

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 C. C.43, AS AMENDED AND SECTION 68 OF THE *CONSTRUCTION ACT*, R.S.O. 1990, C. C30**

**B E T W E E N:**

**C & K MORTGAGE SERVICES INC.**

Applicant

- and -

**CAMILLA COURT HOMES INC. and ELITE HOMES INC.**

Respondents

**RESPONDING MOTION RECORD OF  
C & K MORTGAGE SERVICES INC.**

August 11, 2020

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AND **THE TORONTO DOMINION BANK - 02062**  
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AND **DEPARTMENT OF JUSTICE**  
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**Attention: DIANE WINTERS**

AND **MINISTRY OF FINANCE (ONTARIO)**  
TO: Legal Services Branch  
33 King Street West, 6th Floor  
Oshawa, Ontario L1H 8H5  
**Attention: KEVIN O'HARA**

## I N D E X

### **Tabs Document**

1. Affidavit of Gary Gruneir sworn August 11, 2020
- A. Exhibit "A" Standard Charge Terms 200033
- B. Exhibit "B" Parcel Registers for the Camilla Property and Mateo Property
- C. Exhibit "C" Endorsement of Justice Conway dated June 18, 2020
- D. Exhibit "D" Endorsement of Justice Conway dated July 2, 2020
- E. Exhibit "E" Receivership Order

# TAB 1

**ONTARIO  
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**IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 C. C.43, AS AMENDED AND SECTION 68 OF THE *CONSTRUCTION ACT*, R.S.O. 1990, C. C30**

**B E T W E E N:**

**C & K MORTGAGE SERVICES INC.**

Applicant

- and -

**CAMILLA COURT HOMES INC. and ELITE HOMES INC.**

Respondents

**AFFIDAVIT OF GARY GRUNEIR**  
*(Sworn August 11, 2020)*

**I, GARY GRUNEIR**, of the Town of Markham, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the President of C & K Mortgage Services Inc., a licensed mortgage broker which carries on business as Rescom Capital (“**Rescom**”). I have personal knowledge of the matters to which I hereinafter depose.

2. In my capacity as a broker of private mortgage loans over the past 30 years, I have extensive experience in selling land and personal property under power of sale, financing construction of residential homes, appointing and dealing with Court-appointed receivers and dealing with debtors-in-possession and Court-appointed monitors in CCAA proceedings.

3. This Affidavit should be read together with my Affidavit sworn on June 20, 2020 in this proceeding. Capitalised terms used herein and not otherwise defined have the same meaning ascribed to them in my Affidavit sworn on June 20, 2020.

4. I am swearing this Affidavit in response to the Affidavit of Yong Yeow (Jeremy) Tan (“**Tan**”) sworn August 7, 2020.

### **Background**

5. Pursuant to a commitment letter dated October 6, 2018, as amended on November 6, 2018, and December 2, 2019, Rescom advanced a secured loan to the Respondents, Camilla Court Homes Inc. (“**Camilla**”) and Elite Homes Inc. (“**Elite**” and together with Camilla, the “**Debtors**”) in the principal amount of \$4,550,000.00.

6. As security for the Loan, Rescom obtained, among other security, a first charge against four properties upon which the Debtors were constructing single family homes (the “**First Mortgage**”). Although the First Mortgage was registered against five separate legal parcels, there were four partially constructed homes on those parcels.

7. A copy of Standard Charge Terms 200033 incorporated by reference in the First Mortgage is attached as **Exhibit A**.

8. As of the date of the appointment of Rosen Goldberg Inc. as receiver and construction lien trustee (in such capacities, the “**Receiver**”) of the assets, property and undertakings of the Debtors on July 2, 2020, the hard security that remained (and continues to remain) for the Loan consisted of two houses. Two of the houses had been sold by the Debtors prior thereto and the net sale proceeds were applied on account of the Loan. The parcel registers in respect of the remaining two houses, which are hereinafter referred to collectively as the “**Properties**,” are attached as **Exhibit B**.

### **The Receivership Order**

9. As a result of default by the Debtors, and on notice to Tan and other interested parties, Rescom applied to the Court for an Order appointing the Receiver over the Properties, authorizing the Receiver to disclaim the agreements of purchase and sale in respect of the Properties between Elite and the purchasers, including Tan, and declaring that the mortgages registered in favour Rescom on title to the Properties rank in priority to the rights, if any, of the purchasers, including Tan.

10. On June 18, 2020, counsel for Rescom, counsel for the Debtors, Stephen Poquiz who at the time was counsel for Tan, and other interested parties appeared before Justice Conway by Zoom videoconference on the initial return of Rescom’s application. At the request of the Debtors’ counsel, the hearing of the application was adjourned to July 2, 2020. A copy of Justice Conway’s endorsement is attached as **Exhibit C**.

11. The parties returned before Justice Conway on July 2, 2020 for the hearing. Mr. Poquiz attended on behalf of Tan. Justice Conway held that it was just and convenient for the Receiver to be appointed to take possession and control of the Properties, finance the remaining

construction as necessary and then market and sell the Properties. Her Honour expressly addressed her sympathy for the purchasers, including Tan, but remarked that “they are caught in a situation created by the respondent who independently used the deposit money to fund the construction.” A copy of Her Honour’s endorsement is attached as **Exhibit D**.

12. A copy of the Receivership Order is attached as **Exhibit E**. Pursuant to paragraph 34, it was declared that Rescom’s security over the Properties ranks in priority to the interests, if any, of the purchasers under the agreement of purchase and sale between Elite and Tan dated February 11, 2020 and the agreement of purchase and sale between Elite and Sukhdeep Sandhu dated December 13, 2020. Pursuant to subparagraph 3(c), the Receiver was authorized to, among other things, disclaim or cease to perform any contracts of the Debtors, including agreements of purchase and sale entered into by the Debtors with respect to the Properties.

### **Tan’s Motion**

13. Tan seeks to attack the terms of the Receivership Order despite being represented by counsel on the return of the application and seeks an Order directing the Receiver to complete the agreement of purchase and sale between Elite and Tan in respect of the Mateo Property (the “**Tan APS**”).

14. I was not informed of the Tan APS until on or about June 11, 2020 when I received it from Sadiq. Had Rescom been asked to approve the Tan APS before it was signed, we would not have approved of it because the deposit was not secured. In fact, we were shocked that Tan had tendered the deposit directly to Elite. Rescom did not make any further advances under the Loan after learning of the Tan APS.

15. If the Receiver is directed to complete the agreement of purchase and sale in respect of the Mateo Property, then Rescom's priority under the First Mortgage will be subordinated to the Tan APS. Rescom would never have advanced the Loan if there was a legal risk of its priority being disturbed by a purchaser of any of the Properties.

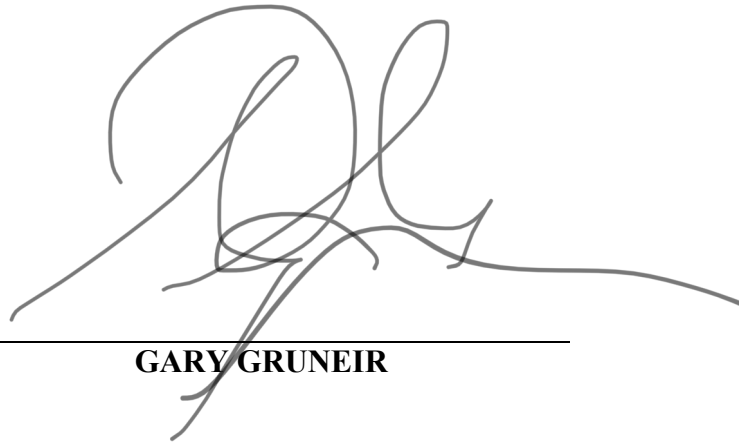
16. If the registered priority of a residential construction lender's mortgage could be subordinated to the rights of a purchaser under an agreement of purchase and sale entered into after its mortgage is registered and funds are advanced, it would create chaos in the construction lending market as no mortgage lender would finance residential construction under such circumstances.

**SWORN BEFORE ME** at the City of Toronto, in the Province of Ontario on August 11, 2020.



\_\_\_\_\_  
Commissioner for Taking Affidavits  
(or as may be)

}



\_\_\_\_\_  
**GARY GRUNEIR**

This is Exhibit A referred to in the Affidavit of Gary Gruneir  
sworn August 11, 2020

A handwritten signature in blue ink, consisting of a stylized 'D' followed by a long horizontal stroke.

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

*Land Registration Reform Act*  
**SET OF STANDARD CHARGE TERMS**  
 (Electronic Filing)

Filed by  
**Dye & Durham Co. Inc.**

Filing Date: November 3, 2000

Filing number: 200033

*The following Set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. L.4 as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to the above-noted filing number in such charge shall hereinafter be referred to as the "Charge".*

*Exclusion of Statutory Covenants*

1. The implied covenants deemed to be included in a charge under subsection 7(1) of the *Land Registration Reform Act* as amended or re-enacted are excluded from the Charge.

*Right to Charge the Land*

2. The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge.

*No Act to Encumber*

3. The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose.

*Good Title in Fee Simple*

4. The Chargor, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown.

*Promise to Pay and Perform*

5. The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same.

*Interest After Default*

6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land.

*No Obligation to Advance*

7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.

*Costs Added to Principal*

8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.

*Power of Sale*

9. The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the *Mortgages Act*. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly

one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

*Quiet Possession*

10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.

*Right to Distrain*

11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.

*Further Assurances*

12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whosoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.

*Acceleration of Principal and Interest*

13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.

*Unapproved Sale*

14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.

*Partial Releases*

15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.

*Obligation to Insure*

16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

*Obligation to Repair*

17. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment

before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

*Building  
Charge*

18. If any of the principal amount to be advanced under the Charge is to be used to finance an improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the *Construction Lien Act* as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.

*Extensions  
not to  
Prejudice*

19. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so altered over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

*No Merger  
of Covenants*

20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.

*Change in  
Status*

21. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.

*Condominium  
Provisions*

22. If the Charge is of land within a condominium registered pursuant to the *Condominium Act* (the "Act") the following provisions shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the corporation on the due dates. If the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay the same to the Chargee upon being so notified. The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 16 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.

*Discharge*

23. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge or assignment shall be paid by the Chargor.

*Guarantee*

24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.
  - (b) Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.
  - (c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect



This is Exhibit B referred to in the Affidavit of Gary Gruneir  
sworn August 11, 2020

A handwritten signature in blue ink, consisting of a stylized initial 'G' followed by a long, sweeping horizontal line that extends to the right.

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

LAND  
REGISTRY  
OFFICE #43

13348-0587 (LT)

PAGE 1 OF 3  
PREPARED FOR BGabbidon  
ON 2020/06/11 AT 09:36:50

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

**PROPERTY DESCRIPTION:** PT BLK A, PL A27, DES PTS 2, 17 & 18, PL 43R35816; SUBJECT TO AN EASEMENT IN GROSS OVER PART 18, PL 43R35816 AS IN PR2477172; SUBJECT TO AN EASEMENT IN GROSS AS IN PR1987587; SUBJECT TO AN EASEMENT AS IN PR2057203; SUBJECT TO AN EASEMENT AS IN PR2640845; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN PEEL COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1017; TOGETHER WITH AN EASEMENT OVER PART BLOCK A, PLAN A27, DESIGNATED AS PARTS 1, 22, 23 & 24, PLAN 43R35816 AS IN PR3130178; SUBJECT TO AN EASEMENT OVER PART 17, PLAN 43R35816 IN FAVOUR OF LOT 1, PLAN 846, DESIGNATED AS PARTS 1 & 2, PLAN 43R37562 AS IN PR3130488; SUBJECT TO AN EASEMENT OVER PARTS 2 TO 21 & 26 & 27, PLAN 43R35816 IN FAVOUR OF PART OF BLOCK A. PLAN A27, DESIGNATED AS PARTS 25, 28 & 29, PLAN 43R35816 AS IN PR3155396; CITY OF MISSISSAUGA

**PROPERTY REMARKS:** FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2014/11/19. FOR ADDITIONAL ENCUMBRANCES THE PIN FOR PEEL COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1017 IN BLOCK 20017 MUST BE EXAMINED.

**ESTATE/QUALIFIER:** RECENTLY:  
FEE SIMPLE DIVISION FROM 13348-0583  
LT ABSOLUTE PLUS

**PIN CREATION DATE:**  
2015/07/28

**OWNERS' NAMES:** CAPACITY SHARE  
CAMILLA COURT HOMES INC. ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
PR1987587	2011/04/12	TRANSFER EASEMENT	\$2	DI BLASIO, ADINA DI BLASIO, ANTONIO VITALI, CHRISTOPHER PASQUALE XHAFERRI, ALBANA XHAFERRI, LUAN	ENERSOURCE HYDRO MISSISSAUGA INC.	C
PR1987593	2011/04/12	NOTICE	\$2	DI BLASIO, ADINA DI BLASIO, ANTONIO VITALI, CHRISTOPHER PASQUALE XHAFERRI, ALBANA XHAFERRI, LUAN	THE CORPORATION OF THE CITY OF MISSISSAUGA	C
PR1989566	2011/04/15	NOTICE	\$2	DI BLASIO, ADINA DI BLASIO, ANTONIO VITALI, CHRISTOPHER PASQUALE XHAFERRI, ALBANA XHAFERRI, LUAN	THE CORPORATION OF THE CITY OF MISSISSAUGA	C
PR2057203	2011/08/17	TRANSFER EASEMENT	\$2	XHAFERRI, ALBANA XHAFERRI, LUAN VITALI, CHRISTOPHER PASQUALE DI BLASIO, ADINA	ROGERS COMMUNICATIONS INC.	C

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
PR2477172	2013/12/13	TRANSFER EASEMENT	\$2	DI BLASIO, ANTONIO VITALI, CHRISTOPHER PASQUALE	THE CORPORATION OF THE CITY OF MISSISSAUGA	C
43R35816	2014/03/03	PLAN REFERENCE				C
PR2603640	2014/09/23	BYLAW <i>REMARKS: BY-LAW NO. 0234-2014 TO REMOVE FROM PART LOT CONTROL</i>		THE CORPORATION OF THE CITY OF MISSISSAUGA		C
43R36245	2014/11/19	PLAN REFERENCE				C
PR2633484	2014/11/19	APL ABSOLUTE TITLE <i>REMARKS: PR2555594</i>		VITALI, CHRISTOPHER PASQUALE		C
PR2640845	2014/12/01	TRANSFER EASEMENT	\$2	VITALI, CHRISTOPHER PASQUALE	ENBRIDGE GAS DISTRIBUTION INC.	C
PR2697676	2015/04/14	NOTICE	\$2	VITALI, CHRISTOPHER PASQUALE XHAFERRI, LUAN XHAFERRI, ALBANA	THE CORPORATION OF THE CITY OF MISSISSAUGA	C
PR2697679	2015/04/14	NOTICE	\$2	VITALI, CHRISTOPHER PASQUALE XHAFERRI, LUAN XHAFERRI, ALBANA	THE CORPORATION OF THE CITY OF MISSISSAUGA	C
PR2714127	2015/05/20	NOTICE	\$2	THE REGIONAL MUNICIPALITY OF PEEL		C
PR2732587	2015/06/22	TRANSFER	\$2	VITALI, CHRISTOPHER PASQUALE	VITALI, CHRISTOPHER PASQUALE	C
PR2798752	2015/10/06	TRANSFER <i>REMARKS: PLANNING ACT STATEMENTS.</i>	\$3,955,000	VITALI, CHRISTOPHER PASQUALE	CAMILLA COURT HOMES INC.	C
PR2940841	2016/06/30	CHARGE	\$920,000	CAMILLA COURT HOMES INC.	ZOOM CREDITMAY INC.	C
PR2940842	2016/06/30	NO ASSGN RENT GEN <i>REMARKS: PR2940841.</i>		CAMILLA COURT HOMES INC.	ZOOM CREDITMAY INC.	C
PR3052681	2016/12/22	POSTPONEMENT <i>REMARKS: PR2940841 POSTPONED TO PR3052615, PR3052616</i>		ZOOM CREDITMAY INC.	FIRM CAPITAL MORTGAGE FUND INC.	C
PR3130177	2017/05/19	APL ANNEX REST COV		XHAFERRI, ALBANA XHAFERRI, LUAN CAMILLA COURT HOMES INC.		C

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PR3130488	2017/05/19	TRANSFER EASEMENT	\$2	XHAFERRI, ALBANA XHAFERRI, LUAN CAMILLA COURT HOMES INC.	GOLDEN TOWN COMPANY LIMITED	C
PCP1017	2017/06/29	CE CONDO PLN				C
PR3155396	2017/06/29	CONDO DECLARATION		CAMILLA COURT HOMES INC.		C
PR3164498	2017/07/14	CONDO BYLAW/98 REMARKS: BY-LAW NO. 1		PEEL COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1017		C
PR3164499	2017/07/14	CONDO BYLAW/98 REMARKS: BY-LAW NO. 2		PEEL COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1017		C
PR3164500	2017/07/14	NOTICE	\$2	XHAFERRI, LUAN XHAFERRI, ALBANA CAMILLA COURT HOMES INC.	THE CORPORATION OF THE CITY OF MISSISSAUGA	C
PR3202137	2017/09/15	NOTICE REMARKS: PR2940841	\$2	CAMILLA COURT HOMES INC. ELITE HOMES INC.	ZOOM CREDITMAY INC.	C
PR3409284	2018/11/16	TRANSFER OF CHARGE REMARKS: PR2940841.		ZOOM CREDITMAY INC.	BILWANI, SHAZAD	C
PR3409285	2018/11/16	NOTICE REMARKS: PR2940841	\$1	CAMILLA COURT HOMES INC.	BILWANI, SHAZAD	C
PR3409292	2018/11/16	CHARGE	\$5,800,000	CAMILLA COURT HOMES INC. ELITE HOMES INC.	C & K MORTGAGE SERVICES INC.	C
PR3409293	2018/11/16	NO ASSGN RENT GEN REMARKS: PR3409292		CAMILLA COURT HOMES INC. ELITE HOMES INC.	C & K MORTGAGE SERVICES INC.	C
PR3409324	2018/11/16	POSTPONEMENT REMARKS: PR2940841 TO PR3409292		BILWANI, SHAZAD	C & K MORTGAGE SERVICES INC.	C
PR3559790	2019/10/25	CONSTRUCTION LIEN	\$18,732	CANADIAN CHOICE HOME SERVICES INC.		C
PR3587113	2019/12/13	CONSTRUCTION LIEN	\$3,909	SUPER SAVE TOILET RENTALS INC.		C
PR3644457	2020/04/28	CONSTRUCTION LIEN	\$70,372	VIA TRIM & DOORS INC.		C

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LAND  
REGISTRY  
OFFICE #43

13348-0589 (LT)

PAGE 1 OF 3  
PREPARED FOR BGabbidon  
ON 2020/06/11 AT 09:35:49

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

PROPERTY DESCRIPTION: PT BLK A, PL A27, DES PTS 4, 15, 20 & 21, PL 43R35816; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 20 & 21, PL 43R35816 AS IN PR2477172; SUBJECT TO AN EASEMENT IN GROSS AS IN PR1987587; SUBJECT TO AN EASEMENT AS IN PR2057203; SUBJECT TO AN EASEMENT AS IN PR2640845; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN PEEL COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1017; TOGETHER WITH AN EASEMENT OVER PART BLOCK A, PLAN A27, DESIGNATED AS PARTS 1, 22, 23 & 24, PLAN 43R35816 AS IN PR3130176; SUBJECT TO AN EASEMENT OVER PARTS 15 & 21, PLAN 43R35816 IN FAVOUR OF LOT 1, PLAN 846, DESIGNATED AS PARTS 1 & 2, PLAN 43R37562 AS IN PR3130488; SUBJECT TO AN EASEMENT OVER PARTS 2 TO 21 & 26 & 27, PLAN 43R35816 IN FAVOUR OF PART OF BLOCK A. PLAN A27, DESIGNATED AS PARTS 25, 28 & 29, PLAN 43R35816 AS IN PR3155396; CITY OF MISSISSAUGA

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ESTATE/QUALIFIER: FEE SIMPLE  
LT ABSOLUTE PLUS

RECENTLY: DIVISION FROM 13348-0583

PIN CREATION DATE: 2015/07/28

OWNERS' NAMES CAMILLA COURT HOMES INC.

CAPACITY SHARE ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
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PR1987593	2011/04/12	NOTICE	\$2	DI BLASIO, ADINA DI BLASIO, ANTONIO VITALI, CHRISTOPHER PASQUALE XHAFERRI, ALBANA XHAFERRI, LUAN	THE CORPORATION OF THE CITY OF MISSISSAUGA	C
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PR2057203	2011/08/17	TRANSFER EASEMENT	\$2	XHAFERRI, ALBANA XHAFERRI, LUAN VITALI, CHRISTOPHER PASQUALE DI BLASIO, ADINA	ROGERS COMMUNICATIONS INC.	C

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PR2732610	2015/06/22	TRANSFER	\$2	VITALI, CHRISTOPHER PASQUALE	VITALI, CHRISTOPHER PASQUALE	C
PR2798752	2015/10/06	TRANSFER	\$3,955,000	VITALI, CHRISTOPHER PASQUALE	CAMILLA COURT HOMES INC.	C
		REMARKS: PLANNING ACT STATEMENTS.				
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PR2940842	2016/06/30	NO ASSGN RENT GEN		CAMILLA COURT HOMES INC.	ZOOM CREDITMAY INC.	C
		REMARKS: PR2940841.				
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		REMARKS: PR2940841 POSTPONED TO PR3052615, PR3052616				
PR3130177	2017/05/19	APL ANNEX REST COV		XHAFERRI, ALBANA XHAFERRI, LUAN CAMILLA COURT HOMES INC.		C

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PR3155396	2017/06/29	CONDO DECLARATION		CAMILLA COURT HOMES INC.		C
PR3164498	2017/07/14	CONDO BYLAW/98 REMARKS: BY-LAW NO. 1		PEEL COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1017		C
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PR3202137	2017/09/15	NOTICE REMARKS: PR2940841	\$2	CAMILLA COURT HOMES INC. ELITE HOMES INC.	ZOOM CREDITMAY INC.	C
PR3409284	2018/11/16	TRANSFER OF CHARGE REMARKS: PR2940841.		ZOOM CREDITMAY INC.	BILWANI, SHAZAD	C
PR3409285	2018/11/16	NOTICE REMARKS: PR2940841	\$1	CAMILLA COURT HOMES INC.	BILWANI, SHAZAD	C
PR3409292	2018/11/16	CHARGE	\$5,800,000	CAMILLA COURT HOMES INC. ELITE HOMES INC.	C & K MORTGAGE SERVICES INC.	C
PR3409293	2018/11/16	NO ASSGN RENT GEN REMARKS: PR3409292		CAMILLA COURT HOMES INC. ELITE HOMES INC.	C & K MORTGAGE SERVICES INC.	C
PR3409324	2018/11/16	POSTPONEMENT REMARKS: PR2940841 TO PR3409292		BILWANI, SHAZAD	C & K MORTGAGE SERVICES INC.	C
PR3644457	2020/04/28	CONSTRUCTION LIEN	\$70,372	VIA TRIM & DOORS INC.		C

This is Exhibit C referred to in the Affidavit of Gary Gruneir  
sworn August 11, 2020

A handwritten signature in blue ink, consisting of a stylized initial 'D' followed by a long horizontal stroke.

---

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

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1985, C. B-3, AS AMENDED, SECTION 101 OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990 C. C.43, AS AMENDED AND SECTION 68 OF THE *CONSTRUCTION ACT*,  
R.S.O. 1990, C. C30**

B E T W E E N:

**C & K MORTGAGE SERVICES INC.**

Applicant

- and -

**CAMILLA COURT HOMES INC. and ELITE HOMES INC.**

Respondents

**ENDORSEMENT**

**From:** Conway, Madam Justice Barbara (SCJ) <[Barbara.Conway@scj-csj.ca](mailto:Barbara.Conway@scj-csj.ca)>

**Sent:** Thursday, June 18, 2020 4:31 PM

**To:** Lisa S. Corne <[LCorne@dickinson-wright.com](mailto:LCorne@dickinson-wright.com)>; David P. Preger <[DPreger@dickinson-wright.com](mailto:DPreger@dickinson-wright.com)>;  
[alireza@canadianchoicehs.ca](mailto:alireza@canadianchoicehs.ca); David Sazant <[dsazant@bianchipresta.com](mailto:dsazant@bianchipresta.com)>; Vanessa Candelma  
<[vcandelma@pfaffleasing.com](mailto:vcandelma@pfaffleasing.com)>; [poquiz@poquizlaw.com](mailto:poquiz@poquizlaw.com); [jdavies@alloway.net](mailto:jdavies@alloway.net); [marsa@giahilaw.com](mailto:marsa@giahilaw.com);  
[kevin@urbanaddress.ca](mailto:kevin@urbanaddress.ca)

**Cc:** JUS-G-MAG-CSD-Toronto-SCJ Commercial List <[MAG.CSD.To.SCJCom@ontario.ca](mailto:MAG.CSD.To.SCJCom@ontario.ca)>

**Subject:** EXTERNAL: In the Matter of the Receivership Application (C&K Mortgage Investment Inc. v. Camilla Court Homes Inc. et al.)

**Importance:** High

**Due to the COVID-19 crisis**, I held a hearing on the above matter today by Zoom videoconference call. This hearing was held in accordance with: (a) the Consolidated Notice to the Profession, Litigants, Accused Persons, Public and the Media issued by Chief Justice Morawetz on May 13, 2020; and (b) the Changes to Commercial List operations in light of COVID-19 developed by the Commercial List judges in consultation with the Commercial List

Users Committee, as updated. The videoconference facilities were arranged by Dickinson Wright. The application materials were sent to me by email.

This email constitutes my endorsement of today's date and is to be placed in the court file. The participants on the videoconference call are listed in the attached counsel slip.

This is an application to appoint a receiver for the two respondents. The respondents have just been served and have retained counsel, Mr. Davies. They wish to respond to the application and seek an adjournment to do so. I am prepared to grant a brief adjournment to **July 2, 2020 at 10 a.m. before me**. I directed counsel to come up with terms of the adjournment and they have agreed on the following terms:

Timetable:

Responding material to be delivered by June 24;

Reply if any, to be delivered by June 26;

Cross-examinations, if any, by videoconference on June 29;

Hearing at 10 am by videoconference on July 2, 2020

On an interim basis:

The Respondent shall not remove any items (other than construction equipment) from the mortgaged properties or cause damage to the mortgaged properties.

The Respondent shall preserve the mortgaged properties and keep the mortgage properties locked when not in possession.

The Respondent shall not allow any third parties to take possession of the mortgaged properties.

The application is adjourned on those terms.

I direct counsel for the Applicants to contact the Commercial List office to seek a file number for this application as soon as possible.

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

Superior Court of Justice (Toronto)

4824-7837-6384 v1 [50364-29]

This is Exhibit D referred to in the Affidavit of Gary Gruneir  
sworn August 11, 2020

A handwritten signature in blue ink, consisting of a stylized 'G' followed by a long horizontal stroke.

---

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

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

---

**From:** Conway, Madam Justice Barbara (SCJ) <Barbara.Conway@scj-csj.ca>  
**Sent:** Thursday, July 2, 2020 11:50 AM  
**To:** David P. Preger <DPreger@dickinson-wright.com>; jdavies@alloway.net; dsazant@bianchipresta.com; spoquiz@poquizlaw.com; 'brosen@rosengoldberg.com' <brosen@rosengoldberg.com>; Lisa S. Corne <LCorne@dickinson-wright.com>; Janet C. Nairne <JNairne@dickinson-wright.com>  
**Cc:** JUS-G-MAG-CSD-Toronto-SCJ Commercial List <MAG.CSD.To.SCJCom@ontario.ca>  
**Subject:** EXTERNAL: RE: C & K Mortgage Services Inc. v. Camilla Court Homes Inc. et al., Court File No. CV-20-00643021-00CL  
**Importance:** High

This is the return of the receivership application that I adjourned on June 18, 2020 to today's date. It proceeded by Zoom videoconference. The participants on the call are listed in the attached counsel slip.

The debtors did not file any responding materials but made submissions in opposition to the receivership, saying the record did not establish that it was just and convenient to appoint a receiver. Counsel (and the real estate agent ) for the purchasers also attended and expressed their clients' upset and frustration with the pending sale. Counsel for one of the lien claimants attended to observe the hearing.

The Applicant is owed over \$2.5 million on its mortgage from the developer of two properties. The properties secured under the mortgage are under construction. One is almost complete and the other is not. On the affidavit evidence before me (which is not disputed) one of the debtors, Elite, entered into agreements to sell the properties but used the deposit funds to fund the construction and development of the properties. This has created the situation where the mortgage cannot be fully repaid from the sale proceeds. The situation is further complicated by the presence of various construction liens registered on title.

Overall, I consider it just and convenient for a receiver to be appointed to take possession and control of the properties, finance the remaining construction as necessary and then market and sell the properties, all taking into account the interests of the various stakeholders. While I am sympathetic to the concerns of the purchasers, unfortunately they are caught in a situation created by the respondent who independently used the deposit money to fund the construction.

Order to go as signed by me. This order is effective from today's date and is enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", with a stylized flourish at the end.

Superior Court of Justice (Toronto)

This is Exhibit E referred to in the Affidavit of Gary Gruneir sworn  
August 11, 2020

A handwritten signature in blue ink, consisting of a stylized 'D' followed by a long horizontal stroke.

---

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 C. C.43, AS AMENDED AND SECTION 68 OF THE *CONSTRUCTION ACT*, R.S.O. 1990, C. C30**

THE HONOURABLE MADAM ) THURSDAY, THE 2<sup>nd</sup>  
 )  
JUSTICE CONWAY ) DAY OF JULY, 2020  
 )

B E T W E E N:

**C & K MORTGAGE SERVICES INC.**

Applicant

- and -

**CAMILLA COURT HOMES INC. and ELITE HOMES INC.**

Respondents

**ORDER  
(Appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order appointing Rosen Goldberg Inc. as Receiver of the assets, property and undertakings of the Respondents acquired for, or used in relation to a business carried on by the Debtors, pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c.B-3 (the “BIA”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43 (the “CJA”), and as Trustee pursuant to section 68 of the *Construction Act*,

R.S.O. 1990, C. C30 (the “CA”), was heard this day by videoconference due to the COVID-19 crisis.

ON READING the Affidavit of Gary Gruneir sworn June 12, 2020 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, counsel for the Debtors, counsel for Via Trim & Doors Inc., counsel for Jeremy Tan, no one else on the service list appearing, although served as appears from the Affidavit of Service of Jennifer Samuels sworn June 15, 2020 and on reading the consent of Rosen Goldberg Inc. to act as the Receiver,

### **SERVICE**

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

### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Rosen Goldberg Inc. is hereby appointed as receiver, and as trustee pursuant to section 68 of the CA (collectively, the “Receiver”), without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including the lands and premises legally described in Schedule “A” hereto, and all proceeds thereof (the “Property”).

### **RECEIVER’S POWERS**

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

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

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or disclaim or cease to perform any contracts of the Debtors, including, without limitation, agreements of purchase and sale entered into by the Debtors with respect to the Property ;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) with the approval of this Court, to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, and in each such case, notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

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

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “Records”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

**NO PROCEEDINGS AGAINST THE RECEIVER**

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

**NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH THE RECEIVER**

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

**CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to

the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

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

### **PIPEDA**

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal

information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

### **LIMITATION ON THE RECEIVER'S LIABILITY**

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

### **RECEIVER'S ACCOUNTS**

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

### **FUNDING OF THE RECEIVERSHIP**

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may

consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “Receiver’s Borrowings Charge”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

#### **SERVICE AND NOTICE**

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

orders that a Case Website shall be established in accordance with the Protocol with the following URL: [www.rosengoldberg.com/admin/companyview.php?company\\_id=56](http://www.rosengoldberg.com/admin/companyview.php?company_id=56).

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

#### **GENERAL**

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

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

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

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.

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

33. THIS COURT ORDERS that this Order is effective from today's date and is not required to be entered.

**PRIORITY OVER EXISTING AGREEMENTS OF PURCHASE AND SALE**

34. THIS COURT DECLARES that the Applicant's security over the Property ranks in priority to the interests, if any, of the purchasers under the agreement of purchase and sale between Elite Homes Inc. and Yong Yeow Tan, aka Jeremy Tan dated February 11, 2020, and the agreement of purchase and sale between Elite Homes Inc. and Sukhdeep Sandhu dated December 13, 2019.

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*Conway J.*

## SCHEDULE "A"

### LANDS AND PREMISES

#### **Legal Description - Camilla Property**

PT BLK A, PL A27, DES PTS 2, 17 & 18, PL 43R35816; SUBJECT TO AN EASEMENT IN GROSS OVER PART 18, PL 43R35816 AS IN PR2477172; SUBJECT TO AN EASEMENT IN GROSS AS IN PR1987587; SUBJECT TO AN EASEMENT AS IN PR2057203; SUBJECT TO AN EASEMENT AS IN PR2640845; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN PEEL COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1017; TOGETHER WITH AN EASEMENT OVER PART BLOCK A, PLAN A27, DESIGNATED AS PARTS 1, 22, 23 & 24, PLAN 43R35816 AS IN PR3130178; SUBJECT TO AN EASEMENT OVER PART 17, PLAN 43R35816 IN FAVOUR OF LOT 1, PLAN 846, DESIGNATED AS PARTS 1 & 2, PLAN 43R37562 AS IN PR3130488; SUBJECT TO AN EASEMENT OVER PARTS 2 TO 21 & 26 & 27, PLAN 43R35816 IN FAVOUR OF PART OF BLOCK A. PLAN A27, DESIGNATED AS PARTS 25, 28 & 29, PLAN 43R35816 AS IN PR3155396; CITY OF MISSISSAUGA

#### **Legal Description - Mateo Property**

PT BLK A, PL A27, DES PTS 4, 15, 20 & 21, PL 43R35816; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 20 & 21, PL 43R35816 AS IN PR2477172; SUBJECT TO AN EASEMENT IN GROSS AS IN PR1987587; SUBJECT TO AN EASEMENT AS IN PR2057203; SUBJECT TO AN EASEMENT AS IN PR2640845; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN PEEL COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1017; TOGETHER WITH AN EASEMENT OVER PART BLOCK A, PLAN A27, DESIGNATED AS PARTS 1, 22, 23 & 24, PLAN 43R35816 AS IN PR3130176; SUBJECT TO AN EASEMENT OVER PARTS 15 & 21, PLAN 43R35816 IN FAVOUR OF LOT 1, PLAN 846, DESIGNATED AS PARTS 1 & 2, PLAN 43R37562 AS IN PR3130488; SUBJECT TO AN EASEMENT OVER PARTS 2 TO 21 & 26 & 27, PLAN 43R35816 IN FAVOUR OF PART OF BLOCK A. PLAN A27, DESIGNATED AS PARTS 25, 28 & 29, PLAN 43R35816 AS IN PR3155396; CITY OF MISSISSAUGA

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

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

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

1. THIS IS TO CERTIFY that Rosen Goldberg Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Camilla Court Homes Inc. and Elite Homes Inc. (the "Debtors") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 2nd day of July, 2020 (the "Order") made in an application having Court file number CV-20-00643201-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the \_\_\_\_\_ day of each month after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

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

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

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 2020.

Rosen Goldberg Inc., solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

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

Name:

Title:

**C & K MORTGAGE SERVICES INC.**

Applicant

-and- **CAMILLA COURT HOMES INC. et al**

Respondents

Court File No. CV-20-00643021-00CL

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

PROCEEDING COMMENCED AT  
TORONTO

**ORDER  
(Appointing Receiver)**

**DICKINSON WRIGHT LLP**

Barristers & Solicitors  
199 Bay Street  
Suite 2200, P.O. Box 447  
Commerce Court Postal Station  
Toronto, Ontario, M5L 1G4

**DAVID P. PREGER (36870L)**

Email: [dpreger@dickinsonwright.com](mailto:dpreger@dickinsonwright.com)  
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Applicant

-and- **CAMILLA COURT HOMES INC. et al**  
Respondents

Court File No. CV-20-00643021-00CL

**ONTARIO**  
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