Receiver to investigate the circumstances regarding the PSAs.
2. Copies of the PSAs are attached as Appendix "D". A summary of the key terms of the PSAs is provided below.

Lot	Date of PSA	Purchaser	Relationship to Principals	Purchase Price	Deposit
47	Jan 25/17	Safana Kodwavi	Spouse of Mr. Kodwavi	\$950,000	\$500,000
48	Jan 25/17	Mahvesh Hussain	Spouse of Mr. Hussain	\$950,000	\$500,000
49	Nov 16/19	Safana Kodwavi	Spouse of Mr. Kodwavi	\$950,000	\$500,000
50	Jan 25/17	Safana Kodwavi	Spouse of Mr. Kodwavi	\$950,000	\$500,000

3. The Receiver understands that the Spouses have:
  - a) purported to take interim occupancy of the Remaining Units pursuant to section 80 of the *Condominium Act*, S.O. 1998, c. 19, as amended, and the related regulations (the "Condominium Act"); and
  - b) leased the Remaining Units to third parties pursuant to lease agreements for an initial term of up to one year (collectively, the "Lease Agreements" and each a "Lease Agreement"), with each such lease having then been extended by the lessors on a month-to-month basis.
4. Pursuant to the terms of the PSAs, the Spouses are required to pay, among other things, monthly occupancy fees (the "Occupancy Fees") to the Company until the transactions contemplated by the PSAs close. On August 16, 2021, the Receiver wrote to the Spouses requesting evidence that the Occupancy Fees had been paid, including prior to the receivership. The Receiver has been unable to identify any evidence in the Company's books and records that the Occupancy Fees for the period prior to the Receivership have been paid, and no Occupancy Fees have been paid since the Receivership Order was granted. Copies of these letters are attached as Appendix "E". Ms. Hussain has not responded to the Receiver's letter. On September 14, 2021, approximately one month after the Receiver sent its letters, Ms. Kodwavi advised that the letter had gone into her junk e-mail account and that she had retained counsel who would contact the Receiver. As of the date of this Report, the Receiver has not heard again from Ms. Kodwavi or her counsel, and no Notice of Appearance has been filed for any counsel of Ms. Kodwavi.
5. It appears to the Receiver that the Spouses were collecting rent payments from the tenants, but were not paying the contractually required Occupancy Fees.

### 3.2 Investigation of Receipts and Disbursements of the Unionvillas Project

1. The most important aspect of the Receiver's investigation has been the review of the receipts and disbursements of the Company. Following the issuance of the Receivership Order, the Receiver requested various information from the Principals, including the Company's general ledger<sup>1</sup> and bank statements. In order to accelerate its review and reduce professional fees, the Receiver intended to corroborate all transactions in the general ledger with the Company's banking information rather than conducting a tracing exercise, which requires the Receiver to manually record all of the Company's transactions.
2. The Company provided a copy of its unaudited general ledger (the "General Ledger"), but failed to provide deposit and cheque information despite repeated requests. As a result, the Receiver was required to contact the Company's banks to facilitate the flow of information. As of the date of this Report, the banks have provided the Receiver with all information in their possession (the "Bank Information"), although they were unable to locate certain deposit and cheque information for 2015 and 2016.
3. Based on its review of the Bank Information and the General Ledger, the Receiver has uncovered a number of issues of very significant concern that are discussed in the following sections.

### 3.3 Principal Findings

1. A summary of the Receiver's key findings is provided below:
  - a) based on the Bank Information, the Company paid related companies and persons (collectively, the "Related Parties") and the Principals (the Related Parties and Principals are jointly referred to as the "Sunrise Parties") a net amount of \$11.4 million which appears to be in contravention of the Sorrenti Loan Agreement (as defined below) and the KingSett Commitment Letter;
  - b) Mr. Kodwavi appears to have deliberately attempted to mislead the Receiver's investigation by providing inaccurate and incomplete information, including by making it appear that the Sunrise Parties received significantly less money from the Company, as further detailed below;
  - c) the PSAs contain unusually high deposits in excess of 50% of the total purchase price (the "Deposits"), which have been depleted by the Company and are no longer available;
  - d) the Deposits were funded by Mr. Kodwavi, despite the fact that the purchasers under the PSAs were the Spouses (including one (1) PSA where the purchaser is the spouse of Mr. Hussain; not of Mr. Kodwavi);
  - e) the Spouses appear to have breached the terms of their PSAs by not paying the required Occupancy Fees; and
  - f) the purchase prices in the PSAs are materially lower than the current market prices for comparable townhomes.

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<sup>1</sup> A general ledger is a company generated record of all past transactions.



- Further details regarding these findings and other findings by the Receiver are provided below.

### 3.4 Payments to Sunrise Parties in General Ledger

- Solely, based on its review of the General Ledger, the Receiver prepared a summary of the net amounts paid to the Sunrise Parties as reflected in the table below.<sup>2</sup>

(unaudited; \$) Related Party	Net (Advances) per General Ledger
Principals	
Muzammil Kodwavi	753,534 <sup>3</sup>
Sajjad Hussain	93,064
Subtotal	846,598
Related Parties	
Sunrise Acquisitions (Bronte) Inc.	(793,250)
Nayyar Shabbar <sup>4</sup>	(760,442)
Sunrise Homes Ltd.	(461,800)
SH & MK Management Inc.	(405,062)
Sunrise Acquisitions (Tisdale) Inc.	(352,800)
Sunrise Acquisitions (Unionville) Inc.	(292,350)
Sunrise Acquisitions (Keswick II) Inc.	(72,200)
Sunrise Acquisitions Inc.	(38,250)
Sunrise Acquisitions (Tisdale II) Inc.	(9,150)
Sunrise Acquisitions (Burlington) Inc.	(300)
Subtotal	(3,185,604)
Receipts from Related Party <sup>5</sup>	1,499,800
Total	(839,206)

- As reflected above, the General Ledger reflects that the Sunrise Parties received net advances of \$839,206 from the Company.
- On July 19, 2021, the Receiver wrote an e-mail to Mr. Kodwavi, which, *inter alia*, provided him a copy of the above analysis, advised that the Receiver had not yet been able to reconcile the intercompany analysis to the Bank Information, requested that he confirm whether the information was correct and asked whether it was his intention to repay (and cause to be repaid) the balances owed from the Related Parties. On July 26, 2021, Mr. Kodwavi responded requesting further details regarding how the balances were calculated. On July 28, 2021, the Receiver responded advising that the transactions were based on the General Ledger. A copy of this email chain is attached as Appendix "F". The Receiver has received no further response from Mr. Kodwavi on these matters following its email of July 28, 2021.

<sup>2</sup> The General Ledger reflects approximately \$1.4 million in accrued and unpaid management fees, but does not reflect that any management fees had been paid.

<sup>3</sup> Excludes the \$2 million of Deposits.

<sup>4</sup> Mr. Kodwavi advised that Mr. Shabbar is an arms' length party that made a loan to the Company. The General Ledger reflects that Mr. Shabbar is an investor in the project, which would make him a non-arms' length party. The Receiver has requested information from Mr. Kodwavi regarding Mr. Shabbar's funding but has yet to receive any details. According to the General Ledger, Mr. Shabbar paid \$120,000 for a deposit on a property. This deposit is excluded from the table. The Receiver could not verify this deposit using the Bank Information.

<sup>5</sup> Represents receipts from various related companies, which are unsecured claims in these proceedings.

4. Following receipt of the Bank Information, the Receiver compared the information in the General Ledger to the Bank Information.<sup>6</sup> The Receiver identified several material discrepancies, primarily related to amounts that were recorded in the General Ledger as being paid to suppliers, but were actually amounts paid to the Sunrise Parties. A comparison of payments to the Sunrise Parties in the General Ledger to the Bank Information is provided below.

(unaudited; \$) Related Party	Net (Advances) per Bank Information	Net (Advances) per General Ledger	Variance
<b>Principals</b>			
Muzammil Kodwavi <sup>7</sup>	(3,828,996)	753,534	(4,582,530)
Sajjad Hussain	(1,820,576)	93,064	(1,913,640)
Subtotal	<u>(5,649,572)</u>	<u>846,598</u>	<u>(6,496,170)</u>
<b>Related Parties</b>			
Sunrise Acquisitions (Keswick) Inc.	(767,875)	356,350	(1,124,225)
SH & MK Management Inc.	(1,396,454)	(405,062)	(991,392)
Sunrise Acquisitions (Unionville) Inc.	(1,103,750)	(292,350)	(811,400)
Sunrise Acquisitions (Bronte) Inc.	(1,411,800)	(793,250)	(618,550)
Nayyar Shabbar	(1,361,312)	(760,442)	(600,870)
Sunrise Acquisitions (Burlington) Inc.	-	(300)	300
Sunrise Acquisitions Inc.	(30,740)	(38,250)	7,510
Sunrise Acquisitions (Tisdale II) Inc.	-	(9,150)	9,150
Sunrise Acquisitions (Keswick II) Inc.	(6,500)	(72,200)	65,700
Sunrise Acquisitions (Tisdale) Inc.	(211,500)	(352,800)	141,300
Sunrise Homes Ltd.	(291,900)	(461,800)	169,900
Subtotal	<u>(6,581,831)</u>	<u>(2,829,254)</u>	<u>(3,752,577)</u>
Receipts from Related Party	869,950	1,143,450	(273,500)
Total	<u>(11,361,453)</u>	<u>(839,206)</u>	<u>(10,522,247)</u>

5. The Bank Information reflects that on a net basis, approximately \$11.4 million was paid to the Sunrise Parties from the Company, which is approximately \$10.5 million more than the amount recorded in the General Ledger. It is possible that the net amounts advanced to the Sunrise Parties are higher (or lower) since the Receiver does not have certain Bank Information for 2015 and 2016 and has been unable to identify certain receipts and disbursements for that time period; however, the General Ledger for 2015 and 2016 reflects net advances to Sunrise Parties of \$1.8 million meaning that if those figures are correct, the net advances to Sunrise Parties would be over \$13 million. It appears that most of the funds advanced to Related Parties were to other Sunrise single purpose entities involved in the construction of other Sunrise projects not related to the Unionvillas Project.

<sup>6</sup> As referred to above, the banks were unable to provide deposit information for 2015 and 2016 so the Receiver was unable to verify those deposits.

<sup>7</sup> Excludes the \$2 million of Deposits.

6. On September 8, 2021, the Receiver sent a letter to the Principals summarizing the discrepancies between the General Ledger and the Bank Information. The Receiver advised that it was concerned that the Principals had deliberately attempted to mislead the Receiver's investigation. The Receiver requested a response to its letter by September 10, 2021, but has not yet received a response as of the date hereof. A copy of the Receiver's September 8<sup>th</sup> letter is attached as Appendix "G".
7. Attached as Appendix "H" is the Company's loan agreement with Sorrenti Law dated August 6, 2015 (the "Sorrenti Loan Agreement"). Paragraph 3(a) of the Sorrenti Loan Agreement provides that the loan was "to provide funding for the Borrower's costs related to the acquisition of the Property as set out in the Project Budget attached as Schedule "B" to the Sorrenti Loan Agreement including, without limitation, funding to repay, if any, the bridge loan, other reasonable closing costs of the Purchase Agreement and reasonable soft costs incurred or to be incurred prior to construction financing and to provide for any shortfall in required equity..." It is clear based on the Receiver's review of just the General Ledger that funds advanced from Sorrenti Law were advanced to Sunrise Parties in contravention of the Sorrenti Loan Agreement. By way of example, according to the General Ledger, on November 9, 2015, Sorrenti Law advanced a net amount of \$395,875 to the Company<sup>8</sup>. Most of the funds were used between November 10 to November 12 and disbursed to Related Parties as follows:

(unaudited; \$)	
Date	Amount
Disbursements	
Sunrise Acquisitions (Tisdale II) Inc.	35,000
Sunrise Acquisitions (Bronte) Inc.	60,000
Sunrise Acquisitions (Keswick II) Inc.	4,500
SH & MK Management Inc.	26,000
Sunrise Homes Ltd.	60,000
Sunrise Acquisitions (Tisdale) Inc.	51,000
Sunrise Acquisitions (Unionville) Inc.	71,500
<b>Total Disbursements</b>	<b>308,000</b>

8. Based on the Receiver's review, it appears that the Company required funding to complete construction of the Unionvillas Project at least in part because of the significant advances made to the Sunrise Parties in contravention of the Sorrenti Loan Agreement. Mr. Kodwavi then injected the required funding in the form of the Deposits which purports to entitle the Spouses to purchase the Remaining Units.
9. The PSAs prejudice the creditors of the Company, particularly Sorrenti Law, which will suffer a material shortfall on its loan even if the Disclaimer is granted, and a larger shortfall if the Disclaimer is not granted.

<sup>8</sup> At the time of the advance, the General Ledger reflects there was approximately \$37,835 in the Company's bank account.

### 3.5 Misleading Emails sent to the Receiver

1. On July 13, 2021, former counsel to the Company, Fred Tayar & Associates ("Tayar Law"), wrote an email to the Receiver's counsel, Bennett Jones LLP ("Bennett Jones"), advising that representatives of both KingSett and the Sorrenti Trustee had previously acquiesced to the sale of the Remaining Units to the related parties and were therefore taking the position that the Receiver is "estopped from disputing the enforceability and validity of the agreements". On the same day, Bennett Jones responded to advise that the Receiver disagreed with the estoppel argument, and that it understood KingSett at least never provided discharges for the sales. A copy of this email chain is attached as Appendix "I".
2. On July 19, 2021, Mr. Tayar, the principal of Tayar Law, emailed Bennett Jones purporting to provide evidence that the Sorrenti Trustee had acquiesced to the transactions. Mr. Tayar's email contained an email attachment dated December 1, 2020 from Osler, Hoskin & Harcourt LLP ("Osler"), counsel to the Sorrenti Trustee, to Norm Winter, real estate counsel to the Company. Attached to the December 1st email were acknowledgements and directions that the Sorrenti Law mortgages would be discharged (the "A&Ds"). A copy of the email as provided by Mr. Tayar is reproduced below.

From: Stidwill, Sean <[SStidwill@osler.com](mailto:SStidwill@osler.com)>  
Sent: Tuesday, December 01, 2020 4:28 PM  
To: Norman Winter <[nw@nwinlaw.com](mailto:nw@nwinlaw.com)>; Alina Ramos <[alina@nwinlaw.com](mailto:alina@nwinlaw.com)>;  
Nerissa <[nerissa@nwinlaw.com](mailto:nerissa@nwinlaw.com)>  
Cc: Disenhouse, Josh <[JDisenhouse@osler.com](mailto:JDisenhouse@osler.com)>; Storm, Lorna  
<[LStorm@osler.com](mailto:LStorm@osler.com)>; Daniel Sobel <[daniel@faanmortgageadmin.com](mailto:daniel@faanmortgageadmin.com)>  
Subject: RE: SUNRISE ACQUISITIONS (HWY 7) INC. - Discharge Mortgage on  
4130 Hwy 7, Lots 43, 47, 48, 49 & 50 to Sorrenti/Union Villas

Please see attached for A&Ds signed by FAAN, in its capacity as trustee of Sorrenti, for lots 47, 48, 49, and 50, which are being sent to you.

Best,  
Sean

[[cid:image001.gif@01D6C7FE.D550EF00](#)]

Sean Stidwill

Associate | [SStidwill@osler.com](mailto:SStidwill@osler.com)<<mailto:SStidwill@osler.com>>

416.862.4871 (Toronto) | 613.787.1100 (Ottawa) Osler, Hoskin & Harcourt

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3. On July 19, 2021, the Receiver forwarded the emails from Mr. Tayar to Osler. Osler advised that the email forwarded to the Receiver (and reproduced above) was not the email that had been sent by Osler to Mr. Winter and as such, it appeared to have been altered. Osler subsequently provided the Receiver with the unaltered e-mail chain as reproduced below (the Receiver has highlighted the sections that were missing from the email provided by Mr. Tayar). The e-mail provided by Osler reflects that the A&Ds were only provided on the basis that they were to be held in escrow pending a separate email from FAAN or Osler, which section was deleted from the e-mail provided by Mr. Tayar. The Receiver is advised by Osler that no separate email satisfying the escrow condition was ever sent.

**From:** Stidwill, Sean

**Sent:** Tuesday, December 01, 2020 4:28 PM

**To:** Norman Winter <[nw@nwinlaw.com](mailto:nw@nwinlaw.com)>; Alina Ramos <[alina@nwinlaw.com](mailto:alina@nwinlaw.com)>; Nerissa <[nerissa@nwinlaw.com](mailto:nerissa@nwinlaw.com)>

**Cc:** Disenhouse, Josh <[JDisenhouse@osler.com](mailto:JDisenhouse@osler.com)>; Storm, Lorna <[LStorm@osler.com](mailto:LStorm@osler.com)>; Daniel Sobel <[daniel@faanmortgageadmin.com](mailto:daniel@faanmortgageadmin.com)>

**Subject:** RE: SUNRISE ACQUISITIONS (HWY 7) INC. – Discharge Mortgage on 4130 Hwy 7, Lots 43, 47, 48, 49 & 50 to Sorrenti/Union Villas

Please see attached for A&Ds signed by FAAN, in its capacity as trustee of Sorrenti, for lots 47, 48, 49, and 50, which are being sent to you **in escrow**.

The attached may be released from escrow and relied upon to register the applicable discharges only upon receipt of a separate email confirmation from Osler or FAAN that you may proceed in connection with the unit closings. Prior to providing any such confirmation, we will need confirmation of the closing date(s) and that Kingsett is also prepared to discharge on the basis of the financial and other information that has been provided.

Best,  
Sean

4. Osler also provided the Receiver with later-dated emails between it and Mr. Winter, which further substantiate that the A&Ds were provided in escrow, and that the escrow arrangement was acknowledged by Mr. Winter. Attached as Appendix “J” are copies of these emails.
5. The Receiver subsequently confirmed with KingSett that the Company had provided it with the altered email on December 1, 2020 (i.e. the one without any reference to the escrow terms governing the A&Ds provided by the Sorrenti Trustee through Osler), presumably in an attempt to convince KingSett to provide discharges as well. The Receiver has confirmed, however, that despite the Company's deceitful tactics, KingSett never provided discharges for any of the Remaining Units.
6. On August 4, 2021, Tayar Law filed a motion with the Court seeking an Order removing Tayar Law as lawyers of record for the Company. On August 12, 2021, the Court issued the requested Order. On September 10, 2021, RAR Litigation Lawyers LLP (“RAR Law”) advised the Receiver that it had been retained to act as counsel for the Company in these proceedings. To date, the Receiver has not received any responses from RAR Law to any of the letters that the Receiver has written to the Company and the Principals.

### 3.6 Deposits

1. The Deposits, as contemplated in each of the PSAs, were \$500,000 and represent approximately 53% of the purchase price. The Deposits have been used by the Company and are no longer available to satisfy the claims against the Company.
2. The Receiver reviewed other deposits made for the balance of the purchase and sale agreements for the Unionvillas Project and notes that the deposits range from \$100,000 to \$200,000, which is significantly less than the Deposits.
3. The Receiver also reviewed the Bank Information and notes that the Deposits were all funded by Mr. Kodwavi rather than the Spouses. It is unclear to the Receiver why Mr. Kodwavi funded a deposit on behalf of Ms. Hussain. Copies of the Bank Information reflecting that Mr. Kodwavi funded the Deposits is attached as Appendix “K”.

### **3.7 Market Value of the Remaining Units**

1. The Receiver is of the view that the purchase prices contemplated under the PSAs do not reflect the current market value of the Remaining Units. In that respect, the Receiver understands that Lot 43 is similar to the Remaining Units. The selling price for Lot 43 was \$1.290 million, which is approximately \$340,000 higher (approximately 36% higher) than the purchase price contemplated under the PSAs.
2. On October 18, 2021, the Receiver interviewed two (2) brokers to potentially list the Remaining Units for sale. Both brokers advised that the purchase prices under the PSAs are significantly less than their current market value.

### **3.8 Recommendation**

1. The Receiver recommends that the Court issue the order (the "Second Sale Process and Disclaimer Order") approving, among other things, the Second Sale Process and the Disclaimer for the following reasons:
  - a) the purchase price contemplated in the PSAs is materially lower than current market value;
  - b) to the Receiver's knowledge, the Spouses have failed to pay any Occupancy Fees despite the fact that they have purported to take interim occupancy of the Remaining Units and have personally benefited from rent payments pursuant to the Lease Agreements;
  - c) it will increase recoveries for the secured mortgagees who appear to be significantly impaired – namely Sorrenti Law (on behalf of the individual lenders under the syndicated mortgage loan secured by the Sorrenti Charge);
  - d) it will not have a negative impact on the creditor pool as a whole;
  - e) the Spouses may participate in the Second Sale Process if they wish to purchase one or more of the Remaining Units; and
  - f) the Deposits appear to have actually been the equity contribution required from the Principals to fund construction as a result of having paid out significant sums from funds advanced by the secured creditors to the Sunrise Parties, including the Principals, in contravention of the Sorrenti Loan Agreement.

## **4. Second Sale Process**

1. Provided the Court issues the Second Sale Process and Disclaimer Order, the Receiver intends to list the Remaining Units with Cityscape. The Receiver interviewed two (2) brokers to list the Remaining Units. Cityscape has the experience and credentials to market the Remaining Units. Cityscape's commission is 3.25%, which is lower than the other broker interviewed. The Receiver understands that the Sorrenti Trustee, who is the fulcrum creditor, supports the retention of Cityscape.
2. Based on advice from Cityscape, the Receiver intends to list the Remaining Units for sale for a price similar to Lot 43. The Receiver also intends to work with Cityscape to determine whether the Remaining Units will be listed concurrently or consecutively.

3. As part of the Second Sale Process, Cityscape intends to, *inter alia*:
  - a) prepare a brochure for each of the Remaining Units;
  - b) send an e-mail before each property is listed regarding the opportunities to its database of over 10,000 parties, including industry contacts, potential buyers and the brokerage community;
  - c) post each of the Remaining Units on the Toronto Real Estate Board Multiple Listing Services ("MLS"); and
  - d) hold open houses for the Remaining Units.
4. This is the same sale process that was previously approved by this Court in connection with Lot 43.
5. As referred to above, each of the Remaining Units is subject to a Lease Agreement and is currently occupied by a third-party tenant (collectively, the "Tenants"). Copies of the Lease Agreements are attached as Appendix "L".
6. If the Second Sale Process and Disclaimer Order is granted, it is unclear to the Receiver what the legal impact would be on the Tenants, each of which has an existing month-to-month lease where one of the Spouses is the landlord under lease. If the Disclaimer is granted, the Spouses will have no continuing right to lease the Remaining Units to the Tenants. However, the Receiver is of the view that the Tenants will not be impacted by the Disclaimer as the Receiver proposes that the leases continue unchanged on a month-to-month basis with the landlord being the Company (as opposed to either Principal's spouse) from and after the Disclaimer until such time that the applicable lease is formally terminated (discussed below) or the applicable property is sold.
7. The Receiver intends to market the Remaining Units for sale as tenanted units. However, for greater certainty, following the Disclaimer, the Receiver reserves its right to provide any or all of the Tenants with the requisite notice as prescribed by the *Residential Tenancies Act*, 2006, S.O. 2006, c. 17 that their tenancy will be ending.
8. In order for the Receiver to convey clean title to the Remaining Units without incurring the costs of preparing motion materials and attending at Court for, potentially, each of the four (4) transactions, the Receiver is requesting authority from the Court to complete transactions for the Remaining Units provided the Receiver is satisfied with the purchase prices and other terms of the transactions and receives consent from KingSett (only until KingSett has been repaid in full), and the Sorrenti Trustee, as the only other creditor that has a financial interest in the transactions.
9. In order to facilitate the sale process, the Receiver is seeking approval of a form of Purchase and Sale Agreement (the "Remaining Units PSAs" and each a "Remaining Units PSA") in connection with the Second Sale Process and Disclaimer Order. The Remaining Units PSA is similar in form to the agreement used in respect of Lot 43. A copy of the Remaining Units PSA is attached as Appendix "M".

10. The Receiver is also prospectively seeking Court approval of an Approval and Vesting Order for each of the Remaining Units (the "Approval and Vesting Order"). The Approval and Vesting Order seeks to, among other things, authorize the Receiver to enter into and effect sale transactions for the Remaining Units contemplated by a Remaining Units PSA and vest in an eventual purchaser one or more of the Remaining Units as designated and described in the relevant Sale Agreement and as further confirmed in a Receiver's certificate substantially in the form attached as Schedule "A" to the Approval and Vesting Order. The Approval and Vesting Order is similar in form to the September 13th Order, including with respect to language regarding Tarion Warranty Corporation, the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, c.0.31, as amended and the related regulations and the Condominium Act.
11. KingSett and the Sorrenti Trustee are supportive of the Approval and Vesting Order and the approach discussed in the preceding paragraphs.
12. The Receiver is serving all parties that have an encumbrance that will be vested off title to the Remaining Units with its motion record. The proposed Approval and Vesting Order does not prejudice any parties with potential claims as those claims will attach to the net proceeds from the sale of the applicable Remaining Unit.
13. Following the completion of all transactions for all of the Remaining Units, the Receiver will file with the Court a report detailing the sale price of each of the Remaining Units.
14. As previously noted, the Second Sale Process and Disclaimer Order seeks to make the Distributions to Cityscape in respect of its commission, KingSett and, once KingSett has been repaid in full, FAAN in its capacity as Sorrenti Trustee.
15. As detailed in section 2.1, the primary secured creditors of the Company are KingSett and Sorrenti Law. The Receiver estimates that, once the transactions close for the Remaining Units, and after the payment of closing costs, including remitting any HST<sup>9</sup>, the commission payment to Cityscape and the payment of outstanding professional fees, that there will be funds available to distribute to KingSett and FAAN in its capacity as Sorrenti Trustee.
16. Based on the foregoing, the Receiver instructed its legal counsel, Bennett Jones, to provide opinions on the validity and enforceability of the security held by KingSett and Sorrenti Law. Subject to the usual qualifications and assumptions, Bennett Jones is of the opinion that each of KingSett and Sorrenti Law holds a valid and perfected security interest, as set out in its security documents.
17. If requested, a copy of the Bennett Jones opinion will be made available to the Court.

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<sup>9</sup> Sales of new homes are subject to HST.



18. The Receiver recommends that this Court issue the Second Sale Process and Disclaimer Order approving the Second Sale Process, the form of the Remaining Units PSA and the Approval and Vesting Orders for the following reasons:
  - a) in the Receiver's view, the Second Sale Process is commercially reasonable and consistent with other real property sale processes approved by this Court in other cases, and in respect of Lot 43;
  - b) Cityscape has the experience and credentials to market the Remaining Units and is familiar with the regional and residential real estate market;
  - c) marketing materials, including a brochure for each of the Remaining Units, will ensure that prospective buyers have access to material information;
  - d) the Receiver will work closely with Cityscape and will oversee the Second Sale Process;
  - e) the Receiver believes that the commission for Cityscape is reasonable;
  - f) the proposed process and the Approval and Vesting Order is the most efficient and cost-effective method for seeking the Court's approval of transactions in respect of the Remaining Units and are supported by KingSett and the Sorrenti Trustee; and
  - g) the Remaining Units PSA is similar in form to the agreement used in respect of Lot 43.

## **5. Rivervalley Masonry**

1. As was the case with Lot 43, according to the Parcel Registry Abstracts from the Ontario Land Registry Office for each of the Remaining Units dated October 18, 2021 attached hereto as Appendix "N", a construction lien of \$669,602 was registered on August 3, 2021 by Rivervalley Masonry Group Ltd. ("Rivervalley") on title against each of the Remaining Units (the "Rivervalley Lien"), pursuant to the Construction Act R.S.O. 1990, c. C.30, as amended (the "CA").
2. As further detailed in the Second Report, the Receiver's counsel has reviewed the Rivervalley Lien. Under the CA, a lien must be registered within 45 or 60 days, depending on which registration period is applicable, from the date the work is completed or the materials were supplied to the project job site. The Receiver has received no evidence that Rivervalley has provided any services or materials during the 45 or 60 days preceding August 3, 2021. The Receiver understands that Rivervalley performed masonry work, which the Receiver assumes was completed a considerable time ago given the status of the development. Notably, the Receiver was appointed 55 days prior to the date on which the Rivervalley Lien was registered and is not aware of any masonry work having taken place since the time of its appointment or, based on a review of the Company's records, in the 5 days immediately prior thereto. Furthermore, Rivervalley has not provided any documentation of any kind in support of the Rivervalley Lien despite a request from the Receiver's counsel to do so. Rivervalley also did not object to its lien being vested off title of Lot 43. Based on the foregoing, the Receiver is of the view that the Rivervalley Lien is unenforceable

and that Rivervalley is not entitled to any proceeds from any eventual transaction in respect of the Remaining Units.

3. Rivervalley is being served with a copy of the Receiver's motion record.

## 6. Next Steps

1. The Receiver, in consultation with the Sorrenti Trustee, is considering next steps with respect to the funds paid to the Sunrise Parties. Such next steps may include, but are not limited to, potential actions against the Principals and the other Sunrise Parties. The Receiver intends to file a further report in this regard.

## 7. Conclusion and Recommendation

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

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF  
SUNRISE ACQUISITIONS (HWY 7) INC.  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**

LAND  
REGISTRY  
OFFICE #65  
\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

02985-0595 (LT)

PAGE 1 OF 4  
PREPARED FOR Feliciani  
ON 2021/05/21 AT 16:15:28

PROPERTY DESCRIPTION:

PART OF BLOCK 3, PLAN 65M4539 BEING PART 30 ON PLAN 65R37967; SUBJECT TO AN EASEMENT IN GROSS AS IN YR2639573; SUBJECT TO AN EASEMENT IN GROSS AS IN YR2652084 ; T/W AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420; SUBJECT TO AN EASEMENT IN FAVOUR OF YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420 AS IN YR3009447; CITY OF MARKHAM

PROPERTY REMARKS:

"FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2016/04/14". FOR ADDITIONAL ENCUMBRANCES THE PIN FOR YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420 IN BLOCK 29951 MUST BE EXAMINED.

ESTATE/QUALIFIER:

FEE SIMPLE  
LT ABSOLUTE PLUS

RECENTLY:

DIVISION FROM 02985-0545

PIN CREATION DATE:

2018/11/21

OWNERS' NAMES

SUNRISE ACQUISITIONS (HWY 7) INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**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. **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
R488826	1988/11/15	NOTICE				C
REMARKS: AIRPORT ZONING REGULATIONS						
YR688132	2005/08/22	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
REMARKS: PICKERING AIRPORT SITE ZONING REG. (SOR/10000-636)						
YR2299146	2015/06/02	CHARGE	\$31,981,940	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR2299147	2015/06/02	NO ASSGN RENT GEN		SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: YR2299146.						
YR2340877	2015/08/18	CHARGE	\$8,000,000	SUNRISE ACQUISITIONS (HWY 7) INC.	SORRENTI LAW PROFESSIONAL CORPORATION	C
YR2341683	2015/08/19	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION	C
REMARKS: YR2340877.						
YR2352867	2015/09/08	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION	C
REMARKS: YR2340877.						
YR2380504	2015/10/29	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
REMARKS: YR2340877.						

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.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR2386283	2015/11/06	TRANSFER OF CHARGE	\$8,000,000	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2398064	2015/12/01	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2415581	2016/01/13	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2421491	2016/01/26	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2442481	2016/03/11	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2481743	2016/06/03	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2543312	2016/09/15	NOTICE	\$9,873,262	SUNRISE ACQUISITION (HWY 7) INC	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877					
YR2572486	2016/11/03	CHARGE	\$1,648,879	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR2582279	2016/11/22	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	KINGSETT MORTGAGE CORPORATION	C
	REMARKS: YR2340877, YR2481743 TO YR2572486					
65M4539	2017/02/02	PLAN SUBDIVISION				C
YR2623637	2017/02/09	NO SUB AGREEMENT		THE CORPORATION OF THE CITY OF MARKHAM	SUNRISE ACQUISITIONS (HWY 7) INC.	C
YR2623638	2017/02/09	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
	REMARKS: YR2299146 TO YR2623637					
YR2623639	2017/02/09	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
		REMARKS: YR2572486 TO YR2623637				
YR2623640	2017/02/09	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	THE CORPORATION OF THE CITY OF MARKHAM	C
		REMARKS: YR2340877, YR2481743 TO YR2623637				
YR2623649	2017/02/09	APL ANNEX REST COV		SUNRISE ACQUISITIONS (HWY 7) INC.		C
YR2639573	2017/03/16	TRANSFER EASEMENT	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	ENBRIDGE GAS DISTRIBUTION INC.	C
YR2640297	2017/03/17	PLAN CORRECTION		ASSISTANT EXAMINER OF SURVEYS		C
		REMARKS: 65M4539.				
YR2652084	2017/04/10	TRANSFER EASEMENT	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	ALECTRA UTILITIES CORPORATION	C
YR2652085	2017/04/10	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	ALECTRA UTILITIES CORPORATION	C
		REMARKS: YR2299146 TO YR2652084				
YR2652086	2017/04/10	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	ALECTRA UTILITIES CORPORATION	C
		REMARKS: YR2572486 TO YR2652084				
YR2652087	2017/04/10	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	ALECTRA UTILITIES CORPORATION	C
		REMARKS: YR2340877, YR2341683, YR2380504, YR2398064, YR2415581, YR2421491, YR2442481, YR2481743 & YR2543312 TO YR2652084				
YR2664317	2017/05/05	NOTICE	\$2	THE CORPORATION OF THE CITY OF MARKHAM	SUNRISE ACQUISITIONS (HWY 7) INC.	C
		REMARKS: SITE PLAN CONTROL AGREEMENT				
YR2664318	2017/05/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
		REMARKS: YR2299146 TO YR2664317				
YR2664319	2017/05/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
		REMARKS: YR2572486 TO YR2664317				
YR2664320	2017/05/05	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	THE CORPORATION OF THE CITY OF MARKHAM	C
		REMARKS: YR2340877 TO YR2664317				
YR2666512	2017/05/10	BYLAW		THE CORPORATION OF THE CITY OF MARKHAM		C
		REMARKS: BY-LAW TO DESIGNATE PART OF A CERTAIN PLAN OF SUBDIVISION NOT SUBJECT TO PART LOT CONTROL				
YR2720530	2017/08/21	NOTICE	\$4,000,000	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: YR2572486				

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR2782817	2018/01/12	RESTRICTION-LAND		SUNRISE ACQUISITIONS (HWY 7) INC.		C
		REMARKS: ANY TRANSFER OF THE LANDS SET OUT HEREIN, NAMELY PIN 02985-0545 (LT) IS HEREBY PROHIBITED UNLESS AND UNTIL THE CONSENT OF THE DIRECTOR OF PLANNING AND URBAN DESIGN, FOR THE CORPORATION OF THE CITY OF MARKHAM, OR HIS DESIGNATE HAS BEEN OBTAINED.				
65R37967	2018/07/31	PLAN REFERENCE				C
YR2872432	2018/09/12	NOTICE	\$5,500,000	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: YR2572486				
YR2872560	2018/09/12	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: YR2340877 & YR2481743 TO YR2572486, YR2720530 & YR2872432				
YR2872601	2018/09/12	TRANSFER	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	SUNRISE ACQUISITIONS (HWY 7) INC.	C
YR3006971	2019/09/11	BYLAW		THE CORPORATION OF THE CITY OF MARKHAM		C
		REMARKS: BY-LAW 2019-99 A BY-LAW TO DESIGNATE PART OF A CERTAIN PLAN OF SUBDIVISION NOT SUBJECT TO PART LOT CONTROL				
YRCP1420	2019/09/17	CE CONDO PLN				C
YR3009447	2019/09/17	CONDO DECLARATION		SUNRISE ACQUISITIONS (HWY 7) INC.		C
YR3011927	2019/09/24	CONDO BYLAW/98		YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1420		C
		REMARKS: BY-LAW NO. 1				
YR3012090	2019/09/24	NOTICE		SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: YR2299146				
YR3015611	2019/10/02	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	FAAN MORTGAGE ADMINISTRATORS INC.	C

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LAND  
REGISTRY  
OFFICE #65  
\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

02985-0596 (LT)

PAGE 1 OF 4  
PREPARED FOR Feliciani  
ON 2021/05/21 AT 16:16:22

**PROPERTY DESCRIPTION:** PART OF BLOCK 3, PLAN 65M4539 BEING PART 31 ON PLAN 65R37967; SUBJECT TO AN EASEMENT IN GROSS AS IN YR2639573; SUBJECT TO AN EASEMENT IN GROSS AS IN YR2652084 ; T/W AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420; SUBJECT TO AN EASEMENT IN FAVOUR OF YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420 AS IN YR3009447; CITY OF MARKHAM

**PROPERTY REMARKS:** "FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2016/04/14". FOR ADDITIONAL ENCUMBRANCES THE PIN FOR YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420 IN BLOCK 29951 MUST BE EXAMINED.

**ESTATE/QUALIFIER:** FEE SIMPLE  
LT ABSOLUTE PLUS

**RECENTLY:** DIVISION FROM 02985-0545

**PIN CREATION DATE:** 2018/11/21

**OWNERS' NAMES** CAPACITY SHARE  
SUNRISE ACQUISITIONS (HWY 7) INC.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**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. **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
R488826	1988/11/15	NOTICE				C
REMARKS: AIRPORT ZONING REGULATIONS						
YR688132	2005/08/22	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
REMARKS: PICKERING AIRPORT SITE ZONING REG. (SOR/10000-636)						
YR2299146	2015/06/02	CHARGE	\$31,981,940	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR2299147	2015/06/02	NO ASSGN RENT GEN		SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: YR2299146.						
YR2340877	2015/08/18	CHARGE	\$8,000,000	SUNRISE ACQUISITIONS (HWY 7) INC.	SORRENTI LAW PROFESSIONAL CORPORATION	C
YR2341683	2015/08/19	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION	C
REMARKS: YR2340877.						
YR2352867	2015/09/08	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION	C
REMARKS: YR2340877.						
YR2380504	2015/10/29	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
REMARKS: YR2340877.						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR2386283	2015/11/06	TRANSFER OF CHARGE	\$8,000,000	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2398064	2015/12/01	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2415581	2016/01/13	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2421491	2016/01/26	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2442481	2016/03/11	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2481743	2016/06/03	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2543312	2016/09/15	NOTICE	\$9,873,262	SUNRISE ACQUISITION (HWY 7) INC	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877					
YR2572486	2016/11/03	CHARGE	\$1,648,879	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR2582279	2016/11/22	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	KINGSETT MORTGAGE CORPORATION	C
	REMARKS: YR2340877, YR2481743 TO YR2572486					
65M4539	2017/02/02	PLAN SUBDIVISION				C
YR2623637	2017/02/09	NO SUB AGREEMENT		THE CORPORATION OF THE CITY OF MARKHAM	SUNRISE ACQUISITIONS (HWY 7) INC.	C
YR2623638	2017/02/09	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
	REMARKS: YR2299146 TO YR2623637					
YR2623639	2017/02/09	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD	
		REMARKS: YR2572486 TO YR2623637					
YR2623640	2017/02/09	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	THE CORPORATION OF THE CITY OF MARKHAM	C	
		REMARKS: YR2340877, YR2481743 TO YR2623637					
YR2623649	2017/02/09	APL ANNEX REST COV		SUNRISE ACQUISITIONS (HWY 7) INC.		C	
YR2639573	2017/03/16	TRANSFER EASEMENT	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	ENBRIDGE GAS DISTRIBUTION INC.	C	
YR2640297	2017/03/17	PLAN CORRECTION		ASSISTANT EXAMINER OF SURVEYS		C	
		REMARKS: 65M4539.					
YR2652084	2017/04/10	TRANSFER EASEMENT	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	ALECTRA UTILITIES CORPORATION	C	
YR2652085	2017/04/10	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	ALECTRA UTILITIES CORPORATION	C	
		REMARKS: YR2299146 TO YR2652084					
YR2652086	2017/04/10	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	ALECTRA UTILITIES CORPORATION	C	
		REMARKS: YR2572486 TO YR2652084					
YR2652087	2017/04/10	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	ALECTRA UTILITIES CORPORATION	C	
		REMARKS: YR2340877, YR2341683, YR2380504, YR2398064, YR2415581, YR2421491, YR2442481, YR2481743 & YR2543312 TO YR2652084					
YR2664317	2017/05/05	NOTICE	\$2	THE CORPORATION OF THE CITY OF MARKHAM	SUNRISE ACQUISITIONS (HWY 7) INC.	C	
		REMARKS: SITE PLAN CONTROL AGREEMENT					
YR2664318	2017/05/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C	
		REMARKS: YR2299146 TO YR2664317					
YR2664319	2017/05/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C	
		REMARKS: YR2572486 TO YR2664317					
YR2664320	2017/05/05	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	THE CORPORATION OF THE CITY OF MARKHAM	C	
		REMARKS: YR2340877 TO YR2664317					
YR2666512	2017/05/10	BYLAW		THE CORPORATION OF THE CITY OF MARKHAM		C	
		REMARKS: BY-LAW TO DESIGNATE PART OF A CERTAIN PLAN OF SUBDIVISION NOT SUBJECT TO PART LOT CONTROL					
YR2720530	2017/08/21	NOTICE	\$4,000,000	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C	
		REMARKS: YR2572486					

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR2782817	2018/01/12	RESTRICTION-LAND		SUNRISE ACQUISITIONS (HWY 7) INC.		C
		REMARKS: ANY TRANSFER OF THE LANDS SET OUT HEREIN, NAMELY PIN 02985-0545 (LT) IS HEREBY PROHIBITED UNLESS AND UNTIL THE CONSENT OF THE DIRECTOR OF PLANNING AND URBAN DESIGN, FOR THE CORPORATION OF THE CITY OF MARKHAM, OR HIS DESIGNATE HAS BEEN OBTAINED.				
65R37967	2018/07/31	PLAN REFERENCE				C
YR2872432	2018/09/12	NOTICE	\$5,500,000	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: YR2572486				
YR2872560	2018/09/12	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: YR2340877 & YR2481743 TO YR2572486, YR2720530 & YR2872432				
YR2872601	2018/09/12	TRANSFER	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	SUNRISE ACQUISITIONS (HWY 7) INC.	C
YR3006971	2019/09/11	BYLAW		THE CORPORATION OF THE CITY OF MARKHAM		C
		REMARKS: BY-LAW 2019-99 A BY-LAW TO DESIGNATE PART OF A CERTAIN PLAN OF SUBDIVISION NOT SUBJECT TO PART LOT CONTROL				
YRCP1420	2019/09/17	CE CONDO PLN				C
YR3009447	2019/09/17	CONDO DECLARATION		SUNRISE ACQUISITIONS (HWY 7) INC.		C
YR3011927	2019/09/24	CONDO BYLAW/98		YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1420		C
		REMARKS: BY-LAW NO. 1				
YR3012090	2019/09/24	NOTICE		SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: YR2299146				
YR3015611	2019/10/02	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	FAAN MORTGAGE ADMINISTRATORS 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.

PROPERTY DESCRIPTION:

PART OF BLOCK 3, PLAN 65M4539 BEING PART 32 ON PLAN 65R37967; SUBJECT TO AN EASEMENT IN GROSS AS IN YR2639573; SUBJECT TO AN EASEMENT IN GROSS AS IN YR2652084 ; T/W AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420; SUBJECT TO AN EASEMENT IN FAVOUR OF YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420 AS IN YR3009447; CITY OF MARKHAM

PROPERTY REMARKS:

"FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2016/04/14". FOR ADDITIONAL ENCUMBRANCES THE PIN FOR YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420 IN BLOCK 29951 MUST BE EXAMINED.

ESTATE/QUALIFIER:

FEE SIMPLE  
LT ABSOLUTE PLUS

RECENTLY:

DIVISION FROM 02985-0545

PIN CREATION DATE:

2018/11/21

OWNERS' NAMES

SUNRISE ACQUISITIONS (HWY 7) INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**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. **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
R488826	1988/11/15	NOTICE				C
REMARKS: AIRPORT ZONING REGULATIONS						
YR688132	2005/08/22	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
REMARKS: PICKERING AIRPORT SITE ZONING REG. (SOR/10000-636)						
YR2299146	2015/06/02	CHARGE	\$31,981,940	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR2299147	2015/06/02	NO ASSGN RENT GEN		SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: YR2299146.						
YR2340877	2015/08/18	CHARGE	\$8,000,000	SUNRISE ACQUISITIONS (HWY 7) INC.	SORRENTI LAW PROFESSIONAL CORPORATION	C
YR2341683	2015/08/19	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION	C
REMARKS: YR2340877.						
YR2352867	2015/09/08	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION	C
REMARKS: YR2340877.						
YR2380504	2015/10/29	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
REMARKS: YR2340877.						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR2386283	2015/11/06	TRANSFER OF CHARGE	\$8,000,000	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2398064	2015/12/01	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2415581	2016/01/13	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2421491	2016/01/26	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2442481	2016/03/11	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2481743	2016/06/03	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2543312	2016/09/15	NOTICE	\$9,873,262	SUNRISE ACQUISITION (HWY 7) INC	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877					
YR2572486	2016/11/03	CHARGE	\$1,648,879	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR2582279	2016/11/22	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	KINGSETT MORTGAGE CORPORATION	C
	REMARKS: YR2340877, YR2481743 TO YR2572486					
65M4539	2017/02/02	PLAN SUBDIVISION				C
YR2623637	2017/02/09	NO SUB AGREEMENT		THE CORPORATION OF THE CITY OF MARKHAM	SUNRISE ACQUISITIONS (HWY 7) INC.	C
YR2623638	2017/02/09	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
	REMARKS: YR2299146 TO YR2623637					
YR2623639	2017/02/09	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD	
		REMARKS: YR2572486 TO YR2623637					
YR2623640	2017/02/09	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	THE CORPORATION OF THE CITY OF MARKHAM	C	
		REMARKS: YR2340877, YR2481743 TO YR2623637					
YR2623649	2017/02/09	APL ANNEX REST COV		SUNRISE ACQUISITIONS (HWY 7) INC.		C	
YR2639573	2017/03/16	TRANSFER EASEMENT	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	ENBRIDGE GAS DISTRIBUTION INC.	C	
YR2640297	2017/03/17	PLAN CORRECTION		ASSISTANT EXAMINER OF SURVEYS		C	
		REMARKS: 65M4539.					
YR2652084	2017/04/10	TRANSFER EASEMENT	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	ALECTRA UTILITIES CORPORATION	C	
YR2652085	2017/04/10	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	ALECTRA UTILITIES CORPORATION	C	
		REMARKS: YR2299146 TO YR2652084					
YR2652086	2017/04/10	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	ALECTRA UTILITIES CORPORATION	C	
		REMARKS: YR2572486 TO YR2652084					
YR2652087	2017/04/10	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	ALECTRA UTILITIES CORPORATION	C	
		REMARKS: YR2340877, YR2341683, YR2380504, YR2398064, YR2415581, YR2421491, YR2442481, YR2481743 & YR2543312 TO YR2652084					
YR2664317	2017/05/05	NOTICE	\$2	THE CORPORATION OF THE CITY OF MARKHAM	SUNRISE ACQUISITIONS (HWY 7) INC.	C	
		REMARKS: SITE PLAN CONTROL AGREEMENT					
YR2664318	2017/05/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C	
		REMARKS: YR2299146 TO YR2664317					
YR2664319	2017/05/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C	
		REMARKS: YR2572486 TO YR2664317					
YR2664320	2017/05/05	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	THE CORPORATION OF THE CITY OF MARKHAM	C	
		REMARKS: YR2340877 TO YR2664317					
YR2666512	2017/05/10	BYLAW		THE CORPORATION OF THE CITY OF MARKHAM		C	
		REMARKS: BY-LAW TO DESIGNATE PART OF A CERTAIN PLAN OF SUBDIVISION NOT SUBJECT TO PART LOT CONTROL					
YR2720530	2017/08/21	NOTICE	\$4,000,000	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C	
		REMARKS: YR2572486					

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR2782817	2018/01/12	RESTRICTION-LAND REMARKS: ANY TRANSFER OF THE LANDS SET OUT HEREIN, NAMELY PIN 02985-0545 (LT) IS HEREBY PROHIBITED UNLESS AND UNTIL THE CONSENT OF THE DIRECTOR OF PLANNING AND URBAN DESIGN, FOR THE CORPORATION OF THE CITY OF MARKHAM, OR HIS DESIGNATE HAS BEEN OBTAINED.		SUNRISE ACQUISITIONS (HWY 7) INC.		C
65R37967	2018/07/31	PLAN REFERENCE				C
YR2872432	2018/09/12	NOTICE REMARKS: YR2572486	\$5,500,000	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR2872560	2018/09/12	POSTPONEMENT REMARKS: YR2340877 & YR2481743 TO YR2572486, YR2720530 & YR2872432		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	KINGSETT MORTGAGE CORPORATION	C
YR2872601	2018/09/12	TRANSFER	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	SUNRISE ACQUISITIONS (HWY 7) INC.	C
YR3006971	2019/09/11	BYLAW REMARKS: BY-LAW 2019-99 A BY-LAW TO DESIGNATE PART OF A CERTAIN PLAN OF SUBDIVISION NOT SUBJECT TO PART LOT CONTROL		THE CORPORATION OF THE CITY OF MARKHAM		C
YRCP1420	2019/09/17	CE CONDO PLN				C
YR3009447	2019/09/17	CONDO DECLARATION		SUNRISE ACQUISITIONS (HWY 7) INC.		C
YR3011927	2019/09/24	CONDO BYLAW/98 REMARKS: BY-LAW NO. 1		YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1420		C
YR3012090	2019/09/24	NOTICE REMARKS: YR2299146		SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR3015611	2019/10/02	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	FAAN MORTGAGE ADMINISTRATORS INC.	C

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PROPERTY DESCRIPTION:

PART OF BLOCK 3, PLAN 65M4539 BEING PART 33 ON PLAN 65R37967; SUBJECT TO AN EASEMENT IN GROSS AS IN YR2639573; SUBJECT TO AN EASEMENT IN GROSS AS IN YR2652084 ; T/W AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420; SUBJECT TO AN EASEMENT IN FAVOUR OF YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420 AS IN YR3009447; CITY OF MARKHAM

PROPERTY REMARKS:

"FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2016/04/14". FOR ADDITIONAL ENCUMBRANCES THE PIN FOR YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420 IN BLOCK 29951 MUST BE EXAMINED.

ESTATE/QUALIFIER:

FEE SIMPLE  
LT ABSOLUTE PLUS

RECENTLY:

DIVISION FROM 02985-0545

PIN CREATION DATE:

2018/11/21

OWNERS' NAMES

SUNRISE ACQUISITIONS (HWY 7) INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**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. **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
R488826	1988/11/15	NOTICE				C
REMARKS: AIRPORT ZONING REGULATIONS						
YR688132	2005/08/22	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
REMARKS: PICKERING AIRPORT SITE ZONING REG. (SOR/10000-636)						
YR2299146	2015/06/02	CHARGE	\$31,981,940	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR2299147	2015/06/02	NO ASSGN RENT GEN		SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: YR2299146.						
YR2340877	2015/08/18	CHARGE	\$8,000,000	SUNRISE ACQUISITIONS (HWY 7) INC.	SORRENTI LAW PROFESSIONAL CORPORATION	C
YR2341683	2015/08/19	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION	C
REMARKS: YR2340877.						
YR2352867	2015/09/08	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION	C
REMARKS: YR2340877.						
YR2380504	2015/10/29	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
REMARKS: YR2340877.						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR2386283	2015/11/06	TRANSFER OF CHARGE	\$8,000,000	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2398064	2015/12/01	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2415581	2016/01/13	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2421491	2016/01/26	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2442481	2016/03/11	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2481743	2016/06/03	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877.					
YR2543312	2016/09/15	NOTICE	\$9,873,262	SUNRISE ACQUISITION (HWY 7) INC	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: YR2340877					
YR2572486	2016/11/03	CHARGE	\$1,648,879	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR2582279	2016/11/22	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	KINGSETT MORTGAGE CORPORATION	C
	REMARKS: YR2340877, YR2481743 TO YR2572486					
65M4539	2017/02/02	PLAN SUBDIVISION				C
YR2623637	2017/02/09	NO SUB AGREEMENT		THE CORPORATION OF THE CITY OF MARKHAM	SUNRISE ACQUISITIONS (HWY 7) INC.	C
YR2623638	2017/02/09	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
	REMARKS: YR2299146 TO YR2623637					
YR2623639	2017/02/09	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR2623640	2017/02/09	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	THE CORPORATION OF THE CITY OF MARKHAM	C
YR2623649	2017/02/09	APL ANNEX REST COV		SUNRISE ACQUISITIONS (HWY 7) INC.		C
YR2639573	2017/03/16	TRANSFER EASEMENT	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	ENBRIDGE GAS DISTRIBUTION INC.	C
YR2640297	2017/03/17	PLAN CORRECTION		ASSISTANT EXAMINER OF SURVEYS		C
YR2652084	2017/04/10	TRANSFER EASEMENT	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	ALECTRA UTILITIES CORPORATION	C
YR2652085	2017/04/10	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	ALECTRA UTILITIES CORPORATION	C
YR2652086	2017/04/10	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	ALECTRA UTILITIES CORPORATION	C
YR2652087	2017/04/10	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	ALECTRA UTILITIES CORPORATION	C
YR2664317	2017/05/05	NOTICE	\$2	THE CORPORATION OF THE CITY OF MARKHAM	SUNRISE ACQUISITIONS (HWY 7) INC.	C
YR2664318	2017/05/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
YR2664319	2017/05/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
YR2664320	2017/05/05	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	THE CORPORATION OF THE CITY OF MARKHAM	C
YR2666512	2017/05/10	BYLAW		THE CORPORATION OF THE CITY OF MARKHAM		C
YR2720530	2017/08/21	NOTICE	\$4,000,000	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR2782817	2018/01/12	RESTRICTION-LAND		SUNRISE ACQUISITIONS (HWY 7) INC.		C
		REMARKS: ANY TRANSFER OF THE LANDS SET OUT HEREIN, NAMELY PIN 02985-0545 (LT) IS HEREBY PROHIBITED UNLESS AND UNTIL THE CONSENT OF THE DIRECTOR OF PLANNING AND URBAN DESIGN, FOR THE CORPORATION OF THE CITY OF MARKHAM, OR HIS DESIGNATE HAS BEEN OBTAINED.				
65R37967	2018/07/31	PLAN REFERENCE				C
YR2872432	2018/09/12	NOTICE	\$5,500,000	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: YR2572486				
YR2872560	2018/09/12	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: YR2340877 & YR2481743 TO YR2572486, YR2720530 & YR2872432				
YR2872601	2018/09/12	TRANSFER	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	SUNRISE ACQUISITIONS (HWY 7) INC.	C
YR3006971	2019/09/11	BYLAW		THE CORPORATION OF THE CITY OF MARKHAM		C
		REMARKS: BY-LAW 2019-99 A BY-LAW TO DESIGNATE PART OF A CERTAIN PLAN OF SUBDIVISION NOT SUBJECT TO PART LOT CONTROL				
YRCP1420	2019/09/17	CE CONDO PLN				C
YR3009447	2019/09/17	CONDO DECLARATION		SUNRISE ACQUISITIONS (HWY 7) INC.		C
YR3011927	2019/09/24	CONDO BYLAW/98		YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1420		C
		REMARKS: BY-LAW NO. 1				
YR3012090	2019/09/24	NOTICE		SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: YR2299146				
YR3015611	2019/10/02	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	FAAN MORTGAGE ADMINISTRATORS INC.	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR2623646	2017/02/09	POSTPONEMENT REMARKS: YR2299146 TO YR2623645		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
YR2623647	2017/02/09	POSTPONEMENT REMARKS: YR2572486 TO YR2623645		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF MARKHAM	C
YR2623649	2017/02/09	APL ANNEX REST COV		SUNRISE ACQUISITIONS (HWY 7) INC.		C
YR2639573	2017/03/16	TRANSFER EASEMENT	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	ENBRIDGE GAS DISTRIBUTION INC.	C
YR2652084	2017/04/10	TRANSFER EASEMENT	\$2	SUNRISE ACQUISITIONS (HWY 7) INC.	ALECTRA UTILITIES CORPORATION	C
YR2652085	2017/04/10	POSTPONEMENT REMARKS: YR2299146 TO YR2652084		KINGSETT MORTGAGE CORPORATION	ALECTRA UTILITIES CORPORATION	C
YR2652086	2017/04/10	POSTPONEMENT REMARKS: YR2572486 TO YR2652084		KINGSETT MORTGAGE CORPORATION	ALECTRA UTILITIES CORPORATION	C
YR2664317	2017/05/05	NOTICE REMARKS: SITE PLAN CONTROL AGREEMENT	\$2	THE CORPORATION OF THE CITY OF MARKHAM	SUNRISE ACQUISITIONS (HWY 7) INC.	C
YR2664318	2017/05/05	POSTPONEMENT REMARKS: YR2299146 TO YR2664317		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
YR2664319	2017/05/05	POSTPONEMENT REMARKS: YR2572486 TO YR2664317		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM	C
YR2666512	2017/05/10	BYLAW REMARKS: BY-LAW TO DESIGNATE PART OF A CERTAIN PLAN OF		THE CORPORATION OF THE CITY OF MARKHAM SUBDIVISION NOT SUBJECT TO PART LOT CONTROL		C
YR2720530	2017/08/21	NOTICE REMARKS: YR2572486	\$4,000,000	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR2782817	2018/01/12	RESTRICTION-LAND REMARKS: ANY TRANSFER OF THE LANDS SET OUT HEREIN, NAMELY PIN 02985-0545 (LT) IS HEREBY PROHIBITED UNLESS AND UNTIL THE CONSENT OF THE DIRECTOR OF PLANNING AND URBAN DESIGN, FOR THE CORPORATION OF THE CITY OF MARKHAM, OR HIS DESIGNATE HAS BEEN OBTAINED.		SUNRISE ACQUISITIONS (HWY 7) INC.		C
YR2872432	2018/09/12	NOTICE REMARKS: YR2572486	\$5,500,000	SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR3007344	2019/09/12	BYLAW REMARKS: BY-LAW 2019-99 A BY-LAW TO DESIGNATE PART OF A CERTAIN PLAN OF SUBDIVISION NOT SUBJECT TO PART LOT CONTROL		THE CORPORATION OF THE CITY OF MARKHAM		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.

29951-0001 (LT)

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YRCP1420	2019/09/17	CE CONDO PLN				C
YR3009447	2019/09/17	CONDO DECLARATION		SUNRISE ACQUISITIONS (HWY 7) INC.		C
YR3011927	2019/09/24	CONDO BYLAW/98 REMARKS: BY-LAW NO. 1		YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1420		C
YR3012090	2019/09/24	NOTICE REMARKS: YR2299146		SUNRISE ACQUISITIONS (HWY 7) INC.	KINGSETT MORTGAGE CORPORATION	C
YR3015611	2019/10/02	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	FAAN MORTGAGE ADMINISTRATORS 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.

## **Appendix “B”**

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

THE HONOURABLE  
JUSTICE WILTON-SIEGEL

}  
}  
}

WEDNESDAY, THE 9<sup>TH</sup>  
DAY OF JUNE, 2021

**BETWEEN:**

**KINGSETT MORTGAGE CORPORATION**

Applicant

- and -

**SUNRISE ACQUISITIONS (HWY 7) INC.**

Respondent

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 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. ("KSV") as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Sunrise Acquisitions (Hwy 7) Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor and the proceeds therefrom, including, without limitation, the real property legally described within PINs 02985-0591 (LT), 02985-0595 (LT), 02985-0596 (LT), 02985-0597 (LT), 02985-0598 (LT), and 29951-0001 (LT) (the "Real Property" and, collectively with the Debtor's other assets, undertakings and



properties, "Property") was heard this day by Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Daniel Pollack sworn May 28, 2021 and the Exhibits thereto, the Supplemental Affidavit of Daniel Pollack sworn June 1, 2021 and the Exhibit thereto, and the Affidavit of Muzammil Kodwavi sworn June 9, 2021 and the Exhibit thereto, and on hearing the submissions of counsel for the Applicant and such other parties listed on the Participant Information Form, no one appearing for any other party although duly served as appears from the Affidavits of Service of Benjamin Goodis sworn May 28, 2021 and June 1, 2021, and the Affidavit of Service of Norman Ng sworn May 28, 2021, and on reading the Consent of KSV to act as the Receiver,

#### **SERVICE**

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 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 is hereby appointed Receiver, without security, of the Property.

#### **RECEIVER'S POWERS**

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts 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) subject to paragraph 4 of this Order, 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;
- (d) to engage 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) subject to paragraph 4 of this Order, 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, subject to paragraph 4 of this Order, to exercise all remedies of the Debtor in collecting such monies; including, without limitation, to enforce any security held by the Debtor;

- (g) subject to paragraph 4 of this Order, 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) subject to paragraph 4 of this Order, 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) subject to paragraph 4 of this Order, 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) subject to paragraph 4 of this Order, 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 transactions 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 83(4) of the Ontario *Personal Property Security Act* and notice under section 31 of the Ontario *Mortgages Act* shall not be required;

- (l) subject to paragraph 4 of this Order, 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 trustees 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) subject to paragraph 4 of this Order, 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.

4. THIS COURT ORDERS that the Receiver shall not exercise the powers granted to it in sub-paragraphs 3(c), 3(e), 3(f), 3(g), 3(i), 3(j), 3(k), 3(l), and 3(q) until further Order of the Court, except as may be reasonably necessary to preserve and protect the Property or to examine and investigate the business, contracts, and affairs of the Debtor or relating to the Property.

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

5. 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.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the 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 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

**NO PROCEEDINGS AGAINST THE RECEIVER**

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

**NO PROCEEDINGS AGAINST THE 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 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.

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 \$200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The 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 "A" 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 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/insolvency-cases/case/sunrise-acquisitions>.

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.

**GENERAL**

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.

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

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.

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.

31. 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 net realizations from the Property with such priority and at such time as this Court may determine.

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.

W. H. - J. T.

**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

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

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

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "Receiver") of the assets, undertakings and properties of Sunrise Acquisitions (Hwy 7) Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor and the proceeds therefrom, including, without limitation, the real property legally described within PINs 02985-0591 (LT), 02985-0595 (LT), 02985-0596 (LT), 02985-0597 (LT), 02985-0598 (LT), and 29951-0001 (LT) (the "Real Property" and, collectively with the Debtor's other assets, undertakings and properties, "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_\_ day of \_\_\_\_\_, 2021 (the "Order") made in an action having Court file number -CL- \_\_\_\_\_, 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 \_\_\_\_\_, 2021.

KSV Restructuring Inc., solely in its capacity as  
Receiver of the Property, and not in its personal  
capacity

Per. \_\_\_\_\_

Name:  
Title:



KINGSETT MORTGAGE CORPORATION  
Applicant

and

SUNRISE ACQUISITIONS (HWY 7) INC.  
Respondent

Court File No. CV-21-00863051-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
PROCEEDING COMMENCED AT  
TORONTO

**ORDER (APPOINTING RECEIVER)**

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Lawyers for the Applicant

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

Kingsett Mortgage Corporation Plaintiff(s)

AND

Sunrise Acquisitions (Hwy 7) Inc. Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No.:	Facsimile No.:

- Order  Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- Adjourned to: \_\_\_\_\_
- Time Table approved (as follows):

*Order to go in accordance with the  
 Indorsement attached hereto as Schedule A.*

June 9, 2021  
Date

W. Hon-L. J.  
Judge's Signature

Additional Pages \_\_\_\_\_

## **SCHEDULE A**

### **ENDORSEMENT**

#### **Kingsett Mortgage Corporation v. Sunrise Acquisitions (Hwy 7) Inc.**

1. The applicant, Kingsett Mortgage Corporation, (the “applicant”), seeks the appointment of a receiver. The debtor, Sunrise Acquisitions (Hwy 7) Inc. (the “debtor”), opposes and seeks an adjournment.
2. The debtor is a single purpose corporation that has developed a property. In 2017, the debtor defaulted on a second syndicated mortgage previously arranged by Fortress Real Developments Inc. and currently administered by FAAN Mortgage Administrators Inc. (“FAAN”). On May 1, 2021, the debtor also defaulted on a first mortgage in favour of the applicant. As of May 31, 2021, it is understood that approximately \$1.95 million is outstanding under the first mortgage and approximately \$10.7 million is outstanding under the second mortgage. The loans in favour of the applicant secured by the first mortgage are guaranteed by Sajjad Hussain and Mazammil Kodwavi, the directors and officers of the debtor.
3. The remaining assets of the debtor available to repay the applicant and FAAN consist of five essentially completed townhouses. Depending upon the timing and the selling price of the remaining five houses, it is probable, but not certain, that the applicant will be repaid and it is certain that FAAN will not be repaid.
4. Accordingly, the sales of the remaining five townhouses are very important to both creditors. The debtor has entered into agreements of purchase and sale respecting each of these townhouses. The applicant and FAAN raise the following concerns regarding these agreements.
5. The purchase price does not meet the minimum threshold for a compliant sale under the loan arrangements with the applicant. Four of the five agreements are made with related parties, including three with the spouse of one of the guarantors. The deposits are unusually high, in some cases in excess of 50% of the sale price, but have not been retained in trust and therefore do not represent monies that will be delivered at closing. The debtor has stated that these deposits have been depleted in the construction of the townhouses but there is no evidence to confirm this.
6. The applicant, supported by FAAN, seeks the appointment of a receiver primarily for the purposes of preserving the five townhouses for sale and reviewing the circumstances surrounding these agreements of purchase and sale. It can be expected that they will seek an order permitting the receiver to disclaim these agreements if circumstances warrant

after the review is completed. For its part, the debtor, and more particularly one of the guarantors, seeks to complete these agreements given that the deposits no longer exist.

7. Dealing first with the debtor's request for an adjournment, Mr. Kodwavi says in an affidavit that he is trying to arrange financing that will allow the debtor to repay the applicant's debt in full. He seeks an adjournment of five weeks for this purpose or, alternatively, of two weeks to prepare responding application materials. In oral submissions, however, it became clear that Mr. Kodwavi's intention was to pay the outstanding amount due to the applicant in his capacity as a guarantor of the applicant's loans and thereby receive an assignment of the applicant's loan position. In these circumstances, Mr. Kodwavi would be able to implement a power of sale proceeding in order to sell the remaining townhouses if he were unable to reach a satisfactory agreement with FAAN regarding the remaining townhouses.
8. In the ordinary course, a debtor seeking to refinance a development project might obtain an adjournment at the first hearing after default if it were prepared to keep the outstanding debt current during the adjournment period and if there were a reasonable prospect of a refinancing. In this case, default on the first mortgage occurred on May 1. The applicant record was served and filed on or about May 28. However, the second mortgage has been in default since 2017. The debtor and its principals have had ample time to explore financing options. There is no evidence they have done so. In fact, their opposition to this motion, and their request for an adjournment, was only served on the morning of the hearing. Their motion materials do not contain any evidence of any efforts to seek a refinancing of either mortgage and no basis for believing that there is any possibility of any refinancing. Nor is there any offer to keep the creditors current during the period of any adjournment.
9. However, there is also a more fundamental reason for refusing the request for an adjournment. This is not a case in which the debtor, or its principal, proposes a refinancing to preserve its equity in a project by injecting monies that will pay out the existing creditors. Given the size of the second mortgage, the debtor has no equity in the project as there is no prospect of any refinancing of the second mortgage. The contemplated financing will not inject any additional monies into the project. Instead, Mr. Kodwavi seeks time in order to explore the possibility of a "re-financing" to take an assignment of the first mortgage for strategic purposes.
10. While this proposed action is certainly available to a debtor/guarantor, I do not think that it is deserving of the Court's exercise of discretion when balanced against the legitimate concerns of both creditors for an appropriate sales process for the remaining townhouses. The proposed adjournment will not contribute in any way toward such a sales process. It will simply hold it up for a period of time and increase the accrued interest on the outstanding loans.

11. In addition, I do not see any material prejudice to the debtor or the guarantors to the denial of the requested adjournment insofar as they oppose any future disclaimer of the agreements for the sale of the townhouses. The matters that the debtor/guarantors wish to raise by way of responding materials pertain to the legitimacy of the sales agreements given past practice and otherwise. These are the very matters that will be investigated by the receiver as a court appointed receiver. They would also have to be addressed by the Court in any future motion by the receiver seeking the authority to disclaim such contracts. There will therefore be an opportunity for the debtor/guarantors to put forward their position on the appropriateness of the sale agreements both to the receiver and ultimately to the Court should the receiver move to disclaim the agreements. I also note that there is no evidence of any operating business that would be affected by a receivership.
12. Accordingly, the request for an adjournment, on either basis sought by the debtor, is denied for the reasons above.
13. I turn then to the request for the appointment of a receiver under s. 234(1) of the *Bankruptcy and Insolvency Act* and s. 101 of the *Courts of Justice Act*.
14. There is no doubt that, if this application had been brought by FAAN as the second mortgagee, the “just and convenient” requirement for the appointment of a receiver would have been satisfied. The second mortgage has been in default since the spring of 2017 and there is no prospect of any refinancing to pay out this debt. FAAN has a significant interest in maximizing the net sales proceeds from the sale of the remaining townhouses as the syndicated mortgagees that it represents are entitled to all of the residual equity in the project after payment of the applicant’s loans. FAAN has lost all trust and confidence in the debtor and its principals generally. In addition, significant questions have arisen regarding the agreements of purchase and sale which only reinforce that lack of trust and confidence. The apparent strategy of the guarantor to seek leverage against FAAN through its contemplated “refinancing” in order to achieve completion of these agreements only adds to this view of the debtor and its principals. In these circumstances the appointment of a receiver to preserve the property and to investigate the circumstances regarding these agreements is eminently reasonable.
15. In his materials filed today, Mr. Kodwavi says that he is prepared to inject an additional \$800,000 in total into the four sales to avoid the appointment of a receiver. This offer has been rejected by the creditors and, in particular, by FAAN. The Court cannot force such an arrangement on the parties. In the circumstances, the creditors’ rejection of this offer is a further indication of the extent of the lack of trust between the debtor and the creditors regarding the existing sale arrangements that is reflected in the request for the appointment of a receiver for the purposes described above.
16. The debtor argues, however, that the application should be denied because it is brought by the applicant, the first mortgagee, rather than FAAN. It says that the applicant has no

interest that requires protection in the form of a receiver, because it is possible or even probable that the applicant will be paid out on the sale of the townhouses.

17. I do not agree for the following reasons.
18. Until completion of the sale of the five townhouses, the applicant has, and will have, a real interest in ensuring that the sale of the townhouses proceeds in an orderly fashion in as short a period of time as possible in order to maximize the sales proceeds and thereby the likelihood that it will be paid out. This reflects the fact that, until completion of the sales, there remains uncertainty as to the exact payout to the applicant from these sales. In addition, the related party nature of four of the executed agreements, and in particular of the three that were executed by the wife of one of the guarantors, raises the question of whether the purchasers will be able to complete the transactions given the present economic circumstances of the debtor.
19. The Applicant and FAAN also argue that the Court should consider the interest of all the creditors, even if the applicant is a first secured creditor who is likely to be paid out. While I am not sure that is correct in all circumstances, in this case, the sale of these townhouses will require a discharge from the second mortgage which is best effected cooperatively between the two creditors. FAAN supports the application and, at the present time, is acting in concert with the first mortgagee to the benefit of the syndicated mortgagees that it represents by minimizing their legal and professional costs. The fact that the situation could change if the debtor or a guarantor were to take an assignment of the applicant's position is in my view too speculative to override the foregoing considerations in favour of a receiver based on current circumstances. For these reasons, I think the protection of the interest of the second mortgagee, FAAN, with a view to minimizing its loss, is a legitimate consideration. In this respect, I also reject the debtor's argument that the appointment of a receiver will result in unnecessary costs given that FAAN, as the party that will effectively bear such costs, supports the appointment of a receiver nonetheless.
20. Based on the foregoing, the debtor's motion for an adjournment is denied and the applicant's motion for the appointment of a receiver on the basis described above is granted.

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Wilton-Siegel J.

## **Appendix “C”**

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

THE HONOURABLE MR. ) MONDAY, THE 13<sup>th</sup>  
 )  
JUSTICE CAVANAGH ) DAY OF SEPTEMBER, 2021

B E T W E E N :

KINGSETT MORTGAGE CORPORATION

Applicant

- and -

SUNRISE ACQUISITIONS (HWY 7) INC.

Respondent

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

**APPROVAL AND VESTING ORDER  
(Lot 43)**

**THIS MOTION**, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Sunrise Acquisitions (Hwy 7) Inc. (the "**Company**") acquired for, or used in relation to a business carried on by the Company and the proceeds therefrom, including, without limitation certain real property owned by the Company in Markham, Ontario, for an order, *inter alia*, approving the sale transaction (the "**Transaction**") with respect to all of the lands and premises municipally described as 4134 Highway 7 East, Markham, Ontario (Lot 43) and all of the present



and after-acquired assets, undertakings and properties of the Company related thereto contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Silas Si Long Yip and Etta Chee (together, the "**Purchaser**"), as purchaser, dated August 17, 2021 (as amended, the "**Sale Agreement**"), a copy of which is attached as Appendix "E" to the Second Report of the Receiver dated September 3, 2021 (the "**Second Report**"), and vesting in the Purchaser, all of the Company's right, title and interest in and to the property described in the Sale Agreement (the "**Purchased Assets**"), was heard this day via videoconference due to the COVID-19 pandemic.

**ON READING** the Second Report and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Aiden Nelms sworn and filed,

#### **SERVICE**

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

#### **DEFINED TERMS**

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein have the meaning ascribed to them in the Sale Agreement or the Second Report, as applicable.

## **DISCLAIMER OF EXISTING LOT 43 APS**

3. **THIS COURT ORDERS** that, to the extent not already terminated, the Pre-Filing APS (as defined in the Second Report) shall be and is hereby deemed to be terminated, repudiated and/or disclaimed effective as of the date of this Order.

## **APPROVAL AND VESTING**

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

5. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Company's right, title and interest in and to the Purchased Assets, including without limitation the subject real property identified in **Schedule "B"** hereto (the "**Real Property**"), shall vest absolutely in the Purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, leases, notices of lease, subleases, licences, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute or contingent), obligations, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of

the foregoing: (i) any encumbrances or charges created by the Receivership Order of the Honorable Justice Wilton-Siegel dated June 9, 2021; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater certainty, this Court orders and declares that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and are non-enforceable and non-binding as against the Purchaser.

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

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

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

9. **THIS COURT ORDERS** that following the delivery of the Receiver's Certificate contemplated herein, the Receiver is authorized and directed to:

(a) first, pay commissions to Re/Max Hallmark DG Group Brokerage in respect of commissions owing, being 4.5% of the sale price of the Purchased Assets, plus HST; and

(b) second, make one or more distributions to KingSett Mortgage Corporation, or as it may direct, up to the amount owing under its registered mortgage on the Real Property.

10. **THIS COURT ORDERS** that, notwithstanding:

- i. the pendency of these proceedings;
- ii. any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Company and any bankruptcy order issued pursuant to any such applications; and
- iii. any assignment in bankruptcy made in respect of the Company,

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

provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

#### **WAIVER OF ONHWPA NOTICE AND TARION AUTHORIZATION**

11. **THIS COURT ORDERS** that the Receiver is hereby authorized, but not required, to waive all applicable statutory documentary and other notice and vendor repair steps and periods (collectively, "**Applicable Notice**"), if any, to which it or the Company may be entitled under the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, c. 0.31, as amended, and the regulations promulgated thereunder (together, the "**ONHWPA**"), in respect of any warranty claims made in respect of the Purchased Assets, and that any such Applicable Notice be and is hereby waived until such time as the Receiver provides further notice in writing to Tarion Warranty Corporation ("**Tarion**").

12. **THIS COURT ORDERS** that in the event of a waived Applicable Notice, Tarion is entitled, in its discretion, to take action and remediate any defects in respect of the Purchased Assets that are warranted under the ONHWPA, notwithstanding any applicable notice or vendor repair periods in favour of a vendor prescribed by the ONHWPA, provided that: (i) the ONHWPA shall otherwise apply to all such remedial action taken by Tarion; and (ii) nothing in this Order shall affect Tarion's determination of whether or not a defect is covered by the ONHWPA.

13. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to provide to Tarion copies of any: (i) Pre-Delivery Inspection Forms; and (ii) Certificates of Completion and Possession/Warranty Certificates, in respect of the Purchased Assets.

## **APPLICATION OF ONHWPA AND CONDOMINIUM LEGISLATION**

14. **THIS COURT ORDERS** that, for greater certainty, all claims that a purchaser of the Purchased Assets might otherwise be entitled to bring from time to time against the Company or any other vendor of the Purchased Assets pursuant to the provisions of the *Condominium Act*, 1998, S.O. 1998, c. 19, as amended, and the regulations promulgated thereunder (together, the "**Condominium Act**") or the ONHWPA, including without limitation with respect to any defects of the Purchased Assets that are warranted under the ONHWPA, or with respect to any disclosure requirements prescribed by the Condominium Act, are non-enforceable and non-binding as against the Receiver.

## **RECEIVER'S ACTIVITIES AND REPORTS**

15. **THIS COURT ORDERS** that the Reports (as defined in the Second Report), and the activities of the Receiver and its counsel referred to therein, be and are hereby approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

## **GENERAL**

16. **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.



Digitally signed by  
Mr. Justice Cavanagh

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**SCHEDULE "A"**

**FORM OF RECEIVER'S CERTIFICATE**

Court File No. CV-21-00663051-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

KINGSETT MORTGAGE CORPORATION

Applicant

- and -

SUNRISE ACQUISITIONS (HWY 7) INC.

Respondent

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

**RECEIVER'S CERTIFICATE**

**RECITALS**

I. Pursuant to an Order of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 9, 2021 (the "**Receivership Order**"), KSV Restructuring Inc. was appointed as receiver and manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Sunrise Acquisitions (Hwy 7) Inc. (the "**Company**") acquired for, or used in relation to a business carried on by the Company and the proceeds therefrom, including, without limitation certain real property owned by the Company in Markham, Ontario.



II. Pursuant to an Order of the Court dated September 13, 2021, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and Silas Si Long Yip and Etta Chee (together, the "**Purchaser**"), as purchaser, dated August 17, 2021 (as amended, the "**Sale Agreement**"), and provided for the vesting in the Purchaser of all the Company's right, title and interest in and to the property described in the Sale Agreement (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction has been completed to the satisfaction of the Receiver.

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

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received, the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser in accordance with their terms;
3. The transaction has been completed to the satisfaction of the Receiver; and

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

**KSV RESTRUCTURING INC.**, solely in its capacity as court-appointed receiver, and not in its personal capacity or in any other capacity

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

Name:

Title:

**SCHEDULE "B"**  
**LEGAL DESCRIPTION OF THE REAL PROPERTY**

**4134 Highway 7 East, Markham, Ontario**

PIN 02985-0591 (LT): PART OF BLOCK 3, PLAN 65M4539 BEING PART 26 ON PLAN 65R37967; SUBJECT TO AN EASEMENT IN GROSS AS IN YR2639573; SUBJECT TO AN EASEMENT IN GROSS AS IN YR2652084 ; T/W AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420; SUBJECT TO AN EASEMENT IN FAVOUR OF YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1420 AS IN YR3009447; CITY OF MARKHAM.

**SCHEDULE "C"**  
**INSTRUMENTS TO BE DELETED**

<b>Registration No.</b>	<b>Registration Date</b>	<b>Instrument Type</b>	<b>Amount</b>	<b>Parties From</b>	<b>Parties To</b>
YR2299146	2015/06/02	Charge	\$31,981,940	Sunrise Acquisitions (Hwy 7) Inc.	Kingsett Mortgage Corporation
YR2299147	2015/06/02	No Assgn Rent Gen	n/a	Sunrise Acquisitions (Hwy 7) Inc.	Kingsett Mortgage Corporation
YR2340877	2015/08/18	Charge	\$8,000,000	Sunrise Acquisitions (Hwy 7) Inc.	Sorrenti Law Professional Corporation
YR2341683	2015/08/19	Transfer of Charge	\$8,000,000	Sorrenti Law Professional Corporation	Sorrenti Law Professional Corporation
YR2352867	2015/09/08	Transfer of Charge	\$8,000,000	Sorrenti Law Professional Corporation	Sorrenti Law Professional Corporation
YR2380504	2015/10/29	Transfer of Charge	\$8,000,000	Sorrenti Law Professional Corporation	Sorrenti Law Professional Corporation – 97.87%  Olympia Trust Company – 2.13%
YR2386283	2015/11/06	Transfer of Charge	\$8,000,000	Sorrenti Law Professional Corporation  Olympia Trust Company	Sorrenti Law Professional Corporation – 91.8%  Olympia Trust Company – 8.2%
YR2398064	2015/12/01	Transfer of Charge	\$8,000,000	Sorrenti Law Professional Corporation	Sorrenti Law Professional Corporation – 86.56%

				Olympia Trust Company	Olympia Trust Company – 13.44%
YR2415581	2016/01/13	Transfer of Charge	\$8,000,000	Sorrenti Law Professional Corporation  Olympia Trust Company	Sorrenti Law Professional Corporation - 81.85%  Olympia Trust Company – 18.15%
YR2421491	2016/01/26	Transfer of Charge	\$8,000,000	Sorrenti Law Professional Corporation  Olympia Trust Company	Sorrenti Law Professional Corporation – 80.51%  Olympia Trust Company – 19.49%
YR2442481	2016/03/11	Transfer of Charge	\$8,000,000	Sorrenti Law Professional Corporation  Olympia Trust Company	Sorrenti Law Professional Corporation – 79.14%  Olympia Trust Company – 20.86%
YR2481743	2016/06/03	Transfer of Charge	\$8,000,000	Sorrenti Law Professional Corporation  Olympia Trust Company	Sorrenti Law Professional Corporation – 77.82%  Olympia Trust Company – 22.18%
YR2543312	2016/09/15	Notice	\$9,873,262	Sunrise Acquisition (Hwy 7) Inc	Sorrenti Law Professional Corporation  Olympia Trust Company

YR2572486	2016/11/03	Charge	\$1,648,879	Sunrise Acquisition (Hwy 7) Inc.	Kingsett Mortgage Corporation
YR2582279	2016/11/22	Postponement	n/a	Sorrenti Law Professional Corporation  Olympia Trust Company	Kingsett Mortgage Corporation
YR2623638	2017/02/09	Postponement	n/a	Kingsett Mortgage Corporation	The Corporation of the City of Markham
YR2623639	2017/02/09	Postponement	n/a	Kingsett Mortgage Corporation	The Corporation of the City of Markham
YR2623640	2017/02/09	Postponement	n/a	Sorrenti Law Professional Corporation  Olympia Trust Company	The Corporation of the City of Markham
YR2652085	2017/04/10	Postponement	n/a	Kingsett Mortgage Corporation	Alectra Utilities Corporation
YR2652086	2017/04/10	Postponement	n/a	Kingsett Mortgage Corporation	Alectra Utilities Corporation
YR2652087	2017/04/10	Postponement	n/a	Sorrenti Law Professional Corporation  Olympia Trust Company	Alectra Utilities Corporation
YR2664318	2017/05/05	Postponement	n/a	Kingsett Mortgage Corporation	The Corporation of the City of Markham

YR2664319	2017/05/05	Postponement	n/a	Kingsett Mortgage Corporation	The Corporation of the City of Markham
YR2664320	2017/05/05	Postponement	n/a	Sorrenti Law Professional Corporation Olympia Trust Company	The Corporation of the City of Markham
YR2720530	2017/08/21	Notice	\$4,000,000	Sunrise Acquisitions (Hwy 7) Inc.	Kingsett Mortgage Corporation
YR2782817	2018/01/12	Restrictions - Land	n/a	Sunrise Acquisitions (Hwy 7) Inc.	
YR2872432	2018/09/12	Notice	\$5,500,000	Sunrise Acquisitions (Hwy 7) Inc.	Kingsett Mortgage Corporation
YR2872560	2018/09/12	Postponement	n/a	Sorrenti Law Professional Corporation Olympia Trust Company	Kingsett Mortgage Corporation
YR3012090	2019/09/24	Notice	n/a	Sunrise Acquisitions (Hwy 7) Inc.	Kingsett Mortgage Corporation
YR3015611	2019/10/02	Application Court Order	n/a	Ontario Superior Court of Justice	Faan Mortgage Administrators Inc.
YR3138773	2020/09/09	Charge	\$573,750	Sunrise Acquisitions (Hwy 7) Inc.	Rehanna Ameerullah – 60.78% Mansi Kumari – 39.22%

YR3267063	2021/06/16	Apl Court Order	n/a	Ontario Superior Court of Justice (Commercial List)	KSV Restructuring Inc.
YR3292147	2021/08/03	Construction Lien	\$669,602		Rivervalley Masonry Group Ltd.



**SCHEDULE "D"**  
**PERMITTED ENCUMBRANCES**

<b>Registration No.</b>	<b>Registration Date</b>	<b>Instrument Type</b>	<b>Amount</b>	<b>Parties From</b>	<b>Parties To</b>
R488826	1988/11/15	Notice – Airport Zoning Regulations	n/a		
YR688132	2005/08/22	Notice – Pickering Airport Site Zoning Regulations	n/a	Her Majesty the Queen in right of Canada as represented by The Minister of Transport	
65M4539	2017/02/02	Plan Subdivision	n/a		
YR2623637	2017/02/09	No Sub Agreement	n/a	The Corporation of the City of Markham	Sunrise Acquisitions (Hwy 7) Inc.
YR2623649	2017/02/09	Application to Annex Restrictive Covenants	n/a	Sunrise Acquisitions (Hwy 7) Inc.	
YR2639573	2017/03/16	Transfer Easement	n/a	Sunrise Acquisitions (Hwy 7) Inc.	Enbridge Gas Distribution Inc.
YR2640297	2017/03/17	Plan Correction	n/a	Assistant Examiner of Surveys	
YR2652084	2017/03/17	Transfer Easement	n/a	Sunrise Acquisitions (Hwy 7) Inc.	Alectra Utilities Corporation
YR2664317	2017/05/05	Notice of Site Plan Control Agreement	n/a	The Corporation of the City of Markham	Sunrise Acquisitions (Hwy 7) Inc.

YR2666512	2017/05/10	By-Law	n/a	The Corporation of the City of Markham	
65R37967	2018/07/31	Plan Reference	n/a		
YR2872601	2018/09/12	Transfer	\$2.00	Sunrise Acquisitions (Hwy 7) Inc.	Sunrise Acquisitions (Hwy 7) Inc.
YR3006971	2019/09/11	ByLaw	n/a	The Corporation of the City of Markham	
YRCP1420	2019/09/17	CE Condo PLN	n/a		
YR3009447	2019/09/17	Condo Declaration	n/a	Sunrise Acquisitions (Hwy 7) Inc.	
YR3011927	2019/09/24	Condo ByLaw / 98	n/a	York Region Common Elements Condominium Corporation No. 1420	

**KINGSETT MORTGAGE CORPORATION**

- and -

**SUNRISE ACQUISITIONS (HWY 7) INC.**

Applicant

Respondent

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

Proceeding commenced at Toronto

**APPROVAL AND VESTING ORDER**  
**(Lot 43)**

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Counsel to KSV Restructuring Inc., solely in its capacity as  
Court-appointed Receiver and not in its personal capacity

**KINGSETT MORTGAGE CORPORATION**

- and -

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**MOTION RECORD OF THE RECEIVER**  
**(Volume 1 of 3)**

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