

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**KSV KOFMAN INC. IN ITS CAPACITY AS RECEIVER AND MANAGER
OF CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT
CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER)
LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858
ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK
(525 PRINCESS STREET) INC. and TEXTBOOK (555 PRINCESS
STREET) INC.**

Plaintiffs

- and -

JOHN DAVIES and AEOLIAN INVESTMENTS LTD.

Defendants

AFFIDAVIT OF JOHN DAVIES

(Sworn July 14, 2017)

I, John Davies, of King City in the Province of Ontario, MAKE OATH AND SAY:

1. I am one of the defendants in the above noted action and the sole director and officer of the corporate defendant Aeolian Investments Ltd. (“Aeolian”). As such, I have personal knowledge of the information set out in this affidavit. For convenience, unless otherwise defined, the defined terms herein have the same meaning as the terms defined in the Receiver’s Sixth Report.

2. I swear this affidavit in opposition to the Receiver’s motion for an extension of the Mareva order against me and Aeolian, and an interim Mareva order against (i) me in my capacity as trustee of the Davies Family Trust and the Davies Arizona Trust and (ii) my wife, Judith Davies.

3. As discussed more fully below, there is no basis upon which the relief sought by the Receiver should be granted:

- (a) The evidence upon which the Mareva order was originally granted was incomplete and created a false impression (through no fault of the Receiver). Substantial additional evidence has since been provided to the Receiver regarding the nature of the disputed development management fee payments which makes it clear that these payments were known to and authorized by the Trustee Corporations. In my view, this evidence has not been fully or fairly stated in the Receiver's materials.
- (b) The Receiver has mischaracterized the nature of the asset sales, both past and prospective, which it points to as evidence of my intention to liquidate assets and put them out of reach of the Receivership Companies. These sales were directed by and for the benefit of my creditors.
- (c) The Receiver has thoroughly examined me regarding my financial status and is aware that I have no further assets that could be liquidated. The only asset of some value over which I exercise some degree of control is the Arizona Property, which I have undertaken not to sell or encumber pending the outcome of this proceeding, and which could not be sold quickly even if I desired to do so (which I do not). There is no risk of dissipation of assets.

4. On these grounds, I respectfully ask that the Court dismiss the Receiver's motion and, in addition, lift the Mareva order against me and Aeolian. If this Court is not prepared to do so, in light of the losses I have suffered and will continue to suffer, I respectfully ask that the Receiver be required to provide an undertaking as to damages.

5. As the Receiver's materials were delivered yesterday morning, I have only had a short amount of time to prepare this initial affidavit. Once I have had the opportunity to more carefully review the materials, I may prepare a supplementary affidavit to address additional issues.

Allegations Regarding Management Fees are Without Merit

6. Significant portions of the Receiver's claim, including its claim regarding amounts paid to members of my family and to the Davies Arizona Trust, are entirely contingent upon the Receiver's allegations regarding development management fees paid to the Davies Developers which are variously described as "fraudulent", "covert", "secret", and prohibited under the terms of the Loan Agreements between the Davies Developers and the Trustee Corporations. These allegations are unsupportable and entirely without merit.

(a) Trustee Corporations were Aware of and Consented to Management Fees

7. As set out in a memorandum prepared for and provided to the Receiver on June 23, 2017 (a copy of which I attach as **Exhibit "A"**, and which is included in the Receiver's Motion Record at Tab 3B), and as I testified at my examination (see questions 240-249), for each of the development projects, the Davies Developers prepared detailed development pro-formas setting out projected costs and revenues. I attach as **Exhibit "B"** a pro-forma for 555 Princess, which is representative of all the pro-formas that were prepared.

8. Each pro-forma included line items relating to "development management" and "development management fees" which, consistent with industry standards, were calculated at 5% of the overall project cost. These development management fees, which were paid monthly in the ordinary course over the term of the project, were used to pay staff costs, office expenses and overhead, and to compensate management for their work in advancing the projects through predevelopment. Such work included site acquisition and analysis, budget preparation, hiring of consultants, creation of pro-forma analyses, negotiation with City authorities regarding planning and approvals, site plan approval, design, density, building materials, site servicing and drainage,

construction cost estimating, coordination with consultants, and preparation of various studies for the City and Region authorities including geotechnical, environmental, traffic/parking and storm water/servicing.

9. To the Receiver's knowledge (see question 240 of my examination), in each case, the relevant pro-forma was provided to Raj Singh, the director and officer of each of the Trustee Corporations, for review prior to any funds being raised from investors by the Trustee Corporations. Mr. Singh reviewed the pro-formas on behalf of the Trustee Corporations and asked questions, including occasional questions regarding the development management fees. In one instance, at Mr. Singh's request, the development management fee for the Scollard project was reduced from 5% to 4%. Once Mr. Singh and the Trustee Corporations were satisfied, they proceeded to raise funds from investors. There was nothing "secret" or "covert" about the development management fees; the Trustee Corporations were fully informed of their existence and quantum. We have provided the Receiver with significant correspondence that we exchanged with Mr. Singh regarding the development management fees; I have attached as **Exhibit "C"** a few representative examples.

10. The Davies Developers had no relationship with any of the investors; their relationship was with the Trustee Corporations. It was the responsibility of Mr. Singh and the Trustee Corporations to advise investors of the costs associated with the various projects in which they would be investing, including the development management fees that would be paid.

(b) Management Fees were Permitted under Loan Agreements

11. The relationship between the Davies Developers and the relevant Trustee Corporations was governed by the Loan Agreements that are attached to the Receiver's Fourth Report. Certain

of the Loan Agreements (those for 445 Princess, 525 Princess, 555 Princess, Bronson and Ross Park) permitted payment of ordinary course amounts related to the management, development and operation of the relevant project, provided that those amounts were reasonable for the services rendered. As such, under these Loan Agreements, payment of development management fees was permitted.

12. The Receiver has stated that the amounts paid by 525 Princess and 555 Princess appear unreasonable as the projects had achieved little progress and remained in the pre-construction phase. This statement demonstrates a lack of understanding of the work that the Davies Developers were retained to complete. In the Acknowledgement and Direction provided to investors in the Kitchener project (which is at Tab 2R of the Receiver's Motion Record), investors were advised that the proceeds were to be used for, amongst other things, "acquisition of property, design, marketing, approvals, rezonings, drawings, engineering report[s]", all of which are pre-construction tasks. I believe that similar disclosure was made to investors in most or all of the other development projects, including those related to the Receivership Companies. The Davies Developers were responsible for advancing the projects towards construction readiness – which they did – and for this work, were entitled to receive the development management fees agreed to by the Trustee Corporations.

13. With respect to the Loan Agreements for the other Davies Developers (Scollard, Legacy Lane, Burlington, Kitchener, Oakville and McMurray), "Distributions" (which include management fees) were permitted with the consent of the relevant Trustee Corporation. As noted above, the Trustee Corporations had full knowledge of the development management fees that were proposed for each project and, with that knowledge, went to market and raised funds from

investors. In this context, there can be no question that the Trustee Corporations consented to the payment of development management fees.

14. The Receiver has also questioned the validity of the development management fees on the basis that no management agreements were entered into between Aeolian and the Davies Developers. In my 25 years as a real estate developer, having borrowed and repaid more than \$200 million, I have never once been asked by a lender (including large institutional lenders such as HSBC and Laurentian Bank) to execute any services or management agreement with respect to development management fees. The pro-formas and other due diligence materials have always been the documents that establish the overall parameters of a project and that lenders use to decide whether and how much they are willing to lend.

15. The development management fees that I earned were paid to Aeolian, which is my personal holding corporation. To the Receiver's knowledge, over the years, various payments were made from Aeolian to the Davies Arizona Trust, to my wife (for the purpose of reducing my personal income tax burden, as I disclosed in my examination at questions 391-394), and to pay for my ordinary and ongoing living expenses. In light of the fact that these payments were all funded by development management fees that had been properly earned, the Receiver's allegations regarding their impropriety are without merit.

24 Country Club Drive

16. 24 Country Club Drive (the "**Residence**") is my current residence. My wife Judith, my daughter Jessica and her fiancée, and my son Jack also reside at the Residence. I purchased the Residence in July 2011.

17. The Residence is subject to a first mortgage from Moskowitz Capital Mortgage Fund II Inc. (“**Moskowitz**”) in the amount of \$1,950,000 (the “**Mortgage**”). The principal amount outstanding on the Mortgage as of November 1, 2016 was \$768,877 with a 12.5% annual interest rate (prior to February 28, 2017, the annual interest rate was 11.7%). There are also four CRA liens on title to the Residence in relation to unpaid income taxes totalling \$599,954.25. I attach to my affidavit as **Exhibit “D”** a copy of the parcel register for the Residence; as **Exhibit “E”** a copy of the Mortgage instrument registered on title to the Residence; and as **Exhibit “F”** copies of the CRA liens registered on title to the Residence.

18. To the Receiver’s knowledge, I have been unable to make payments on the Mortgage (see questions 110-113 of my examination). The Mortgage is in default and has been since November 1, 2016. The total current outstanding amount on the Mortgage as of June 12, 2017 is \$858,990.99. This information was provided to the Receiver on June 30, 2017 as part of the answers to undertakings arising out of my examination (a copy of which is attached hereto as **Exhibit “G”**).

19. As a result of the default, at the instruction of Moskowitz, the Residence was listed for sale in February 2017 for \$1.6 million. An offer was accepted on February 25, 2017 for \$1.635 million with a closing date of June 20, 2017. However, to the Receiver’s knowledge, that deal was terminated by the prospective purchaser on or about May 15, 2017 as the purchaser was overextended (see questions 131-133 of my examination).

20. As I testified at my examination (see question 135), after the deal was terminated, I asked Moskowitz whether it would consider allowing me and my family to continue living in the Residence on an interest-free basis rather than immediately enforce upon its security. If

Moskowitz refused my request and determined to sell the Residence by power of sale, and as I told the Receiver at my examination, I would try to re-list the Residence in order to have some measure of control over the potential sale price and avoid the discount associated with a power of sale proceeding.

21. Following my examination, on June 22, 2017, my wife received a Notice of Sale from Moskowitz (attached as **Exhibit "H"**) with a redemption date of July 22, 2017. With Moskowitz's consent, my wife and I have since re-listed the Residence in an attempt to gain market exposure and attract the highest possible sale price in order to pay my creditors. In this respect, and contrary to the information contained in the Receiver's Sixth Report, my wife and I entered into a listing agreement on June 22, 2017 (a copy of which is attached as **Exhibit "I"**). It is also relevant to note that the re-listing is in effect a continuation of the original listing, which would have remained in place to date had the February offer not been accepted (and subsequently terminated).

22. Contrary to the concerns expressed by the Receiver in its Sixth Report, my intention was never to alienate or dissipate the Residence in order to put the proceeds beyond the reach of creditors:

- (a) If this had been my intention, I would not have given sworn evidence of my intention to re-list the Residence in the event that I could not reach a deal with Moskowitz (see question 135 of my examination).
- (b) The proceeds from any sale of the Residence will flow entirely to my creditors. There are charges against the Residence totalling \$1,458,945.24 (the Mortgage and the CRA liens). The Residence is currently listed for \$1.6 million which, after taxes and realtor fees, will barely be enough to satisfy these amounts. In addition,

I have not yet filed my 2016 tax return, and it is likely that I will owe another \$200,000+ in income tax which would be payable out of any sale proceeds.

- (c) It was never my intention to alienate the Residence without advising the Receiver. In any event, the Mareva order is registered on title to the Residence. I understood that any potential sale of the Residence would require the order to be vacated, which would in turn require the approval of both this Court and the Receiver.

23. As I testified at my examination (see question 136), I have no intention of moving away. The Residence is my family's home. The only reason we have listed it for sale is to avoid the alternative result of a discounted sale price by way of power of sale. I did not inform the Receiver of the listing or of the open house on July 8, 2017 because I believed the Receiver already understood my intentions from my testimony.

24. I sincerely apologize for any concern I have caused this Court or the Receiver regarding the Residence.

The Arizona Property

25. As the Receiver states in its Sixth Report, and as I testified at my examination (see question 150), the Davies Arizona Trust was settled in December 2013, long before any of the allegations in this lawsuit arose. As such, it should be apparent that the Davies Arizona Trust was not established for the purpose of evading creditors or any other improper purpose. Rather, it was established for the primary benefit of my children.

26. After the Davies Arizona Trust was created, it purchased the Arizona Property and commenced renovations (which are incomplete). The Davies Arizona Trust has no other assets. All costs associated with purchasing and renovating the Arizona Property were funded by

Aeolian from the management fees earned in relation to the various projects being developed by the Davies Developers. As noted above, in each instance, these fees were disclosed to and approved by the Trustee Corporations prior to any funds being raised from investors, and earned and paid in the ordinary course in accordance with the pro-formas.

27. I have no intention to cause the Davies Arizona Trust to sell the Arizona Property, as it is the only remaining asset over which I have some degree of control. As noted in the Receiver's Sixth Report, my lawyers have already confirmed to the Receiver that I will not take steps to sell or encumber the Arizona Property (see Tab 3M of the Receiver's Motion Record). I will similarly undertake to this Court that I will not sell or further encumber the Arizona Property without the consent of the Receiver until this proceeding is finally resolved.

28. Moreover, the Arizona Property is not readily saleable for a number of reasons:

- (a) There are a number of significant deficiencies that need to be repaired in order to bring the Arizona Property into saleable condition, including electrical issues, termite infestation and cracks in the pool wall. These deficiencies are likely to cost at least US\$150,000 to repair (which I have no ability to fund), and the work would take between 4-5 months.
- (b) The Phoenix-area real estate market is distressed and has been for some time. Properties comparable to the Arizona Property are selling at significantly below their historic values. Based on the dollar-per-square-foot range of comparable sales, the potential gross sale value for the Arizona Property is between US\$1.09 million and US \$1.44 million. After deducting the mortgage, repair costs, unpaid contractor fees, taxes and realtor fees, the net proceeds are likely to be between US\$40,000 and US\$400,000.
- (c) Given the state of the market, it would likely take a significant period of time before the Arizona Property could be sold. Comparable properties in the local

area which have recently sold were listed between 7 and 23 months, and there are a number of properties in the same subdivision which have been on the market for over 24 months.

29. In light of the above, as well as the undertaking I have provided, I respectfully ask the Court to find that there is no justification or need to extend the Mareva order to the Davies Arizona Trust or the Arizona Property.

Rationale for Mareva Order No Longer Exists

30. In the materials filed in support of the initial *ex parte* motion for a Mareva order, the Receiver justified its request in part on the basis that (a) I had taken steps to liquidate assets and put them beyond reach of the Receivership Companies, and (b) there was a risk that I would continue to do so. To the Receiver's knowledge, these concerns no longer exist: I have taken no steps to liquidate assets and put them beyond reach of my creditors, and I have no further assets that could be liquidated.

31. Although the Receiver states that I have "embarked on a course of conduct designed to liquidate my assets and put them beyond the reach of the Receivership Companies", it only points to two specific examples: the sale of my cottage in April 2017 for approximately \$3 million, and the attempted sale of the Residence (first with respect to the sale that was terminated by the purchaser, and now with respect to the recent re-listing and open house).

32. I have already explained the rationale behind the Residence above: we are taking steps to market the Residence in order to avoid a forced sale and gain the best possible price for the benefit of my creditors. With respect to the cottage, the second mortgage provided by Moskowitz was more than \$100,000 in default and a Notice of Sale had been issued in February 2017.

Similar to the currently ongoing process regarding the Residence, the cottage was listed at the behest of Moskowitz, which would have exercised power of sale proceedings had we not successfully sold the cottage. To the knowledge of the Receiver (see questions 95-109 and the summary of the proceeds of sale, which is attached as **Exhibit “J”** and which was provided as part of my answers to undertakings), neither I nor the Davies Family Trust received any proceeds from the sale. Neither of these actions can be interpreted as being designed to evade creditors.

33. Moreover, the Receiver has already cross-examined me and obtained full disclosure of my assets, liabilities and financial status. I have no assets that are capable of being liquidated. The only asset of some value over which I have some degree of control is the Arizona Property, which is held by the Davies Arizona Trust for the benefit of my children and regarding which I have undertaken not to take any steps to sell or encumber pending the final disposition of this proceeding. Similarly, my wife has no assets of value that are capable of being liquidated. She is currently working part-time for \$22/hour to support our family’s living expenses. There is no risk of dissipation and, as such, no rationale for the Mareva order.

Damages Suffered as a Result of Mareva Order

34. Through this process, and as a result of the Mareva order, I have lost not only my home and all of my personal assets, but also my business and the business opportunity to profitably develop the various projects undertaken by the Davies Developers, which are now being liquidated at deeply distressed prices.

35. In addition, I have suffered tremendous damage to my reputation which has prevented me from re-establishing my business as a developer in order to repay my creditors and provide for my family. This has been deeply distressing to both me and my entire family.

36. In light of the losses and distress I have already suffered and will continue to suffer, including the impending sale of the Residence, in the event that the Court is not prepared to deny the Receiver's motion, it should vary both the existing Mareva order and the Mareva order sought to include an undertaking as to damages.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on July 14, 2017



Commissioner for Taking Affidavits
(or as may be)


Michael Beckett



JOHN DAVIES

TAB A

THIS IS EXHIBIT "A"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.

Michael Beulah

Overview of Development Management Fees

Summary:

Raj Singh, Tier 1's President and director and officer of the Trustee Corporations, and Greg Harris, Tier 1's lawyer, were fully aware and completely on-side with the Davies Developers charging 5% of the total project costs for development management fees. Prior to closing, each Tier 1 project was studied in considerable detail and both Singh and Harris were provided with detailed development pro-forma calculations which set out the projected costs and revenues of the project, including the 5% development management fee. The Trustee Corporations were also provided with multiple iterations of the pro-forma projections as pre-development work advanced. These development management fees, which were consistent with industry-standard development management costs, were submitted to the individual development companies for payment on a monthly basis.

Background:

McMurray Lofts and Condos

The subject of development management fees being invoiced to the individual development companies was first addressed in April 2012 when Singh wrote to Davies regarding the pro-forma for McMurray Lofts and Condos to request clarification as to which party would receive development management fees for project development services on McMurray and which party would receive the construction management fees.

Davies wrote to Singh on April 22, 2012, prior to the Tier 1 McMurray closing, and specified that the development management fee would be paid by McMurray for development management services. There were no further conversations pertaining to development management fees being charged in relation to the McMurray project.

Memory Care Oakville

By spring of 2012, Davies and Bruce Stewart (an original officer, director and shareholder of Memory Care Investments Ltd.) had spent approximately 12 months studying the feasibility of the Memory Care initiative. Singh had been introduced to the opportunity in late 2011 or early 2012. The first Memory Care development site on Garden Drive (at Lakeshore Blvd.) in Oakville was put under contract in the fall of 2011. Harris, who represented Tier 1 and Memory Care, incorporated Memory Care Investments (Oakville) Ltd. in May 2012 and the purchase occurred in October 2012.

During the due diligence period prior to closing, Davies and Stewart produced pro-forma sensitivity studies that were circulated to Singh and Harris. These studies set out all of the projected costs and revenues, including development management fees calculated at 5% of total hard and soft costs.

Davies, Stewart, Singh and Harris had a number of discussions about all the projected costs and revenues contained in the pro-forma, including the development management fees. These conversations took place prior to the Oakville closing. Harris and Singh initially took the position that they too should share in the development fees with Stewart and Davies. Davies and Stewart explained that the development management fees covered all of their overhead, including staff costs, office expenses and out of pocket costs, in addition to management fees paid to Davies and Stewart.

To facilitate invoicing of development management fees, Harris incorporated 'Memory Care Management Ltd.' in January 2013. Memory Care Management was owned 50/50% by Davies and Stewart and was specifically incorporated as the company that would invoice and receive development management fees from the Memory Care (and other) development entities (though it was never ultimately used for this purpose).

Scollard Development Corp.

For seven months, commencing in the fall of 2012 and throughout the winter and spring of 2013, Davies, Stewart and Singh explored the opportunity of developing a luxury, high-rise residential condominium project located at 50 Scollard Street on the site of the former sales and presentation centre for the 'Four Seasons Residences' condo in Yorkville.

Singh was responsible for sourcing financing while Davies and Stewart studied the redevelopment options for the property. Stewart and Davies prepared pro-forma projections of the costs, revenues and potential profit of the Scollard venture. Initial pro-forma studies indicated the project, as conceived, would cost approximately \$80 million to construct. Singh advised Davies and Stewart he thought that a 5% development management fee (\$4 million) was too high. Singh also advised that some investors wanted Davies to consider taking reduced development fees until such time as sufficient sales targets had been met to ensure the availability of construction financing.

Davies and Stewart explained to Singh the costs were attributed to the large number of new staff that would need to be hired to manage such a major project over four years. Davies, Stewart, Singh and Harris subsequently met to discuss the issues of fee timing and quantum and the parties agreed to reduce the development management fee for Scollard to 4%. All subsequent pro-forma projections for Scollard carried the 4% development management fee and there were no further discussions regarding the quantum or timing of fees. Tier 1 was ultimately unable to raise financing and the purchase option on the property expired.

Legacy Lane Residential Development, Huntsville

The Legacy Lane property was known to Stewart through his design and development consulting work for Chartwell, who owned and operated an adjacent retirement residence to the Legacy Lane site. As with the other projects, Davies and Stewart studied the opportunities and constraints associated with the project and submitted pro-forma analyses to Singh and

Harris in advance of closing on the property. The Legacy Lane project pro-forma included a 5% development management fee carried in the budget. Neither Singh nor Harris disputed this proposed fee.

Memory Care Burlington and Kitchener

As with Memory Care Oakville, Davies and Stewart prepared detailed financial projection pro-formas for both the Burlington and Kitchener Memory Care projects. Each pro-forma included a development management fee calculated at 5% of the total projected project cost. These pro-formas were circulated to Harris and Singh prior to closing, and Singh and Harris received updated financial reports (post-closing) throughout the pre-development phase. There were no discussions or questions raised by Singh or Harris about the development management fees.

'Boathaus' Condominiums, Whitby

Davies and Stewart were introduced to this prime redevelopment site by the former planning director of the Town of Whitby. Initially conceived as a 4-storey condominium project containing 256 suites, the development team added a fifth storey in response to robust early sales. Pro-forma studies were prepared by Davies and Stewart and were later refined by Davies and Chris Giamou (who had been hired by Davies as Sr. VP Finance). Prior to closing, pro-forma projections (which included a 5% development management fee) were prepared and presented to Singh and Harris. Based on the development's potential for success, Singh agreed to work to secure SMI financing to acquire the property. No issues were raised by Singh or Harris about any aspect of the pro-forma, including the 5% development management fee.

Invoicing of Development Fees

There is considerable correspondence between Davies, Stewart, Harris and Singh from early in their business relationship regarding the development management fees and their payment by the development companies to the Davies Developers. This correspondence includes questions from Singh and Harris about the quantum of fees, what costs are included, the growth of the enterprise and who should receive a share of the fee. Those questions were addressed to everyone's satisfaction and, as detailed above, the projects proceeded.

Singh and Harris were aware that development management fee payments flowed directly to Aeolian Investments Ltd. Neither of them ever raised any issues with this payment flow or advised the Davies Developers that taking this action was contrary to the terms of the Loan Agreements. Indeed, following Stewart's departure from the Memory Care enterprise, both Singh and Harris began invoicing Aeolian for a pro-rata share of the monthly Memory Care management fee draw that was previously payable to Stewart.

In addition, and as noted above, Harris incorporated Memory Care Management Ltd. in January 2013 to invoice development management fees and other overhead to the various development projects. This action, together with Singh and Harris' invoicing of Aeolian for a share of Stewart's management fee draw and the parties' interactions regarding pro-formas,

reflect Singh and Harris' consent to the payment of development management fees as an ordinary course expense in connection with the development of the various projects.

Quantum of Development Fees

As noted above, the Davies Developers had the approval of Singh and Harris to act as the development manager (or co-developer) for each of the development entities, and to charge an industry-standard 5% development management fee for their services. From these fees, the Davies Developers were responsible to pay management compensation and other staff costs, office expenses and over-head necessary to advance the projects through the predevelopment phase.

It was understood and agreed that the Davies Developers had full responsibility for developing the various projects, and had the authority to retain architects, engineers, planners, consultants and other experts. The Davies Developers advanced the projects and invoiced for development management fees in accordance with the pro-formas that were submitted to and approved by Singh, Harris and the Trustee Corporations.

The quantum of fees (charged on a project by project basis) reflected the progress achieved on each of the developments. Accounting records confirm that development management fees were invoiced on a monthly basis through the course of pre-development work on each project. Appropriate fee reserves were maintained so each project could be taken to 'shovel readiness' by the time the 5% fee had been fully disbursed.

TSI / TSSI

Textbook Suites Inc. and Textbook Student Suites Inc. were created to manage the development activities of the student housing project initiative. As with the Memory Care and other predecessor companies, a 5% development management fee was included as a development cost in every Textbook pro-forma.

TAB B

THIS IS EXHIBIT "B"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.

Michael Beaton

PROFORMA SUMMARY	19	20	21	22	23	24	25	26	27	28	29	30	31	GRAND
Cash flow - Capital cost	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	TOTAL
										Substantial	Occupancies		TAKE OUT	
Units Occupied - Monthly	0	0	0	0	0	0	0	0	0	65	65	65		
Units Occupied - Total	0	0	0	0	0	0	0	0	0	65	130	195		
INTERIM OPERATIONS														
Monthly rent - Retail														0
Monthly rent - Residents														0
Less: Operating costs										100,300	200,600	300,900		601,800
Other										28,084	56,168	84,252		-168,504
Total cash receipts	0	0	0	0	0	0	0	0	0	72,216	144,432	216,648	0	433,296
Construction % - Monthly	7.2%	6.7%	6.7%	6.7%	6.9%	6.4%	6.7%	10.8%	10.5%	0.3%	0.3%	0.3%		
Construction % - Total	37.8%	44.5%	51.2%	57.9%	64.7%	71.1%	77.8%	88.6%	99.1%	99.4%	99.7%	100.0%		100.0%
COSTS / CASH PAYMENTS:														
General Requirements	65,075	65,075	65,075	65,075	65,075	65,075	65,075	65,075	65,075					1,106,278
Site Work \ Connections													0	737,519
Concrete/Formwork/Parking	885,022												0	4,425,111
Masonry	81,947	81,947	81,947	81,947									0	491,679
Metals		81,947	81,947	81,947	81,947	81,947	81,947						0	491,679
Carpentry		122,920	122,920	122,920	122,920	122,920	122,920	122,920	122,920				0	983,358
Thermal & Moisture Protection		153,650	153,650	153,650	153,650	153,650	153,650	153,650	153,650				0	1,229,198
Doors & Windows		184,380	184,380	184,380	184,380	184,380	184,380	184,380	184,380				0	1,475,037
Finishes		215,110	215,110	215,110	215,110	215,110	215,110						0	1,720,877
Appliances \ Furnishings								921,898	921,898				0	1,843,796
Amenity, Specialties								61,460	61,460				0	122,920
Conveying Systems					122,920			122,920	122,920				0	491,679
Mechanical	389,246	389,246	389,246	389,246	389,246	389,246	389,246	389,246	389,246				0	4,670,951
Electrical	286,813	286,813	286,813	286,813	286,813	286,813	286,813	286,813	286,813				0	3,441,753
Upgrades & other							75,000	75,000					0	150,000
Construction Management	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	47,802	860,438
Construction Contingency	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	27,316	491,679
Design & Consulting	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	14,318	1,163,410
Legal & Dev. Management	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	113,717	2,615,500
Sales & Marketing	23,676	23,676	23,676	23,676	23,676	23,676	23,676	23,676	23,676	100,296	100,296	100,296	0	852,148
Interest & Finance	75,830	84,753	93,196	101,148	109,134	117,154	125,378	133,123	141,215	153,607	165,720	330,897	0	3,289,811
HST - Net of rebates												2,490,309	0	2,490,309
Soft cost contingency	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	13,043	0	300,000
Land Costs	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	0	6,865,724
Total cash payments	2,026,452	1,908,358	1,916,801	1,924,753	1,973,713	1,858,813	1,942,037	2,974,113	2,907,205	472,747	484,860	3,140,346	0	42,310,851
CASH REQUIRED	2,026,452	1,908,358	1,916,801	1,924,753	1,973,713	1,858,813	1,942,037	2,974,113	2,907,205	400,531	340,428	2,923,698	Deferred	41,877,555
FINANCING:														
Equity advance														0
Mezzanine Mortgage advance														-6,350,000
Construction advance	2,026,452	1,908,358	1,916,801	1,924,753	1,973,713	1,858,813	1,942,037	2,974,113	2,907,205	400,531	340,428	2,923,698	-29,177,555	0
Total FINANCING	2,026,452	1,908,358	1,916,801	1,924,753	1,973,713	1,858,813	1,942,037	2,974,113	2,907,205	400,531	340,428	2,923,698	-29,177,555	0
Closing bank balance	0	0	0	0	0	0	0	0	0	0	0	0	-41,877,555	0
1) EQUITY FINANCING:														
Opening Equity balance	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000
Current advances (repaid)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cummulative Equity balance	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	0
2) MEZZANINE FINANCING:														
Opening Mezzanine balance	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000
Current Advance (Repayment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cummulative Mezzanine balance	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	0
3) CONSTRUCTION FINANCING:														
Opening Construction Loan balance	6,080,654	8,107,106	10,015,464	11,932,265	13,857,018	15,830,731	17,689,544	19,631,581	22,605,694	25,512,899	25,913,429	26,253,858	29,177,555	29,177,555
Current advance (repayment)	2,026,452	1,908,358	1,916,801	1,924,753	1,973,713	1,858,813	1,942,037	2,974,113	2,907,205	400,531	340,428	2,923,698	-29,177,555	-29,177,555
Cummulative Construction Loan balance	8,107,106	10,015,464	11,932,265	13,857,018	15,830,731	17,689,544	19,631,581	22,605,694	25,512,899	25,913,429	26,253,858	29,177,555	0	0
													Cash Balance	-41,877,555
Interest on Construction Loan	25,336	33,780	41,731	49,718	57,738	65,961	73,706	81,798	94,190	106,304	107,973	109,391	0	940,277
Average Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	940,277
Interest on Mezz Financing	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	0	1,029,333
Average Interest Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	1,029,333
COMBINED INTEREST	78,253	86,696	94,648	102,634	110,654	118,878	126,623	134,715	147,107	159,220	160,889	162,308	0	1,969,610

PROFORMA SUMMARY
DETAILED REVENUE & COST ASSUMPTIONS
as at 25-Jun-15

	(1) Total to Date	(2) Estimated to Complete	(3) Total Forecast			Notes - Est to complete
REVENUES						
Suites	0	58,025,000	58,025,000	Per SF	\$500.00	Per summary
Parking	0	560,000	560,000			
Bicycle	0	0	0			
Upgrades	0	0	0			Estimated per unit
Sundry Income	0	134,400	134,400		1,000	Est for closing adj.
Retail	0	5,000,000	5,000,000			Estimated valuation
Less: HST (net of Rebate)	0	-4,004,570	-4,004,570			
Total REVENUES	0	57,714,830	57,714,830			
COSTS						
LAND						
Land - Purchase	0	2,300,000	2,300,000			Deposit 200,000
Land - Appreciation	0	0	0	\$2,000,000	\$300,000	
Land - Title Fees / Transfer tax	0	38,000	38,000	1.00%		% of land purchase
Parkland dedication	0	46,760	46,760			2.0% of appraised land value
City Dev Charges - Res	0	1,492,400	1,492,400	6,663	13,325	2015 Rates Inflated 2.5% 1BR 0 2BR 1,492,400
City Dev Charges - Comm	0	199,500	199,500	14,000	14,25	2015 Rates Inflated 2.5%
Section 37	0	36,000	36,000	1,500	24	Allowance for incr. density ?
Really Taxes	0	51,750	51,750	20,700	2.50	Est annual tax x 2.5 years
Site improvements	0	200,000	200,000			Allowance
Planning & traffic	0	100,000	100,000			Budget for zoning approvals
Total LAND	0	4,464,410	4,464,410			
CONSTRUCTION						
General Requirements	0	1,215,000	1,215,000	\$8.10	\$10,848	
Site Work	0	810,000	810,000	\$5.40	\$7,232	
Concrete / Formwork / Parking garage	0	6,010,000	6,010,000	\$40.07	\$53,661	including parking structure
Masonry	0	540,000	540,000	\$3.60	\$4,821	
Metals/Balcony railings	0	540,000	540,000	\$3.80	\$4,821	
Carpentry	0	1,080,000	1,080,000	\$7.20	\$9,543	
Thermal & Moisture	0	1,350,000	1,350,000	\$9.00	\$12,054	
Doors & Windows	0	1,620,000	1,620,000	\$10.80	\$14,464	
Finishes	0	1,890,000	1,890,000	\$12.60	\$16,875	
Appliances \ Furniture	0	2,025,000	2,025,000	\$13.50	\$16,880	Includes in-suite furnishings
Amenity	0	135,000	135,000	\$0.90	\$1,205	
Conveying Systems	0	540,000	540,000	\$3.60	\$4,821	
Mechanical	0	5,136,000	5,136,000	\$34.20	\$45,604	
Electrical	0	3,780,000	3,780,000	\$25.20	\$33,750	
Construction Management	0	845,000	845,000	\$6.50	\$8,500	Estimate of % hard costs
Construction Contingency	0	540,000	540,000	\$3.60	\$2,50%	
Sub-total	0	28,150,000	28,150,000	187.67		
Soils \ Demolition	0	0	0			Included above
Building permit	0	0	0	112.00	0	Included above
Municipal fees	0	0	0		0	Included above
Insurance / Bonding	0	0	0		0.00%	Allowance
Purchaser's upgrades	0	0	0		50.00%	Est at 50% of revenues
Total CONSTRUCTION	0	28,150,000	28,150,000	\$187.67		
DESIGN						
Architect	0	563,000	563,000	28,150,000	112	Units
Structural Engineer	0	112,600	112,600		2.00%	% of hard costs
Mechanical & Electrical	0	140,750	140,750		0.40%	"
Landscape Architect	0	50,000	50,000		0.50%	"
Site Services \ Civil Eng.	0	35,000	35,000		\$50,000	Allowance
Interior Designer	0	44,800	44,800		\$35,000	Allowance
Cost planning	0	15,000	15,000		\$400	
Inspection & Site Testing	0	42,000	42,000		\$15,000	Allow for take off / CM Contract
Code consultant	0	15,000	15,000		\$375	Bulletin 19
Soils \ Geotech \ Environmental	0	50,000	50,000		\$15,000	Allowance
Acoustic consultant	0	10,000	10,000		\$50,000	
Sprinkler consultant	0	10,000	10,000		\$10,000	Report
Vibration consultant	0	10,000	10,000	4	\$10,000	Report
Other consultants \ Studies	0	50,000	50,000		\$2,500	Monthly monitoring
Printing & disbursements	0	50,000	50,000		\$50,000	Misc.
Total DESIGN	0	1,198,150	1,198,150			
LEGAL & ADMINISTRATION						
Legal Fees	0	246,400	246,400		\$2,200	Closing + Incorporation/Incidentals
Accounting	0	22,500	22,500	3	\$7,500	Annual financials
Surveyor	0	44,800	44,800		\$400	Per unit estimate
Misc. Development	0	25,000	25,000			Out of pockets
After sales / Performance audit	0	75,000	75,000		\$75,000	Allowance for after sales/Post register
Development Management	0	1,500,000	1,500,000	30,000,000	5.00%	% of revenues
Total LEGAL & ADMINISTRATION	0	1,913,700	1,913,700			
SALES & MARKETING						
Marketing & Advertising	0	166,100	166,100		\$1,500	Allowance per unit
Sales Centre - Construction	0	25,000	25,000	1,000	\$25.00	Allowance for modifications
Sales Office - Operations	0	60,000	60,000	12	\$5,000	Staff & overhead for one year
Commissions - Lead Broker	0	780,306	780,306	1.50%	\$52,020,430	Revenue net of HST x
Commissions - Outside Broker	0	1,664,654	1,664,654	4.00%	80.00%	Allowance for 80% co-broke deals
Incentives - Rental Guarantee	0	200,000	200,000	100,000	\$100,000	Rental shortfall + Prop mngmt
Sales Consultant	0	0	0		\$0.00	
Retail - Tenant Inducements	0	350,000	350,000	14,000	\$25.00	Allowance
Retail - Commissions	0	63,000	63,000	18.00%	350,000	5-year deal (6% + (4 x 3%))
Total SALES & MARKETING	0	3,309,060	3,309,060			
FINANCE						
Arrangement fee	0	315,000	315,000	1.50%	21,000,000	Lender \ broker fee (NIC Mezz cost)
Service Charges & misc.	0	5,400	5,400	150	38	Monthly bank charges
Appraisal	0	40,000	40,000	2	20,000	Allowance for 2 Appraisals
Tarion enrolment	0	117,000	117,000	112	\$1,000.00	Enrolment fees + \$5,000 Reg.
Deposit Insurance Fees	0	133,047	133,047	2.5	1.00%	Tarion = 2 yrs / ECDI = 1 yr
Letter of Credit Fees	0	7,500	7,500	1.50%		2 Allowance for \$250,000 K of LC to City
Project Monitor	0	97,500	97,500	15	6,500	Bank's monitor during construction
Mazzenline Financing / Interest (Fees)	0	1,575,280	1,575,280	5,000,000	8.00%	Int rate + 4% bonus + 10% (fee + legals)
Construction Loan Interest	0	940,363	940,363		5.00%	Estimate as per cash flow
Total FINANCE	0	3,231,089	3,231,089			
INTERIM OPERATIONS						
Warranty Reserve	0	0	0		4.0	Estimated # of months for Int. occ.
Operating costs	0	188,244	188,244	\$420.19	47,061	Avg. CAM per month x # Months
Operating taxes	0	261,450	261,450	\$583.59	65,363	Avg. Tax per month x # Months
Occupancy Income	0	-1,047,295	-1,047,295	-\$2,337.71	-261,824	Avg. Int. Occ. rent per month x Months
Interest Earned on Deposits	0	0	0		0	Assumed = interest payable
Total INTERIM OPERATIONS	0	-597,601	-597,601			
CONTINGENCIES						
General	0	250,000	250,000			Allowance
Total CONTINGENCIES	0	250,000	250,000			
Total COSTS	0	41,918,809	41,918,809			

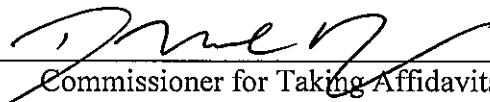
Sale:	Constr Start	Closing
195,077	195,077	390,153
416,163	416,163	832,327
611,240	611,240	1,222,480
5,458	5,458	10,916

Costs	Mezz costs	Net costs
NIC Land App		40,343,529
41,918,809	1,575,280	24,377,094
	Net Loan =	

Total	Tarion 2 Yr	Excess 1YR
8,403,750	2,240,000	6,163,750
	58,000	77,047

TAB C

THIS IS EXHIBIT "C"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.
Michael Beaton

From: jonndavies55@rogers.com [mailto:jonndavies55@rogers.com]
Sent: March 19, 2013 7:35 PM
To: Raj Singh, President <rajsingh100@gmail.com>
Cc: Greg Harris <gregharris@harrisandharris.com>; Bruce Stewart <bwstewart@rogers.com>
Subject: Re: Fwd: Fw: Scollard

Raj:

I think I get where you're coming from and I respond as follows.

The efforts of the development team are extensive and complex. I don't believe your investors fully comprehend the skill, experience and time necessary to achieve a successful outcome on such a complicated development venture.

Feel free to satisfy yourself that our fees are industry standard fees. Believe me Raj, we will earn every penny.

Raj, Bruce and I are not prepared to function as paid consultants on a project that we found, negotiated the purchase agreement, are the borrower, the developer, and the persons most responsible for the successful outcome of the venture.

Each of Bruce, Greg and I will only each earn approximately 12% of the back end and we are accepting that because we think it's a great project; but that is far less than you are earning for yourself.

Every pro-forma projection has shown our 4% development fee since the first iteration back in November. The cash flow shows the monthly fee payments. Neither the quantum of our fee, nor the timing of the payment of our fee has ever been discussed, until now.

Raj, we are prepared to move forward on the basis that our total development fee is paid monthly over the 48 month genesis of the venture. \$3.2 million of development fees will get paid over the full life of the project. That's 48 months to final occupancy and sign over to the condo corp. We anticipate receiving construction financing in approximately 24 months. According to our schedule we will have been paid around \$2 million of the total fee by the time we obtain construction financing.

It strikes me that it's a bit late in our discussions and deliberations to be having a conflict about having faith in us to deliver the project on time and on budget.

If the investors are worried that there isn't going to be construction financing available, they should probably find something less risky (and lucrative) to invest their money in.

To obtain construction financing we're going to be spending millions upon millions of dollars on planners, architects, engineers, marketing, design, sales professionals, lawyers and accountants to get us to the point two years from now where we qualify for construction financing.

Are your investors suggesting we ask the country's finest design and engineering consultants to earn a modest wage until such time as we determine whether we're going to make our projections? Of course not, just as it is inappropriate to ask the development team to work for a wage directing the project.

If your proposal is the only way you're prepared to move forward with us on the project then regrettably we will be withdrawing from participating.

Let's discuss next week.

John.

Sent from my BlackBerry device on the Rogers Wireless Network

From: Raj Singh <rajsingh100@gmail.com>
Date: Tue, 19 Mar 2013 18:32:48 -0400
To: John Davies<johndavies55@rogers.com>
Cc: Greg Harris<gregharris@harrisandharris.com>; Bruce Stewart<bwstewart@rogers.com>
Subject: Re: Fwd: Fw: Scollard

John:

This is not the same as Tier1's fees John. Tier 1 makes about 3.5% to 4% on money raised not on total project cost to share amongst partners and pay staff & expenses. We are all betting on making our large upside when the projects are successfully completed.

Regardless, I am not concerned about the quantum of the development fee (I am assuming this is fair market rates and will take your word for it).

What I am concerned about is my complete reliance on you that construction financing will be successfully raised and the projects will be successful.

The development fee being paid out prior to this is an extreme worry for me and makes me very uncomfortable. This allows \$3.2 M of development fees to be withdrawn ahead of even knowing if construction financing can be arranged at all (a discussion that has come up several times).

What makes sense for investors is that a reasonable draw be taken out (and this can be discussed) with the bulk of it being paid out when the construction financing has been successfully arranged. It is therefore tied to performance of successfully obtaining construction financing. This is your area of expertise. If you are uncomfortable with this we should all know upfront.

I have discussed with Greg on the phone and he can share these thoughts better with you rather than doing via email.

I am back on Saturday and we can meet to discuss.

regards

Raj

1 Tue, Mar 19, 2013 at 6:19 PM, <johndavies55@rogers.com> wrote:

The development fees are earned and disbursed monthly starting in month 1. Same as Tier 1's fees.
Sent from my BlackBerry device on the Rogers Wireless Network

From: Raj Singh <rajsingh100@gmail.com>
Date: Tue, 19 Mar 2013 18:17:39 -0400
To: John Davies<johndavies55@rogers.com>
Cc: Greg Harris<gregharris@harrisandharris.com>; Bruce Stewart<bwstewart@rogers.com>
Subject: Re: Fwd: Fw: Scollard

The timing of the payment of the development fees as it relates to successfully obtaining construction financing to know we have a successful project.

/raj

On Tue, Mar 19, 2013 at 5:58 PM, <johndavies55@rogers.com> wrote:

Discuss what?
Sent from my BlackBerry device on the Rogers Wireless Network

From: rajsingh100@gmail.com
Date: Tue, 19 Mar 2013 14:57:43 -0700 (PDT)
To: <johndavies55@rogers.com>
Cc: Greg Harris<gregharris@harrisandharris.com>
Subject: Re: Fwd: Fw: Scollard

John

We can discuss further next week. I have asked Greg to set up a meeting for us.

Raj

Sent from my BlackBerry 10 smartphone.

From: johndavies55@rogers.com
Sent: Tuesday, March 19, 2013 3:09 PM
To: Raj Singh, President; Bruce Stewart
Reply To: johndavies55@rogers.com
Subject: Re: Fwd: Fw: Scollard

Raj: Regarding Development Fee. We reduced our fee on this project from 5% to 4%. John
Sent from my BlackBerry device on the Rogers Wireless Network

From: Raj Singh <rajsingh100@gmail.com>
Date: Tue, 19 Mar 2013 13:47:51 -0400
To: Bruce Stewart<bwstewart@rogers.com>
Cc: John Davies<johndavies55@rogers.com>
Subject: Re: Fwd: Fw: Scollard

Bruce:

- 1) What is the estimated size of the construction Loan?
- 2) The \$3.2 M development fee is to you & John (The developers)?

/raj

On Tue, Mar 19, 2013 at 1:08 PM, Bruce Stewart <bwstewart@rogers.com> wrote:

Raj,

- 1) The construction loan interest may be slightly understated in an effort to yield the targeted profit you were seeking.
- 2) Given that this building is 3 times the size of Bayview we feel this number is attainable. Bayview will be adjusted downward as we develop the budget I believe.
- 3) Development Fee is a fee to the Developers while Development Charges are those charged by the municipality.
- 4) Development Contingency is a typical 3% and may need to be adjusted upward given the site constraints.

Hope this helps.

Bruce

Bruce Stewart

The Traditions Development Company
75 Dufflaw Rd. Suite 205
Toronto, ON M6A 2W4
Tel: [416.477.7744](tel:416.477.7744) Cell: [416.471.0155](tel:416.471.0155)

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From: Raj Singh <rajsingh100@gmail.com>
To: Bruce Stewart <bwstewart@rogers.com>
Sent: Tuesday, March 19, 2013 9:07:23 AM
Subject: Fwd: Fw: Scollard

Bruce:

A few questions in from some of the equity folks. Please assist me with this. I also have to answer a number of questions for the folks on our team.

- 1) Construction Loan - What Amount and length of time it will be taken for? It is shown as interest charges at \$3M.
- 2) Construction cost @\$190 / sq ft. Everyone seems to think this is low. Any comments. I noticed in John's last email on Bayview he is using a number of \$200 for Bayview, Would Yorkville not be more giving type of facility?
- 3) What is development fee for \$#M and Development Charges for the \$4M? What is the difference in these 2 line items (maybe best to give a high level of categories).
- 4) Development contingency for such a large project seems quite small at less than \$1M.

There are some other questions but I did not get all of them down. These are some of the bigger questions. Can you please respond and let me know.

thanks

Raj

----- Forwarded message -----

From: <rajsingh100@gmail.com>
Date: Sat, Mar 16, 2013 at 10:33 AM
Subject: Fw: Scollard
To: Kris Parthiban <kris.parthiban@tier1advisory.com>

Proforma.
Confidential.

Kris, we can discuss to do exec summary.

Raj
Sent from my BlackBerry 10 smartphone.

From: johndavies55@rogers.com
Sent: Friday, March 15, 2013 2:25 PM
To: Raj Singh, President
Reply To: johndavies55@rogers.com
Cc: Greg Harris; Bruce Stewart
Subject: Fw: Scollard

Raj: As requested. John
Sent from my BlackBerry device on the Rogers Wireless Network

From: Bruce Stewart <bwstewart@rogers.com>
Date: Fri, 15 Mar 2013 11:23:37 -0700 (PDT)
To: John Davies <johndavies55@rogers.com>
Reply To: Bruce Stewart <bwstewart@rogers.com>
Subject: Scollard

Here you go.

Bruce Stewart

The Traditions Development Company
75 Dufflaw Rd. Suite 205
Toronto, ON M6A 2W4
Tel: 416.477.7744 Cell: 416.471.0155

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Raj Singh

My LinkedIn Profile:

<http://ca.linkedin.com/in/rajsingh100>

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Raj Singh

My LinkedIn Profile:

<http://ca.linkedin.com/in/rajsingh100>

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Raj Singh

My LinkedIn Profile:

<http://ca.linkedin.com/in/rajsingh100>

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Raj Singh

My LinkedIn Profile:

<http://ca.linkedin.com/in/rajsingh100>

From: John Davies [<mailto:johndavies55@rogers.com>]
Sent: May-15-13 9:26 AM
To: 'Raj Singh' <raisingsh100@gmail.com>
Cc: 'Bruce Stewart' <bwstewart@rogers.com>
Subject: RE: Pro-forma Costs for Scollard Street

I think Bruce has it organized as Gross Proceeds, less HST.

From: Raj Singh [<mailto:raisingsh100@gmail.com>]
Sent: May-15-13 8:44 AM
To: John Davies
Subject: Re: Pro-forma Costs for Scollard Street

Great John. You read my mind. I started to make my notes on the proforma based on yesterday's discussions.

Do you want to show the Sales inclusive of GST and net it out back? Your call.

/raj

On Wed, May 15, 2013 at 4:18 AM, John Davies <johndavies55@rogers.com> wrote:

Good morning, Bruce:

In advance of our pro-forma working session this morning at 11:00 am, I thought I'd fire you off the recent costing / revenue changes that have evolved in recent days that we should have reflected in the pro-forma.

Hard Costs:

Construction Tower: 140,000 sq. ft. of gfa @ \$260.00 per sq. ft. Say, \$36 million.

Construction Underground / Shipping / Garbage / Loading: 15,000 sq ft. hard cost @ \$150.00 per sq. ft.

Retail: 12,000 sq. ft. on Scollard @ \$300.00 per sq. ft.

Automated Parking Hard Cost: 20,000 sq. ft. @ \$150.00 per sq. ft.

Automated Parking Fit-out Systems: 80 stalls @ \$25,000 per stall.

Common Area Finishes / Lobby / Amenity Rooms: 10,000 sq. ft. \$350.00 per sq. ft.

ADD: Purchaser Upgrade Costs: \$50.00 per sq. ft. saleable (120,000 sq. ft.)

LAND COST: \$12,000,000.

SOFT COSTS:

Architect and Planning 3.5% of Hard Costs

Other consultants: (M+E) 1.5% of Hard.

Interior Design: 1.0% of Hard

Marketing Costs: 2% of Hard and Soft

Sales Commissions 3.5% of Gross Sales Revenues.

Interest Costs for Tier 1 As-is.

Softs Costs should be about 40% - 50% of Hard Costs.

All-in Hard and Soft Costs are roughly \$80 million, or \$600 per sq. ft. all-in.

Development Fee: 4% of Hard and Soft Costs.

Construction Mgt. Fee of 4% of Hard Costs.

All-in HARD and SOFT and LAND should be \$650.00 - \$700.00 per sq. ft.

Adjust Contingencies to meet the All-In budget.

GROSS SALES:

Let's say 120,000 sq. ft. net saleable area @ \$1000.00 per sq. ft. average. \$120 million.

Less: HST @ say 9% (\$10 million).

Add: Purchaser Upgrade Revenues @ \$75.00 per sq. ft saleable (120,000 sq. ft.)

Parking Revenues 80 stalls @ \$70,000. Per stall.

Locker Revenues 120 Lockers @ \$15,000 per locker.

Our Projected Profit should be around \$250.00 per sq. ft. Saleable or \$30 million. All in costs should be say, \$80 million or say, \$575.00 per sq. ft Gross: vs Revenues (after hst) of \$110 million, or say \$940.00 per sq. ft. (?) x 120,000 sq. ft. If you need to play with the numbers up or down, consider simply adjusting the AREA per sq. ft. of SALEABLE.

If the \$8 million Equity Lender is called upon to offer their covenant, we'll pay 0.75% per month as a "Credit Enhancement Fee" Maybe we'll want to add that as a soft cost line item now.

That's it for now. I'm working on the lower level shipping receiving and parking access / lobby sketches.

See you at 11:00 am.

John.

Raj Singh

My LinkedIn Profile:

<http://ca.linkedin.com/in/raisingsh100>

From: John Davies <johndavies55@rogers.com>
Sent: May 24, 2017 1:26 PM
To: "Dianna Cassidy"
Subject: FW: Typical MC Facility
Attachments: TDC_MemoryCareTypical_Proforma_60.xls

For the Pro-forma Drop box file.

From: John Davies [mailto:johndavies55@rogers.com]
Sent: November 11, 2013 3:03 PM
To: 'colman.obrien@tier1advisory.com' <colman.obrien@tier1advisory.com>
Cc: 'raj.singh@tier1advisory.com' <raj.singh@tier1advisory.com>; 'Gregory Harris' <GregHarris@harrisandharris.com>; 'Bruce Stewart' <bwestewart@rogers.com>
Subject: FW: Typical MC Facility

Hello Colman:

Per your request, please find attached our "Standard" development pro-forma for a typical Memory Care project.

Please do not hesitate to contact either Bruce or myself with any questions.

Regards,

John.

From: Bruce Stewart [mailto:bwestewart@rogers.com]
Sent: November 11, 2013 2:50 PM
To: John Davies
Subject: Typical MC Facility

John,

Please see attached for your review.

Thanks.

Bruce

Bruce Stewart

Traditions Development Company
51 Caldari Rd. Suite M1
Vaughan, ON L4K 4G3
: 416.477.7744 Cell: 416.471.0155

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From: John Davies <johndavies55@rogers.com>
Sent: May 24, 2017 1:42 PM
To: "Dianna Cassidy"
Subject: FW: Textbook Student Housing Suites Inc.

Pro-forma drop box file please.

From: John Davies [mailto:johndavies55@rogers.com]
Sent: March 30, 2015 1:17 PM
To: 'Gregory Harris' <GregHarris@harrisandharris.com>; 'rajsingh100@gmail.com' <rajsingh100@gmail.com>
Cc: 'GXUDC' <walter@gxudc.com>; 'Chris Giamou' <chris@memorycare.ca>; 'Nicole Cristiano' <NicoleCristiano@harrisandharris.com>
Subject: Textbook Student Housing Suites Inc.

Gentlemen:

Chris advises he is meeting with Raj tomorrow to review the Ross Park pro-forma. I am wondering if we shouldn't all participate in a meeting with a wider agenda?

As you know, we waived conditions last week on the purchase of the Ross Park property on Richmond Street in London. Michael Cane is working on the Ross Park appraisal based on a new suite matrix. We expect to have his final appraisal to g this week for Greg to provide to Peter Tuovi.

Walter has been negotiating the business terms for the purchase of the Ottawa U. and Carleton U. sites in Ottawa. A few weeks ago we presented a spreadsheet which set out three student housing sites and the quantum and timing of the Tier 1 raises associated with pursuing those deals. It was left that Raj was going to discuss these deals with his group and we'd circle back for a more meaningful discussion on what is achievable from a financing perspective. Walter's discussions (negotiations) are stalled in a bit of a vacuum without further input from Raj on what is achievable, and we do not want to make commitments to vendors that we can't honour. I know Raj has been exploring larger investor opportunities

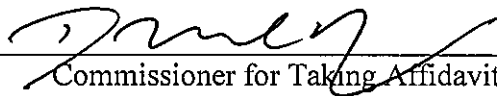
May I suggest that we have a full team meeting to review Ross Park pro-forma, schedule, Tier 1 raises and timing, an update on larger investor initiatives, and the status of the Textbook incorporation documents. Wednesday is good for me. Are you all available to meet at Greg's office Wednesday? Can I say 10:00 am?

Thanks,

John.

TAB D

THIS IS EXHIBIT "D"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.

Michael Beckett



LAND REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #65

29530-0018 (LT)

PAGE 1 OF 5
PREPARED FOR AMCCOYMICK
ON 2017/07/11 AT 14:43:51

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

PROPERTY DESCRIPTION:

UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 1 PL 65M7631, FTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING, S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.

PROPERTY REMARKS:

S/T SUBSECTION 44(1) OF THE LAND TITLES ACT, R.S.O. 1990 EXCEPT PARAGRAPHS 3 & 14 THEREOF.

ESTATE/QUALIFIER:

RECENTLY:
CONDOMINIUM FROM 03381-0204

EIN CREATION DATE:
2003/07/21

OWNERS' NAMES

DAVIES, JUDITH LENORE
DAVIES, JOHN EVAN

CAPACITY SHARE
TRST
TRST

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2003/07/21 **						
R536601	1990/03/07	AGREEMENT				C
		REMARKS: R505559 - REMARKS ENTERED		IN ERROR - ADDED 2003/01/24 BY LOIS YAKIWCCHUK		
R555403	1990/11/02	AGREEMENT				C
R578113	1991/09/17	AGREEMENT				C
		REMARKS: R422769 - REMARKS ENTERED		IN ERROR - ADDED 2003/01/24 BY LOIS YAKIWCCHUK		
R593261	1992/04/27	AGREEMENT				C
		REMARKS: R505559 - REMARKS ENTERED		IN ERROR - ADDED 2003/01/24 BY LOIS YAKIWCCHUK		
R645280	1994/08/16	AGREEMENT				C
R652983	1995/01/05	AGREEMENT				C
R672975	1996/02/09	AGREEMENT				C
LT1525322	2000/09/13	NOTICE AGREEMENT				C
		REMARKS: SITE PLAN DEVELOPMENT		CLUBLINK CORPORATION	THE CORPORATION OF THE TOWNSHIP OF KING PENTUND CAPITAL (NO.1) LIMITED ONTARIO MUNICIPAL EMPLOYEES RETIREMENT SYSTEMS	
YR61887	2001/10/17	NOTICE AGREEMENT				C
YR64939	2001/10/25	NOTICE AGREEMENT				C
YR93236	2002/01/07	NOTICE AGREEMENT				C
YR242719	2002/12/09	NOTICE				C
				THE REGIONAL MUNICIPALITY OF YORK	THE REGIONAL MUNICIPALITY OF YORK THE CORPORATION OF THE TOWNSHIP OF KING THE CORPORATION OF THE TOWNSHIP OF KING PACIFIC LIFE INSURANCE COMPANY	

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
YR257651	2003/01/17	NO SUB AGREEMENT		CLUBLINK CORPORATION	THE CORPORATION OF THE TOWNSHIP OF KING	C
YR257732	2003/01/17	NOTICE AGREEMENT REMARKS: SITE PLAN AGT.		CLUBLINK CORPORATION CCCC KING VALLEY LTD.	THE CORPORATION OF THE TOWNSHIP OF KING	C
YR257872	2003/01/20	CHARGE		*** DELETED AGAINST THIS PROPERTY *** CCCC KING VALLEY LTD.	HSEC BANK CANADA	
YR257880	2003/01/20	CHARGE		*** DELETED AGAINST THIS PROPERTY *** CCCC KING VALLEY LTD.	CLUBLINK CORPORATION	
YR268936	2003/02/17	NOTICE REMARKS: YR257480		*** DELETED AGAINST THIS PROPERTY *** CCCC KING VALLEY LTD.	CLUBLINK CORPORATION	
YR273427	2003/02/28	POSTPONEMENT REMARKS: YR257480 TO YR257872		*** DELETED AGAINST THIS PROPERTY *** CLUBLINK CORPORATION	HSEC BANK CANADA	
YRCP999	2003/07/10	PLAN CONDOMINIUM				C
YR325496	2003/07/10	DECLARATION CONDO		CCCC KING VALLEY LTD.		C
YR331491	2003/07/23	NOTICE		THE CORPORATION OF THE TOWNSHIP OF KING		C
YR337354	2003/08/01	APL ANNEX REST COV REMARKS: FOR 20 YRS FROM DATE OF REGISTRATION OF YORK		CCCC KING VALLEY LTD. REGION VACANT LAND CONDOMINIUM PLAN NO. 999.	CCCC KING VALLEY LTD.	C
YR338671	2003/08/06	CONDO BYLAW/98 REMARKS: BY-LAW #1		YORK REGION VACANT LAND CONDOMINIUM CORPORATION NO. 999		C
YR338672	2003/08/06	CONDO BYLAW/98 REMARKS: BY-LAW #2		YORK REGION VACANT LAND CONDOMINIUM CORPORATION NO. 999		C
YR338673	2003/08/06	CONDO BYLAW/98 REMARKS: BY-LAW #3		YORK REGION VACANT LAND CONDOMINIUM CORPORATION NO. 999		C
YR338674	2003/08/06	CONDO BYLAW/98 REMARKS: BY-LAW #4		YORK REGION VACANT LAND CONDOMINIUM CORPORATION NO. 999		C
YR338675	2003/08/06	CONDO BYLAW/98 REMARKS: BY-LAW #5		YORK REGION VACANT LAND CONDOMINIUM CORPORATION NO. 999		C

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29530-0018 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR340411	2003/08/11	RPL DEL EXECUTION		*** COMPLETELY DELETED *** CLUBLINK CORPORATION CCCC KING VALLEY LTD.		
YR342172	2003/08/13	TRANSFER EASEMENT	\$2	YORK REGION VACANT LAND CORPORATION NO. 999	HYDRO ONE NETWORKS INC.	C
YR506810	2004/07/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** HSBC BANK CANADA		
REMARKS: RE: YR257872						
YR506814	2004/07/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** CLUBLINK CORPORATION		
REMARKS: RE: YR257880						
YR506823	2004/07/23	TRANSFER		*** COMPLETELY DELETED *** CCCC KING VALLEY LTD.	WRIGHT, GARY JOHN WRIGHT, ELIZABETH HENRIETTA	
YR506824	2004/07/23	CHARGE		*** COMPLETELY DELETED *** WRIGHT, GARY JOHN WRIGHT, ELIZABETH HENRIETTA	NATIONAL BANK OF CANADA	
YR871966	2006/08/25	TRANSFER		*** COMPLETELY DELETED *** WRIGHT, GARY JOHN WRIGHT, ELIZABETH HENRIETTA	ANDREWS, MARIA	
YR905808	2006/11/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** NATIONAL BANK OF CANADA		
REMARKS: RE: YR506824						
YR933100	2007/01/05	CHARGE		*** COMPLETELY DELETED *** ANDREWS, MARIA	SCOTIA MORTGAGE CORPORATION	
YR981992	2007/05/07	CHARGE		*** COMPLETELY DELETED *** ANDREWS, MARIA	CANADIAN IMPERIAL BANK OF COMMERCE	
YR1032093	2007/08/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** SCOTIA MORTGAGE CORPORATION		
REMARKS: RE: YR933100						
YR1042387	2007/08/24	DECLARATION CONDO	\$70	YORK REGION VACANT LAND CONDOMINIUM CORPORATION NO. 999		C
REMARKS: AMENDMENT TO YR325496						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR1677300	2011/07/12	TRANSFER	\$975,000	ANDREWS, MARIA	DAVIES, JUDITH LENORE DAVIES, JOHN EVAN	C
YR1677301	2011/07/12	CHARGE		*** COMPLETELY DELETED *** DAVIES, JUDITH LENORE DAVIES, JOHN EVAN	MOSKOWITZ CAPITAL MORTGAGE FUND II INC.	
YR1677302	2011/07/12	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** DAVIES, JUDITH LENORE DAVIES, JOHN EVAN	MOSKOWITZ CAPITAL MORTGAGE FUND II INC.	
		REMARKS: YR1677301.				
YR1689305	2011/08/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
		REMARKS: YR981492.				
YR235381	2014/12/19	CHARGE	\$1,950,000	DAVIES, JOHN EVAN DAVIES, JUDITH LENORE	MOSKOWITZ CAPITAL MORTGAGE FUND II INC.	C
YR248662	2015/01/28	LIEN		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C
		REMARKS: TAX LIEN				
YR259162	2015/02/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** MOSKOWITZ CAPITAL MORTGAGE FUND II INC.		
		REMARKS: YR1677301.				
YR260075	2015/02/26	CHARGE		*** COMPLETELY DELETED *** DAVIES, JOHN EVAN DAVIES, JUDITH LENORE	GENERALS HOCKEY INC. GENERALS HOCKEY HOLDINGS INC. OSHAWA JUNIOR "A" HOCKEY CLUB LIMITED	
YR260106	2015/02/26	LIEN	\$204,364	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C
YR2434082	2016/02/23	LIEN	\$28,673	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C
		REMARKS: INCOME TAX				
YR2590860	2016/12/05	LIEN	\$145,898	HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		C

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LAND REGISTRY OFFICE #65

29530-0018 (LT)

PAGE 5 OF 5
 PREPARED FOR AMcCormick
 .ON 2017/07/11 AT 14:43:51

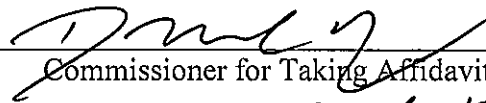
PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER
 * CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
YR2657827	2017/04/25	DISCH OF CHARGE		*** COMPLETELY DELETED *** GENERALS HOCKEY INC. GENERALS HOCKEY HOLDINGS INC. OSHAWA JUNIOR "A" HOCKEY CLUB LIMITED		
YR2682298	2017/06/08	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	KSV KOFMAN INC.	C

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TAB E

THIS IS EXHIBIT "E"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.
Michael Beckett

Properties

PIN 29530 - 0018 LT *Interest/Estate* Fee Simple
Description UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND
 ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM
 PROPERTY
 IS : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING.S/T & T/W
 AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.
Address 24 COUNTRY CLUB DRIVE
 KING CITY

Chargor(s)

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

Name DAVIES, JOHN EVAN
Address for Service 24 Country Club Drive, King City,
 Ontario, L7B 1M5

I am at least 18 years of age.

Judith Leonore Davies and I are spouses of one another and are both parties to this document

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

Name DAVIES, JUDITH LENORE
Address for Service 24 Country Club Drive, King City,
 Ontario, L7B 1M5

I am at least 18 years of age.

John Evan Davies and I are spouses of one another and are both parties to this document

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

Chargee(s)*Capacity**Share*

Name MOSKOWITZ CAPITAL MORTGAGE FUND II INC.
Address for Service 2200 Yonge Street, Suite 1002, Toronto, Ontario, M4S 2C6

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$1,950,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	see schedule		
<i>Balance Due Date</i>	2015/08/01		
<i>Interest Rate</i>	see schedule		
<i>Payments</i>	\$19,012.50		
<i>Interest Adjustment Date</i>	2015 01 01		
<i>Payment Date</i>	1st day of each month		
<i>First Payment Date</i>	2015 02 01		
<i>Last Payment Date</i>	2015 08 01		
<i>Standard Charge Terms</i>	200033		
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>			

Additional Provisions

See schedule.

Signed By

Valerie DeMelo-Patel 390 Bay St., Suite 2800 acting for Chargor Signed 2014 12 19
Toronto (s)
M5H 2Y2

Tel 416-365-3732

Fax 416-367-1208

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

Submitted By

GREEN AND SPIEGEL 390 Bay St., Suite 2800 2014 12 19
Toronto
M5H 2Y2

Tel 416-365-3732

Fax 416-367-1208

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

Schedule "A"

The principal sum secured by the within mortgage is \$1,950,000.00 bearing interest at a rate of the greater (on a monthly basis) of 11.70% per annum, or the TD Canada Trust posted bank prime rate of interest plus 8.70% per annum, calculated and compounded interest only monthly, and payable monthly and having a term of six (6) months.

Prepayment Privileges:

The mortgage is closed.

Purchaser Approval:

The Charge/Mortgage will be considered to be in default if the borrower sells, transfers or otherwise disposes of the property or any interest therein to a purchaser not approved by the mortgagee in writing.

The mortgagor agrees that any subsequent financing and refinancing of the property is subject to the approval of the mortgagee.

The Mortgagor and Guarantor hereby represent and warrant that they have the ability to service the mortgage debt.

The mortgagor agrees that the mortgagee shall charge a penalty of \$350.00 for payments not made when due or for any payments not honoured and the Mortgagor hereby waves notice of dishonour.

The mortgagor further agrees that in the event that the Mortgagee goes into possession of the property, a ten percent (10%) property management fee will be charged to the Mortgagor by the Mortgagee.

The mortgagor agrees that in the event of a sale, conveyance, lease, or transfer of the title to the mortgaged property to a purchaser, grantee, transferee, mortgagee, or lessee not approved in writing by the Mortgagee, then at the option of the Mortgagee, all monies secured under the mortgage shall forthwith become due and payable.

The mortgagor agrees that prior to registration of the mortgage documents, the mortgagor shall provide to the Mortgagee or its solicitors, with evidence that the property herein is adequately insured with an insurance company satisfactory to the Mortgagee and such insurance may be straight insurance, but if the Mortgagee so request, then such insurance must be provided for boiler coverage, liability, insurance loss of profits, or rental insurance as the case may be. The Mortgagor shall provide a certified copy of such insurance policy to the Mortgagee or its solicitors, denoting loss payable to the Mortgagee, such insurance policy shall insure the mortgage property for the principal amount secured by the Mortgage. Co-insurance is not acceptable. All insurance is subject to review by the Mortgagee's insurance consultant at the cost of approximately \$400.00 to the mortgagors.

Any tax bills issued and unpaid at the interest adjustment date are to be paid in full from the proceeds of this mortgage loan.

The occurrence of an event of default under any one security document held by the Mortgagee will constitute an event of default under all other security documents and loans held by the mortgagee, or in the name of any associated or affiliated corporation. If the mortgagee takes any proceeding pursuant to this mortgage or other security document by reason of the mortgagors' default, the mortgagee shall be entitled to add to the mortgage debt a service and administrative fee and a property inspection fee in addition to all other fees, costs, claims or demands to which the mortgagee is also entitled.

The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor shall not accept any offer to finance (the "Offer") respecting a loan to be secured by the whole or any part of the Lands and Premises without first giving the Mortgagee an opportunity to match such Offer. Accordingly, if the Mortgagor receives a bona fide Offer during the term of the Mortgage or any subsequent renewal thereof, which the Mortgagor is willing

to accept, the Mortgagor shall deliver a copy of the proposed Offer to the Mortgagee, and the Mortgagee shall have 5 business days following receipt of same to provide such financing of the Lands and Premises by delivering to the Mortgagor a signed mortgage loan commitment letter (the "Commitment") with the same terms and conditions as the Offer, which the Mortgagor shall immediately accept. If the Mortgagee has not delivered a Commitment to the Mortgagor within 5 business days following receipt of same by the Mortgagee, the Mortgagee shall be deemed not to have exercised the right of first refusal and the Mortgagor may accept the Offer. If for any reason the Mortgagee does not exercise the right of first refusal and the Mortgagor does not complete the Offer of financing which had been received, the right of first refusal of the Mortgagee shall continue in effect.

Nothing herein shall be deemed a waiver of the Mortgagee's right to a prepayment penalty as set out in the Mortgage or a waiver of any of the Mortgagor's covenants under the Mortgage.

The mortgagor agrees that the execution and/or registration of the security shall not operate as a merger of the remedies and provisions contained in the Mortgage Commitment Dated December 16, 2014, as amended, and the remedies and provisions contained in the Mortgage Commitment dated December 16, 2014 and amendments thereto, shall remain intact and be capable of enforcement against the mortgagors and guarantors and all other persons liable in respect thereof.

In the event that the Mortgagor fails to repay the principal and interest outstanding on the maturity date, or fails to accept a renewal offer tendered by the mortgagee (for any reason not attributable to the mortgagee) within 10 business days of the maturity date, then the mortgagee may at its sole option, automatically renew the mortgage on a month to month basis, at an interest rate equal to the TD Canada Trust Prime Lending Rate plus 15% per annum, calculated and payable monthly. In the event that the Mortgagee chooses not to renew, then there will be no further extensions, and the mortgagee will exercise its remedies under the mortgage charge. The mortgagee shall not be obligated to offer any renewal. All other terms and covenants under the existing mortgage shall continue to apply. The mortgage may be paid in full at any time during the one month renewal period. A Processing Fee which is the greater of \$1,000.00 or 2.00% of the outstanding balance shall be added to the principal balance if this extension is utilized.

The mortgagor and guarantors irrevocably agree to indemnify and hold the mortgagee harmless from and against any loss, cost, liability or expense incurred as a result of the enforcement for any claims for Brokerage, Legal, Appraisal, Finders Fees, or any other matter in relation to this loan. It is understood that neither the preparation nor the registration of any of the documents contemplated by the Mortgage Commitment dated December 16, 2014, as amended, shall bind the mortgagee or Moskowitz Capital Management Inc. to advance the funds hereby intended to be secured. Moskowitz Capital Management Inc. may refer to this property/mortgage and its general terms and conditions in its corporate advertising.

All loan costs, including Brokerage Fees, Commitment Fees, legal appraisal and survey costs, as well as insurance premiums in connection with the application and any resulting loan, are to be paid by the mortgagor and guarantors whether or not money is advanced under this loan, and may be deducted from the proceeds of the loan. The Mortgagee will charge a reasonable fee for the preparation of the Mortgage Discharge Statement, and the Mortgagee's solicitor will charge a reasonable fee for the preparation of the Discharge of Mortgage.

Any payment (other than payment of regular payments of principal and interest) that is made after 1:00 p.m. on any date, shall be deemed, for the purpose of calculation of interest, to have been made and received on the next bank business day.

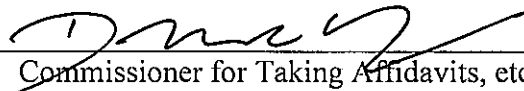
The following is the mortgagee's current schedule of administration and servicing fees. The mortgagee reserves the right to charge reasonable fees for other administrative services.

\$350.00	Missed Payment Fee: Payable for each missed or late instalment and for processing each NSF cheque or other returned payment;
\$400.00	Breach of undertaking and/or failure to provide satisfactory confirmation of payments within a timely fashion;
\$250.00	Insurance: Payable for dealing with each cancellation, premium payment or other non-compliance with insurance requirements;
\$500.00	Default Proceedings: Payable for each act or proceeding instituted;
\$75.00	Mortgage Statements: For preparation of each statement;
\$300.00	Purchaser Approval: For processing each application for assumption, whether or not, approved or completed;
\$800.00	Possession: For attending to take possession following default;
\$125.00	Maintenance: For administering maintenance and security of the property in our possession, per day;
\$500.00	Discharge Fee: for administering the discharge of one property. \$250.00 for each additional property.
\$1,000.00	Tax Default Fee: For failure by the Borrower to provide satisfactory confirmation of tax payments;
\$1,000.00	Prior encumbrance default fee: For failure by the Borrower(s)/Guarantor(s) to provide satisfactory confirmation prior encumbrances are in good standing.
\$200.00	Annual Tax Account Administration Fee: For administering and servicing the tax account.
\$350.00	Subsequent Advance Fee/Construction Draw fee

The Mortgagee reserves the right to charge reasonable fees for other administrative services.

TAB F

THIS IS EXHIBIT "F"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.

Michael Beckett

Properties

PIN 29530 - 0018 LT
Description UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING. S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.
Address 24 COUNTRY CLUB DRIVE
 KING CITY

Claimant(s)

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

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

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

Statements

Schedule: See Schedules

Signed By

Paul A Lourie 5001 Yonge St., 17th floor acting for Signed 2015 01 28
 North York Applicant(s)
 M2N 6R9

Tel 416-218-4662

Fax 416-954-6319

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

Submitted By

CANADA REVENUE AGENCY 5001 Yonge St., 17th floor 2015 01 28
 North York
 M2N 6R9

Tel 416-218-4662

Fax 416-954-6319

Fees/Taxes/Payment

Statutory Registration Fee \$60.00
Total Paid \$60.00

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

CONSIDERATION:\$211,017.17

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

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

AND WHEREAS JUDITH DAVIS (SOMETIME KNOWN AS JUDITH LENORE JACKSON AND JUDITH LENORE DAVIES)

is indebted to the Minister of National Revenue for income taxes and other amounts totalling \$211,017.17 at the date of issuance of the Certificate in Court File Number ITA-14767-14 by the Court, together with interest at such rate or rates as determined from time to time by Section 161 of the Income Tax Act;

AND WHEREAS JUDITH DAVIS (SOMETIME KNOWN AS JUDITH LENORE JACKSON AND JUDITH LENORE DAVIES)

has an interest in the lands described in this notice.

NOW THEREFORE TAKE NOTICE that HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE claims a lien and charge against the interest of JUDITH DAVIS (SOMETIME KNOWN AS JUDITH LENORE JACKSON AND JUDITH LENORE DAVIES) in the lands described in this notice.

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

Properties

PIN 29530 - 0018 LT
Description UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING. S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.
Address 24 COUNTRY CLUB DRIVE
 KING CITY

Claimant(s)

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

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

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

Statements

Schedule: See Schedules

Signed By

Paul A Lourle 5001 Yonge St., 17th floor acting for Signed 2015 02 26
 North York Applicant(s)
 M2N 6R9

Tel 416-218-4662

Fax 416-954-6319

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

Submitted By

CANADA REVENUE AGENCY 5001 Yonge St., 17th floor 2015 02 26
 North York
 M2N 6R9

Tel 416-218-4662

Fax 416-954-6319

Fees/Taxes/Payment

Statutory Registration Fee \$60.00
Total Paid \$60.00

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

CONSIDERATION:\$204,364.32

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

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

AND WHEREAS JOHN DAVIS (SOMETIME KNOWN AS JOHN EVAN DAVIES) is indebted to the Minister of National Revenue for income taxes and other amounts totalling \$204,364.32 at the date of issuance of the Certificate in Court File Number ITA-14523-14 by the Court, together with interest at such rate or rates as determined from time to time by Section 161 of the Income Tax Act;

AND WHEREAS JOHN DAVIS (SOMETIME KNOWN AS JOHN EVAN DAVIES) has an interest in the lands described in this notice.

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

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

Properties

PIN 29530 - 0018 LT
Description UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING. S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.
Address 24 COUNTRY CLUB DRIVE
 KING CITY

Claimant(s)

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

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

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

Statements

Schedule: See Schedules

Signed By

Paul A Lourie 5001 Yonge St., 17th floor acting for Signed 2016 02 23
 North York Applicant(s)
 M2N 6R9

Tel 416-218-4662

Fax 416-954-6319

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

Submitted By

CANADA REVENUE AGENCY 5001 Yonge St., 17th floor 2016 02 23
 North York
 M2N 6R9

Tel 416-218-4662

Fax 416-954-6319

Fees/Taxes/Payment

Statutory Registration Fee \$62.85
Total Paid \$62.85

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

CONSIDERATION: \$28,673.85

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

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

AND WHEREAS JUDITH DAVIS (SOMETIME KNOWN AS JUDITH LENORE JACKSON AND JUDITH LENORE DAVIES) is indebted to the Minister of National Revenue for income taxes and other amounts totalling \$28,673.85 at the date of issuance of the Certificate in Court File Number ITA-13993-15 by the Court, together with interest at such rate or rates as determined from time to time by Section 161 of the Income Tax Act;

AND WHEREAS the Certificate that was issued on December 1, 2015 was amended by way of Amendment of Certificate issued on February 18, 2016 so that the reference to "Judith Davis" reads as reference to Judith Davis (sometime known as Judith Lenore Jackson and Judith Lenore Davies);

AND WHEREAS JUDITH DAVIS (SOMETIME KNOWN AS JUDITH LENORE JACKSON AND JUDITH LENORE DAVIES) has an interest in the lands described in this notice.

NOW THEREFORE TAKE NOTICE that HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE claims a lien and charge against the interest of JUDITH DAVIS (SOMETIME KNOWN AS JUDITH LENORE JACKSON AND JUDITH LENORE DAVIES) in the lands described in this notice.

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

Properties

PIN 29530 - 0018 LT
Description UNIT 18, LEVEL 1, YORK REGION VACANT LAND CONDOMINIUM PLAN NO. 999 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; TOWNSHIP OF KING. S/T & T/W AS SET OUT IN SCHEDULE "A" OF DECLARATION YR325496. S/T EASE IN YR342172.
Address 24 COUNTRY CLUB DRIVE
 KING CITY

Claimant(s)

Name HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE
Address for Service CANADA REVENUE AGENCY
 5800 HURONTARIO STREET
 MISSISSAUGA, ONTARIO
 L5R 4B4

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

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

Statements

Schedule: See Schedules

Signed By

Anthony Starcevic 5800 Hurontario Street acting for Signed 2016 12 05
 Mississauga Applicant(s)
 L5A 4E9

Tel 905-566-6157

Fax 905-615-2349

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

Submitted By

CANADA REVENUE AGENCY 5800 Hurontario Street 2016 12 05
 Mississauga
 L5A 4E9

Tel 905-566-6157

Fax 905-615-2349

Fees/Taxes/Payment

Statutory Registration Fee \$63.35
Total Paid \$63.35

File Number

Claimant Client File Number : ITA-11470-16

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

CONSIDERATION:\$145,898.91

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

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

AND WHEREAS JOHN EVAN DAVIES (SOMETIME KNOWN AS JOHN DAVIS)

is indebted to the Minister of National Revenue for income taxes and other amounts totalling \$145,898.91 at the date of issuance of the Certificate in Court File Number ITA-11470-16 by the Court, together with interest at such rate or rates as determined from time to time by Section 161 of the Income Tax Act;

AND WHEREAS JOHN EVAN DAVIES (SOMETIME KNOWN AS JOHN DAVIS)
has an interest in the lands described in this notice.

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

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

TAB G

THIS IS EXHIBIT "G"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.

Michael Beck

ONTARIO

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

B E T W E E N:

**KSV KOFFMAN INC., IN ITS CAPACITY AS RECEIVER AND MANAGER OF CERTAIN PROPERTY OF SCOLLARD
DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE
INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525
PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) INC.**

Plaintiff

and

JOHN DAVIES AND AEOLIAN INVESTMENTS LTD.

Defendants

**UNDERTAKINGS AND QUESTIONS TAKEN UNDER ADVISEMENT FROM THE EXAMINATION FOR DISCOVERY
OF JOHN EVAN DAVIES CONDUCTED ON JUNE 16, 2017 BY JONATHAN BELL**

No.	Page	Question	Undertaking / Under Advice / Refusal	Answer
1.	17	77	Update Schedule "A" for Aeolian to provide a detailed list of all shareholdings, including percentage of each company.	<p>An updated statement of assets and liabilities for Mr. Davies and Aeolian is attached.</p> <p>Please note the \$100,000 loan included in Mr. Davies' statement of liabilities which was inadvertently omitted from his prior statement.</p> <p>Please also note the correction to Aeolian's statement of assets. Aeolian does not hold a direct interest in Textbook Ross Park Inc., Textbook (774 Bronson Avenue) Inc., Textbook (445 Princess Street) Inc. or GenerX (Byward Hall) Inc.</p>
2.	21	94	Provide the exact balance of the mortgage outstanding on the house.	<p>The total amount outstanding as at June 12, 2017 is \$858,990.99, which is comprised of \$768,877.00 in principal, \$58,982.35 in interest, \$24,027.41 in prepayment interest, \$4,546.73 in compounded interest and \$2,557.50 in costs.</p>
3.	24-25	109	Produce all documents relating to the flow of funds from the sale of the cottage.	<p>See attached.</p>
4.	24-25	109	To the extent it is not addressed by #3 above, produce documents relating to the allocation and cross-collateralization of the Moskowitz mortgage.	<p>See documents produced in response to question 109 above.</p>

5.	25	111	Advise who owns the house at 24 Country Club Drive.	John Davies and Judith Davies own the house in their capacities as trustees for the Davies Family Trust.
6.	32	149	Produce the Declaration of Trust or other founding documents for the Davies Family Trust.	The Declaration of Trust was produced on June 27, 2017.
7.	34-35	160	Produce the Declaration of Trust and any other constating documents for the Arizona Trust.	These documents were produced on June 27, 2017.
8.	37-38	178	Provide a list of all companies for which John Evan Davies was either a director or an officer.	To the best of his knowledge and recollection, Mr. Davies believes that he is or was a director or officer of the following companies: <ul style="list-style-type: none"> - McMurray Street Investments Ltd. - Memory Care Investments (Oakville) Ltd. - Memory Care Investments (Kitchener) Ltd. - Memory Care Burlington Ltd. - 1703858 Ontario Inc. - 2372519 Ontario Inc. - Scollard Development Corporation - Lafontaine Terrace Management Corporation - Memory Care Management Ltd. - Memory Care Investments Ltd. - Textbook Suites Inc.

				<ul style="list-style-type: none"> - Textbook Student Suites Inc. - Textbook Ross Park Inc. - Textbook (555 Princess Street) Inc. - Textbook (525 Princess Street) Inc. - Textbook (445 Princess Street) Inc. - Textbook (774 Bronson) Inc. - GenerX (Byward Hall) Inc. (formerly Textbook (256 Rideau Street) Inc.) - Memory Care Investments (Victoria) Inc. - Memory Care Investments (Ottawa) Inc. - McKenzie Marsh Investments Ltd. - Generals Hockey Holdings Inc. - Oshawa Generals Inc. - Newmarket Hurricanes Inc. - GenerX Development Partners Inc. - Muskoka Holiday Properties Inc. - 1154120 Ontario Inc. - Textbook Student Suites Property Corporation - Textbook Construction Inc.
9.	43	200	Produce the loan agreements and documents evidencing loans between TSI, TSSI, MCIL and	A matrix setting out the aggregate intercompany loans made between the Textbook and Memory Care entities was produced in the "Overview"

10.	44-45	207	<p>the development companies.</p> <p>Advise whether TSI, TSSI or MCIL ever transferred any money to John Evan Davies, a Davies family member, the Davies Family Trust, the Arizona Trust or Aeolian.</p>	<p>binder provided to Bennett Jones on June 23, 2017. An electronic copy is attached.</p> <p>All intercompany loans were recorded in the companies' accounting records at the time the loans were made. Mr. Davies has been unable to locate any other documents.</p>
<p>According to TSI's records:</p> <ul style="list-style-type: none"> - TSI made total payments of \$397,664.92 to Aeolian. There was also a \$20,000.00 loan in October 2016 which was repaid. - TSI made total payments of \$2,603.22 to Sarah Davies. <p>According to TSSI's records:</p> <ul style="list-style-type: none"> - TSSI made total payments of \$373,471.09 to Aeolian. - TSSI made total payments of \$2,656.80 to Sarah Davies. <p>According to MCIL's records:</p> <ul style="list-style-type: none"> - Between August 2013 and present, MCIL made total payments of \$315,846.85 to Aeolian. - MCIL made total payments of \$105,890.49 to Sarah Davies. <p>Spreadsheets itemizing the above are attached.</p>				


11.	45	207	Produce a list of all projects in which TSI, TSSI or MCIL had or have an interest.	<p>TSI has an interest in GenerX (Byward Hall) Inc. (formerly Textbook (256 Rideau Street) Inc.), Textbook (445 Princess Street) Inc. and Textbook (774 Bronson) Inc.</p> <p>TSSI has an interest in Textbook Ross Park Inc., Textbook (525 Princess Street) Inc., Textbook (555 Princess Street) Inc., Textbook Student Suites Property Corporation and Textbook Construction Inc.</p> <p>MCIL has an interest in Memory Care Investments (Kitchener) Ltd., Memory Care Investments (Oakville) Ltd., and Memory Care Burlington Ltd.</p>
12.	48-49	220	Advise whether John Evan Davies or any entity related to him (family members, Davies Family Trust, Arizona Trust, any company in which he has a shareholding) has an interest in 2372519 Ontario Ltd.	<p>Aeolian is a 50% shareholder of 2372519 Ontario Ltd.</p>
13.	49-50	222	Advise of the shareholding structure for 237 Ontario Ltd.	<p>Aeolian and Dachstein Holdings Inc. are each 50% shareholders of 2372519 Ontario Ltd.</p>
14.	50	223	Produce a copy of the appraisal conducted on the Kitchener property when it was sold to the Kitchener entity.	<p>A copy was provided on June 27, 2017.</p>
15.	51-52	226	Advise of the ownership / shareholding	<p>Memory Care Investments Ltd. is the sole</p>

				structure for Lafontaine Terrace Management.	shareholder of Lafontaine.
16.	53	231		Produce any loan agreement between the Development Companies and Lafontaine.	No agreement exists.
17.	63-64	249		Produce tax returns for Davies and Aeolian for the last five years.	This question was taken under advisement in order to agree upon terms for production. Mr. Davies and Aeolian are prepared to produce income statements and capital gains statements from their tax returns over the last five years.
18.	92-93	368		Produce all invoices related to management fees paid by TSI, TSSI or MCIL to Aeolian.	A matrix setting out the total management fees paid by the development companies was produced in the "Overview" binder provided to Bennett Jones on June 23, 2017. An electronic copy is attached. All payments in respect of management fees were recorded in the companies' accounting records at the time the loans were made. Mr. Davies has been unable to locate any other documents.
19.	96	383		Produce any records relating to the payment of Davies' \$250k dividend (relating to one of the projects) to Singh to repay the \$200k loan from Tier 1 by way of cheque dated February 27, 2015.	See attached.
20.	115-	466		Produce the appraisal for the Arizona property.	See attached.

	116			
21.	117	472	Produce the pro formas.	The pro formas for each development project were produced on June 27, 2017 in project-specific binders.

TAB H

THIS IS EXHIBIT "H"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.

Michael Beckett

NOTICE OF SALE UNDER MORTGAGE

TO: JOHN EVAN DAVIES, 24 Country Club Drive, King City, Ontario L7B 1M5
TO: The Spouse of John Evan Davies, 24 Country Club Drive, King City, Ontario L7B 1M5
TO: JUDITH LENORE DAVIES, 24 Country Club Drive, King City, Ontario L7B 1M5
TO: The Spouse of Judith Lenore Davies, 24 Country Club Drive, King City, Ontario L7B 1M5
TO: Her Majesty The Queen in Right of Canada as represented by the Minister of National Revenue, Canada Revenue Agency, 17 floor, 5001 Yonge Street, Toronto, Ontario M2N 6R9
TO: Her Majesty The Queen in Right of Canada as represented by the Minister of National Revenue, Canada Revenue Agency, 5800 Hurontario Street, Mississauga, Ontario L5A4E9.
TO: KSV Kofman Inc., c/o Bennett Jones LLP, 3400, One First Canadian Place, Toronto, Ontario M5X 1A4, Attention: Sean Zweig and Jonathan Bell.

TAKE NOTICE that default has been made in payment of the moneys due under a certain Charge/Mortgage of Land dated the 19th day of December, 2014, made between

JOHN EVAN DAVIES and JUDITH LENORE DAVIES as Chargors/Mortgagors,

-and-

MOSKOWITZ CAPITAL MORTGAGE FUND II INC. as Chargee/Mortgagee,

upon the following property, namely:

PIN 29530-0018 being Unit 18, Level 1, York Region Vacant Land Condominium Plan No. 999 and Its Appurtenant Interest. The Description of the Condominium Property is : PT BLK 1 PL 65M3631, PTS 2, 3 & 4, 65R26022; Township of King. S/T & T/W as set out in Schedule "A" of Declaration YR325496. S/T Easement in YR342172 which Charge/Mortgage of Land was registered on the 19th day of January, 2014, in the Land Registry Office of York Region (No. 66) as instrument No. YR2235381. The Charge/Mortgage was amended by Amendment February 28, 2017 in which the Chargors agreed that would be calculated at the rate of 12.5%.

AND I hereby give you notice that the amount now due on the Charge/Mortgage of Land for principal money, interest, and costs, respectively, are as follows:

-for Principal (as of November 1, 2016)	\$768,877.00
-for prepayment interest	\$24,027.41
-for Interest owing to date at the rate of 12.5% per annum	\$58,982.35
-Compounded Interest	\$4,546.73
-for Costs on a substantial indemnity basis to date	<u>\$2,557.50</u>
TOTAL	<u>\$858,990.99</u>

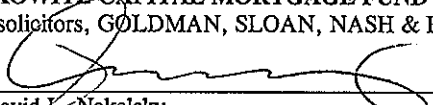
(such amount for costs being up to and including the service of this Notice only, and thereafter such further costs and disbursements will be charged as may be proper), together with interest at the rate of 12.5 per cent, per annum, on the principal and interest hereinbefore mentioned from the 12th day of June, 2017 to the date of payment.

AND unless the said sums are paid on or before the 22nd day of July, 2017, I shall sell the property covered by the said mortgage under the provisions contained in it.

THIS notice is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem the same.

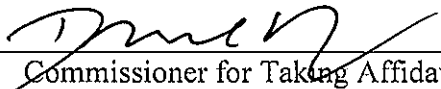
DATED the 12th day of June, 2017.

MOSKOWITZ CAPITAL MORTGAGE FUND II INC.
by its solicitors, GOLDMAN, SLOAN, NASH & HAVER LLP


per: David L. Nakelsky
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Tel: (416) 597-9922
Fax: (416) 367-1208
davidn@gsnh.com

TAB I

THIS IS EXHIBIT "I"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.
Michael Beckwith

**Listing Agreement
Seller Representation Agreement
Authority to Offer for Sale**

This is a Multiple Listing Service® Agreement


(Seller's initials)

OR Exclusive Listing Agreement

EXCLUSIVE

(Seller's Initials)

BETWEEN:

BROKERAGE: Re/Max Hallmark Realty Ltd. Brokerage

.....(the "Listing Brokerage") Tel.No. (705) 883-4922

SELLER(S): John Evan Davies, Judith Lenore Davies (the "Seller")

In consideration of the Listing Brokerage listing the real property for sale known as 24 Country Club Dr.

.....(the "Property")

the Seller hereby gives the Listing Brokerage the exclusive and irrevocable right to act as the Seller's agent, commencing at 12:01 a.m. on the 20th day

of June 20, 2017, until 11:59 p.m. on the 30th day of September, 2017 (the "Listing Period").

{ Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Real Estate and Business Brokers Act (2002), if the Listing Period exceeds six months, the Listing Brokerage must obtain the Seller's initials. }

(Seller's Initials)

to offer the Property for sale at a price of: 1,599,900 Dollars (CDN\$)

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the Property.

1. DEFINITIONS AND INTERPRETATIONS: For the purposes of this Agreement ("Authority" or "Agreement"): "Seller" includes vendor, a "buyer" includes a purchaser, or a prospective purchaser. A "real estate board" includes a real estate association. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.

COMMISSION: In consideration of the Listing Brokerage listing the Property, the Seller agrees to pay the Listing Brokerage a commission of 6.0 + 1.5% of the sole price of the Property or

for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period and on the terms and conditions set out in this Agreement OR such other terms and conditions as the Seller may accept. The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage) to offer to pay the co-operating brokerage a commission of 2.5% of the sale price

of the Property or..... out of the commission the Seller pays the Listing Brokerage. (indicate any incentive or +/- adjustment)

The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone on the Seller's behalf within 10 days after the expiration of the Listing Period (Holdover Period), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period.


If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property.

Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.

All amounts set out as commission are to be paid plus applicable taxes on such commission.

INITIALS OF LISTING BROKERAGE: 

INITIALS OF SELLER(S): 

3. REPRESENTATION: The Seller acknowledges that the Listing Brokerage has provided the Seller with information explaining agency relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Customer Service.

The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage listing other properties that may be similar to the Seller's Property without any claim by the Seller of conflict of interest. The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Property. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage, said commission to be disbursed in accordance with the Commission Trust Agreement.

MULTIPLE REPRESENTATION: The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will obtain the Seller's written consent to represent both the Seller and the buyer for the transaction at the earliest practicable opportunity and in all cases prior to any offer to purchase being submitted or presented.

The Seller understands and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer, including a requirement to disclose all factual information about the Property known to the Listing Brokerage.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer.

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

Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be entitled or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.

MULTIPLE REPRESENTATION AND CUSTOMER SERVICE: The Seller understands and agrees that the Listing Brokerage also provides representation and customer service to other sellers and buyers. If the Listing Brokerage represents or provides customer service to more than one seller or buyer for the same trade, the Listing Brokerage shall, in writing, at the earliest practicable opportunity and before any offer is made, inform all sellers and buyers of the nature of the Listing Brokerage's relationship to each seller and buyer.

4. FINDERS FEES: The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the Commission as described above.

5. REFERRAL OF ENQUIRIES: The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period, the Seller agrees to pay the Listing Brokerage the amount of Commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.

6. MARKETING: The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property for sale during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or wilful act.

7. WARRANTY: The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.

8. INDEMNIFICATION AND INSURANCE: The Seller will not hold the Listing Brokerage and representatives of the Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or wilful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the Commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement or the accompanying data form. The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (Listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.

9. FAMILY LAW ACT: The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the spouse of the Seller has executed the consent hereinafter provided.

10. VERIFICATION OF INFORMATION: The Seller authorizes the Listing Brokerage to obtain any information affecting the Property from any regulatory authorities, governments, mortgagees or others and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.

11. USE AND DISTRIBUTION OF INFORMATION: The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet; disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of

INITIALS OF LISTING BROKERAGE:

INITIALS OF SELLER(S):

the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may, during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling:

Does

Does Not

consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.

- 12. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.
- 13. CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between the Seller and the Listing Brokerage. There is no representation, warranty, collateral agreement or condition which affects this Agreement other than as expressed herein.
- 14. ELECTRONIC COMMUNICATION:** This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.
- 15. ELECTRONIC SIGNATURES:** If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the *Electronic Commerce Act 2000, S.O. 2000, c17* as amended from time to time.
- 16. SCHEDULE(S):** and data form attached hereto form(s) part of this Agreement.

THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.

[Signature] DATE June 22, 2017 *Michael Mealia / Susan DeFenua*
(Authorized to bind the Listing Brokerage) (Name of Person Signing)

THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME AND I ACKNOWLEDGE THIS DATE I HAVE SIGNED UNDER SEAL. Any representations contained herein or as shown on the accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

(Seal) DATE June 22, 2017 239-221-5839
(Signature of Seller) (Seal) (Tel. No.)
 (Seal) DATE June 22, 2017 416-561-5876
(Signature of Seller) (Seal)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

(Spouse) (Seal) DATE

DECLARATION OF INSURANCE

The broker/salesperson Michael Mealia & Susan DeFenua
(Name of Broker/Salesperson)
 hereby declares that he/she is insured as required by the Real Estate and Business Brokers Act (REBBA) and Regulations.
[Signatures]
(Signature(s) of Broker/Salesperson)

ACKNOWLEDGEMENT

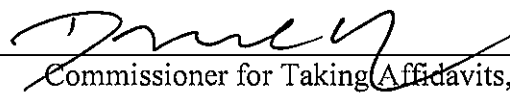
The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a true copy of this Agreement

on the 22nd day of June, 2017
 Date: June 22, 2017
[Signatures] Date: June 22, 2017
(Signature of Seller)

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TAB J

THIS IS EXHIBIT "J"
REFERRED TO IN THE AFFIDAVIT OF
JOHN DAVIES
SWORN BEFORE ME
THIS 14th DAY OF JULY, 2017



Commissioner for Taking Affidavits, etc.
Michael Beulah

AMENDED FUNDS SUMMARY

RE: Davies sale to D.C.L. Global Incorporated
1220 Parker's Point Road, Unit 3, Gravenhurst
Closing Date: April 25, 2017
My File No.: 7124DA

To discharge previous 1st mtg - The Toronto-Dominion Bank	\$881,012.72
To discharge previous 2nd mtg - Moskowitz Capital Mortgage Fund II Inc.	1,450,527.00
To discharge previous 3rd mtg - Generals Hockey Inc. and Generals Hockey Holdings Inc.	355,412.15
To real estate broker - Wynn Realty Corporation	121,200.00
Town of Gravenhurst outstanding property taxes	36,721.75
To Cottage Country Environmental Services Inv. 1723	298.00
To register discharge of second mortgage	75.27
To register discharge of CRA lien	75.27
To Ministry of Finance for outstanding crown land taxes	1,464.63
From purchaser on closing - D.C.L. Global Incorporated	(2,856,473.29)

Legal Fees	\$9,550.00
HST (13%)	1,241.50

DISBURSEMENTS:

Subject to HST

Photocopies	\$50.00
Phone & fax	15.00
Postage	12.00
Courier service	40.00
Transaction Levy Surcharge	65.00
Software Transaction Charge	20.00

	202.00
HST (13%)	26.26

Not Subject to HST (Agency)

Shortfall of our account deferred to sale of 24 Country Club Drive, King City	\$-1,333.26
--	-------------

Total Legal Fees, Disbursements and HST	-1,333.26
---	-----------

9,686.50

Net proceeds:

\$0

E. & O. E.



2 M
Moskowitz Capital Mortgage Fund II Inc.
2200 Yonge Street, Suite 1002
Toronto, Ontario M4S 2C6
Tel: (416) 781-6500 Fax: (888) 505-3620
Brokerage Lic. #10922 Administrator Lic. #11928

Toll-Free: 1 (866) 841-5385
moskowitzcapital.com
desks@moskowitzcapital.com

April 20, 2017

**TO: JOHN DAVIES & JUDITH DAVIES
24 COUNTRY CLUB DRIVE
KING CITY, ON L7B 1M5**

DAVIES FAMILY TRUST, DAVIES ARIZONA TRUST

CC: DAVID NAKELSKY; HOMER FRANK

**RE: DISCHARGE OF SECOND MORTGAGE ON 1220 PARKER'S POINT RD.,
GRAVENHURST, ON ONLY**

Please be advised that this statement is for discharge purposes only for the aforementioned Mortgage Charge. Moskowitz Capital Mortgage Fund II Inc. will require certified funds for the amount as detailed below:

Return of principal	\$	1,250,753.82
Closed mortgage interest until end of term (April 21, 2017 - August 1, 2018 inclusive)	\$	<u>199,773.18</u>
Total amount due to Lender on April 20, 2017	\$	<u>1,450,527.00</u>
ALL PROCEEDS VIA BANK CERTIFIED CHEQUE to MOSKOWITZ CAPITAL MORTGAGE FUND II INC. OR TO GOLDMAN SLOAN NASH & HABER LLP IN TRUST		

This discharge statement cancels and supersedes previous statement and is valid only until April 28, 2017 after which it is null and void.

Discharge amounts are subject to adjustments should any changes be processed on the mortgage subsequent to the issue date. The mortgage will not be discharged if the timing of payments results in a shortfall in the amount owing under the mortgage.

This statement is subject to final accounting review by Moskowitz Capital.

**Yours truly,
MOSKOWITZ CAPITAL MORTGAGE FUND II INC.
PER:**

Brian Moskowitz
President



Moskowitz Capital Mortgage Fund II Inc.
 2200 Yonge Street, Suite 1002
 Toronto, Ontario M4S 2C6
 Tel: (416) 781-6500 Fax: 1(888) 505-3620
 Brokerage Lic. #16922 Administrator Lic. #11928

201

Toll-Free: 1 (866) 841-5365
 moskowitzcapital.com
 deals@moskowitzcapital.com

April 18, 2017

**TO: JOHN DAVIES & JUDITH DAVIES
 24 COUNTRY CLUB DRIVE
 KING CITY, ON L7B 1M5**

DAVIES FAMILY TRUST, DAVIES ARIZONA TRUST

CC: DAVID NAKELSKY; HOMER FRANK

RE: TOTAL AMOUNT OWING

**FIRST MORTGAGE ON 24 COUNTRY CLUB DR., KING CITY, ON AND SECOND
 MORTGAGE ON 1220 PARKER'S POINT RD., GRAVENHURST, ON**

Please be advised that this statement is for accounting purposes only for the aforementioned Mortgage Charge. ~~This is not a discharge statement.~~

Return of principal	\$	2,018,630.78
Interest in arrears	\$	103,328.21
Interest due on April 20, 2017 (April 1 - 20, 2017 Inclusive)	\$	14,903.10
Closed mortgage interest until end of term (April 21, 2017 - August 1, 2018)	\$	322,579.92
Amendment #2 fee	\$	20,000.00
Missed payment fees	\$	2,100.00
Default proceeding fee	\$	500.00
Breach of Undertaking fee	\$	400.00
Out-of-pocket expenses (registered mail, bank fees)	\$	86.30
Discharge fee: \$500 for first property, \$250 for each additional	\$	750.00
Discharge statement fee	\$	75.00
Legal fee	\$	TBD
Total amount due to Lender on April 20, 2017	\$	<u>2,484,353.31</u>

This statement is subject to final accounting review by Moskowitz Capital.

**Yours truly,
 MOSKOWITZ CAPITAL MORTGAGE FUND II INC.
 PER:**

Brian Moskowitz
 President

KSV KOFMAN INC. in its capacity as Receiver and Manager of - and -
Certain Property of Scollard Development Corporation, et al.
Plaintiffs

JOHN DAVIES et al.
Defendants

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at Toronto

**AFFIDAVIT OF JOHN DAVIES
(Sworn July 14, 2017)**

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

David McCutcheon
LSUC #: 16057P-1B
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michael.beeforth@dentons.com

Lawyers for the Defendants