

Court File No. CV-18-604993-00CL

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

In the matter of Sections 97 and 100 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as am.

B E T W E E N:

FIRM CAPITAL MORTGAGE FUND INC.

Applicant

- and -

**FORTRESS BROOKDALE INC., FORTRESS AVENUE ROAD (2015) INC.
and FERNBROOK HOMES (BROOKDALE) LIMITED**

Respondents

**REPORT OF RSM CANADA LIMITED, IN ITS CAPACITY AS THE PRIVATELY-
APPOINTED RECEIVER OF THE RESPONDENTS**

OCTOBER 2, 2018

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4. Confidential Offer Summary
5. Un-redacted Agreement of Purchase and Sale

INTRODUCTION

1. On June 11, 2018, RSM Canada Limited (“**RSM**”) was appointed as private receiver (the “**Receiver**”) by Firm Capital Mortgage Fund Inc. (the “**Lender**”), in respect of the property, assets and undertaking of Fortress Brookdale Inc. (“**FBI**”), Fortress Avenue Road (2015) Inc. (“**FAR**”), and Fernbrook Homes (Brookdale) Limited (“**FHB**” and collectively with FBI and FAR, the “**Borrowers**”). The primary asset owned by FBI is the real property municipally known as Brookdale on Avenue Road, located at 1678-1704 Avenue Road, 375-377 Fairlawn Avenue and 412-416 Brookdale Avenue in Toronto, Ontario (the “**Property**”) of which FBI is the legal owner. FAR and FHB are the beneficial owners of the Property. Copies of the letters from the Office of the Superintendent of Bankruptcy acknowledging the Receiver’s filing of its Notices and Statements of Receiver in accordance with S. 245 and S. 246 of the *Bankruptcy and Insolvency Act* (Canada) are attached hereto as **Appendix “A”**.
2. The Receiver was privately-appointed by the Lender pursuant to security it holds, to market and sell the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof, and negotiate terms and conditions of sale. The Borrowers consented in writing to the appointment of the Receiver for the purpose of selling the Property.
3. A brief history of the events leading up to the appointment of the Receiver can be found in the Notice of Application dated September 12, 2018 and the Affidavit of Forrest Todd sworn September 21, 2018 (the “**Todd Affidavit**”).
4. Capitalized terms not defined herein shall have the meaning ascribed to them in the Todd Affidavit.

Purpose of the Report

5. The purpose of this report of the Receiver (the “**Report**”) is to (i) provide details as to the sales process undertaken by the Receiver leading to the execution of the APS, and (ii) support the relief sought by the Lender, namely the request for a Vesting Order in respect of the Purchased Assets, and the sealing of certain confidential information pending

completion of the sale transaction. In addition to the information contained herein for the benefit of the creditors of the Borrowers and other stakeholders, the Report is also intended to provide the Court with the following confidential information, for which a sealing Order is sought:

- a) a copy of the confidential information memorandum provided to prospective purchasers who signed a confidentiality agreement, containing confidential information in respect of the Property;
- b) a summary of the terms of all offers received for the Property;
- c) copies of the two appraisals of the Property obtained by the Receiver; and
- d) an unredacted copy of the executed Agreement of Purchase and Sale (the “**APS**”) dated August 23, 2018 between the Receiver and Empire (Water Wave) Inc., or its permitted assignee or as it may direct, as purchaser (the “**Purchaser**”).

Terms of Reference

6. In preparing this Report and making the comments herein, the Receiver has relied upon certain unaudited financial information provided by the Borrowers and information received from, and discussions with, stakeholders and third parties, including potential purchasers of the property (collectively, the “**Information**”). Certain of the information contained in this Report may refer to, or is based on, the Information. As the Information has been provided by the Borrowers, or other parties, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness.

THE MARKETING PROCESS AND OFFERS RECEIVED

7. Due to the nature, size, visibility and location of the subject property, the Receiver was able to successfully undertake a direct sale process without the use of a real estate broker.
8. Shortly after its appointment in June 2018, the Receiver commenced assembling materials to establish an electronic data room for prospective purchasers. By mid-June, 2018, the

Receiver completed populating the electronic data room with information regarding the Property.

9. The Receiver conducted extensive research and leveraged a large professional network to ensure that a substantial and relevant scope of prospective purchasers were solicited in the sales process. The Receiver's listing of potential purchasers included, but is not limited to, real estate development companies, real estate investment firms, mortgage brokers and real estate lawyers.
10. Commencing at the end of June of 2018, the Receiver sent out a marketing brochure to 953 individuals at 726 entities marketing the Property for sale (the "**Marketing Brochure**"). The Receiver placed notices advertising the sale of the Property in the Globe & Mail's legal tenders section on July 5, 2018 and July 12, 2018 (collectively, the "**Newspaper Advertisements**") to maximize its exposure as the Receiver was advised by the Globe & Mail that its circulation for real estate is highest on Thursdays. Copies of the Marketing Brochure and the Newspaper Advertisements are attached hereto as **Appendices "B"** and "**C**", respectively.
11. Signage marketing the Property for sale was installed on the perimeter of the property on July 6, 2018. The signs were strategically placed where there is the most foot and vehicle traffic, for maximum exposure.
12. The Receiver prepared confidentiality agreements ("**CAs**"), a confidential information memorandum (the "**CIM**"), and a template form of agreement of purchase and sale to be sent to those parties that executed a CA. CAs were executed by 102 interested parties and returned to the Receiver. The Receiver sent a copy of the CIM to each party that executed a CA and provided each party with access to a password-protected electronic data room. The electronic data room contained, among other things, copies of the CIM, architectural drawings, environmental reports, and information in respect of property taxes. A copy of the CIM is attached hereto as **Confidential Appendix "1"**. A copy of the Receiver's data room index is attached hereto as **Appendix "D"**.

13. The Receiver obtained appraisals of the Property from each of Blake, Matlock and Marshal Real Estate Appraisers and Consultants (the “**BMM Appraisal**”) and from Colliers International (the “**Colliers Appraisal**” and together with the BMM Appraisal, the “**Appraisals**”). Copies of the Appraisals are attached as **Confidential Appendix “2”** and **Confidential Appendix “3”**.
14. The Receiver set a date for the submission of offers of August 14, 2018 (the “**Bid Deadline Date**”), which was approximately 7 weeks from the date that the Receiver sent out the Marketing Brochure. Prior to the Bid Deadline Date, the Receiver contacted all of the parties that had accessed the data room to offer site tours of the Property. Site tours were conducted for 18 different parties, prior to the Bid Deadline Date.
15. Eleven parties (the “**Offerors**”) delivered offers to the Receiver by the Bid Deadline Date. The Receiver prepared a summary of the offers received, which summary included any significant changes proposed by the Offerors to the standard form of asset purchase agreement provided by the Receiver (the “**Offer Summary**”). A copy of the Offer Summary is attached as **Confidential Appendix “4”**.
16. After consultation with the Lender, the Receiver met with three parties (either in person or via teleconference) who had submitted offers. During the discussion with these Offerors, the Receiver attempted to improve on the price offered and/or the terms of the agreement. As a result of those discussions, the Receiver is of the opinion that it achieved the best possible price and terms available from the Offerors.
17. After discussions with the other Offerors, the Purchaser’s offer was the highest and best executable offer received and the Receiver and its counsel continued to work with the Purchaser and its counsel to finalize an agreement of purchase and sale for execution by the parties. In the Receiver’s opinion, the marketing efforts were appropriate in the circumstances and the process was fair and reasonable. The price achieved from the sale process is well supported by the value established for the Property in each of the Appraisals.
18. The Receiver received the final APS (as defined above) from the Purchaser which was accepted by the Receiver and executed on August 23, 2018. A copy of the APS with the

purchase price redacted is attached as Exhibit “W” to the Todd Affidavit. An un-redacted version of the APS is attached hereto as **Confidential Appendix “5”**.

19. The outside closing date of the transaction contemplated by the APS is October 31, 2018. The Purchaser delivered the deposit to the Receiver in accordance with the terms of the APS.
20. The Purchaser required that a Vesting Order be available for closing, and the terms of the Vesting Order to be sought are set out in the APS. Terms of the APS to be satisfied prior to and on closing include:
 - a) the Purchaser be a corporation duly incorporated and organized, validly subsisting, and in good standing under the laws of its incorporating jurisdiction and that it have the power and authority to own the Purchased Assets;
 - b) the Purchaser pay all costs, and obtain any additional insurance protection as deemed necessary by the Purchaser to protect the Purchased Assets from the Effective Date (as defined therein) until the Closing Date;
 - c) the Purchaser indemnify and save the Vendor harmless from any act or omission of the Purchaser from the Effective Date to the Closing Date with respect to the Purchased Assets;
 - d) the Purchaser or its assignee be registered for the purposes of the goods and services or harmonized sales tax (“HST”) on closing or, if the Purchaser is not an HST registrant, the Purchaser remit the HST thereon to the Receiver General of Canada; and
 - e) the delivery and exchange of closing documents and payment of the balance of the purchase price due on closing.
21. The Receiver believes that the Purchaser, being a well established and known developer, has the ability and financial wherewithal to complete the transaction for the Purchased Assets. The Lender supports completion of the APS with the Purchaser. It is the opinion of the Receiver that the completion of the transaction contemplated by the APS provides the

best available recovery for creditors of the Borrowers, as their respective interests may appear.

FUNDS ON DEPOSIT

22. Shortly after its appointment, the Receiver was advised by Albert Chen, VP of accounting of FBI, that cash in the amount of \$491,000 was on deposit with FBI (the “Cash”). The Receiver was further advised that the Cash was available to be used for working capital purposes and was then being used by FBI to pay costs incurred by FBI. During the course of its mandate, the Receiver has used most of the Cash to pay the expenses required to maintain the Property, conduct the sale process and pay professional fees, which would have otherwise been funded by the Lender and secured and payable under its First Mortgage. A copy of the Receiver’s Statement of Receipts and Disbursements dated September 20, 2018 is attached to the Todd Affidavit as Exhibit “V”. The most significant disbursements made, excluding professional fees, were for a security guard to be on-site at the Property on a 24/7 basis and the removal of flammable and hazardous materials as required by the Receiver’s insurer, HST paid on the Receiver’s disbursements, insurance and the costs associated with obtaining the Appraisals.
23. Based on its discussions with Mr. Chen and from a review of the books and records of the Borrowers, the Receiver ascertained that the Cash did not constitute funds held back by the Borrowers from the construction contract price or in respect of any amount pertaining to any construction liens registered against title to the Property. The Receiver is not aware of any funds, other than the Cash, maintained by FBI.

MORTGAGEES AND LIEN CLAIMANTS

24. Details regarding other mortgagees and lien claimants are outlined in the Todd Affidavit. As set out below, the Receiver has been involved in and/or is aware of certain discussions with various creditors or stakeholders of the Borrowers.
25. The Lender has advised the Receiver that, as at September 14, 2018, the Borrowers were indebted to it under the Loan Commitment in the amount of CAD \$20,138,459.97 together

with accruing interest, costs and professional fees which amounts are secured, *inter alia*, by the First Mortgage. The amount owing to the Lender is broken down as follows:

Principal balance owing (as of September 14, 2018)	\$18,211,721.00
Accrued Interest (to September 14, 2018)	\$1,253,015.55
Automatic Renewal Fee (Schedule "A" to the First Mortgage Commitment at paragraph 25)	\$36,432.44
Interest as at January 1, 2018 as per section 17 of the <i>Mortgages Act</i>	\$546,351.63
Default administration fee (December/17 & April/18)	\$1,500.00
Review administration fee	\$500.00
Notice of sale fee	\$750.00
Statement fees (December/17, April/18, August/18)	\$450.00
Construction monitor fees paid (Finnegan Marshall)	\$87,739.35
TOTAL	\$20,138,459.97

26. In addition to the amounts noted above, the Lender has incurred professional fees in respect of its counsel, the Receiver and counsel to the Receiver as set out in the Todd Affidavit and will continue to incur professional fees until all amounts owing to it are fully repaid and the Receiver can be discharged.

Aluma Systems Inc. ("Aluma")

27. On June 28, 2018, counsel to Aluma ("**Aluma Counsel**"), a lien claimant, contacted the Receiver to advise that Aluma's equipment was on site at the Property and that Aluma either wanted to pick up its equipment or be paid for the rental charges associated with the use of its equipment. In order to better understand the position of Aluma and determine whether the equipment could be returned to Aluma, the Receiver requested that Aluma Counsel provide written information to the Receiver in respect of the Aluma equipment including the details of the equipment on site at the Property and the use of same.
28. On June 29, 2018, Aluma Counsel wrote to the Receiver (the "**June 29th Letter**") to provide a copy of its client's claim for lien, an inventory list of Aluma's equipment on-site, and to advise that the Aluma equipment required to remain onsite will require the payment of ongoing rental payments. Aluma Counsel stated that it expected the Receiver to make a

commitment to pay such rental charges. The correspondence proposed that a representative of Aluma should attend at the site with the Receiver to review the Aluma equipment with the inventory list and make decisions regarding what, if any, of Aluma's equipment could be removed. Aluma Counsel further stated that if any equipment could be removed, Aluma Counsel would have to discuss with the Receiver the associated costs for removal of same. A copy of the June 29th Letter is attached hereto as **Appendix "E"**.

29. On July 3, 2018, the Receiver forwarded the June 29th Letter to Domenic Fazari at Cityzen Development Group ("**Cityzen**"), the former general contractor of the Property, to seek further details and insight into what equipment may be on site and the rental charges in relation to Aluma's equipment. On July 5, 2018, Mr. Fazari wrote to the Receiver (the "**Cityzen Email**") to advise that Cityzen could not assist the Receiver because it could not confirm or dispute the claims being made in the June 29th Letter. Cityzen advised the Receiver that any agreement (purchase and finance, long-term lease, rent or otherwise) for the sourcing of the equipment from Aluma would be between Aluma and the forming contractor, Summit Forming Ltd ("**Summit**"). The Receiver understands that Aluma is a subcontractor of Summit. Cityzen advised the Receiver that it does not have the information required to assist the Receiver.
30. On July 5, 2018, the Receiver forwarded the Cityzen Email to Aluma Counsel. After an exchange of correspondence between Aluma Counsel and the Receiver (the "**July 5th Email Exchange**"), the Receiver proposed a meeting among the Receiver, Aluma and Summit. A copy of the July 5th Email Exchange is attached hereto as **Appendix "F"**.
31. On July 6, 2018, Aluma Counsel wrote to the Receiver (the "**July 6th Letter**") to advise that Aluma Counsel would arrange for a conference call or meeting among the Receiver, Aluma and Summit and sought confirmation that the Receiver would honour the contract between Aluma and FBI. Aluma Counsel further advised that if it did not have the Receiver's confirmation by the end of the following week, Aluma would take steps to remove its equipment and would not be responsible for any damage that resulted from those actions. A copy of the July 6th Letter is attached hereto as **Appendix "G"**.

32. On July 6, 2018, the Receiver wrote to Aluma Counsel in response to the July 6th Letter to advise that it was concerned for a number of reasons about the position taken by Aluma and Aluma's Counsel with regard to removing Aluma's equipment. The Receiver copied counsel, Thornton Grout Finnigan LLP ("**TGF**") on the Receiver's response and requested that further communication from Aluma Counsel be directed to TGF. Aluma Counsel confirmed to the Receiver that its client and Summit could meet the following week and hopefully resolve the issues (the "**July 6th Email Exchange**"). A copy of the July 6th Email Exchange is attached hereto as **Appendix "H"**.
33. The Receiver had no further communication from Aluma, Aluma Counsel or Summit until August 17, 2018, when Aluma Counsel served a statement of claim (the "**Aluma Claim**"), in which, among others, RSM Canada Limited is named as a defendant. A copy of the Aluma Claim is attached hereto as **Appendix "I"**.
34. The Receiver continues to be willing to meet with Aluma in an effort to resolve the Aluma Claim as against the Receiver prior to the date on which the Vesting Order, as sought, may be granted, including the terms providing for payment of the Net Sale Proceeds into Court. Thereafter, upon the Vesting Order being granted with the Net Sale Proceeds being paid into Court by the Receiver, any claims of any party as against the Lender or the Receiver, including but not limited to Aluma, will be limited to the Net Sale Proceeds paid into Court with the same rights and priorities as existed immediately prior to the Vesting Order being granted.

Stakeholder Communications

35. The Receiver is aware of and/or has been involved in discussions with certain of the stakeholders of the Borrowers since its appointment. The Receiver has attempted to balance the provision of information to stakeholders while maintaining the integrity of the sale process, pending closing of the transaction with the Purchaser.

LEGAL OPINION

36. The Receiver has obtained a legal opinion (the "**Legal Opinion**") from its real estate counsel, Meyer, Wassenaar & Banach LLP ("**MWB**") that the First Mortgage over the

Property granted in favour of the Lender constitutes a good, valid and enforceable first charge against title to the Property in accordance with its terms, subject only to the usual qualifications and assumptions set out in Schedule B to the Legal Opinion. As set out in the Todd Affidavit, the Lender had previously brought an application to the Court for the appointment of RSM as Court-appointed receiver of the Borrowers (Court file no. CV-18-593097-00CL). No Order was issued in that proceeding appointing a Receiver by the Court. The Legal Opinion was obtained at that time as part of that proceeding. MWB has confirmed that the Legal Opinion can be relied upon by the Receiver such that another legal opinion need not be obtained at additional cost to the creditors of the Borrowers. A copy of the Legal Opinion is attached hereto as **Appendix “J”**.

NET SALE PROCEEDS

37. On Closing, the Lender will receive payment of amounts owing to it as at October 15, 2018, and the Receiver will receive the net proceeds of sale of the Purchased Assets, after payment of the Closing Expenses (the “**Net Sale Proceeds**”). On Closing, the Receiver will deliver a certificate to the Purchaser which will have the effect of implementing the terms of the Vesting Order.
38. The Receiver will pay the following expenses on Closing (the “**Closing Expenses**”):
 - i. All unpaid property taxes and utility arrears, totaling approximately \$325,000; and
 - ii. any other expenses payable in relation to the Property which are determined to have legal priority over the First Mortgage (save and except amounts, if any, that may be determined to be in priority to the First Mortgage as a result of any deficiency in the construction lien holdback, which are addressed through the payment into Court of the Net Sale Proceeds pursuant to the Vesting Order) or which must be paid in order to close the transaction and vest the Purchased Assets in the Purchaser as required pursuant to the terms of the APS.
39. The Receiver also proposes to hold back \$500,000 (the “**Holdback**”) from the Net Sale Proceeds to provide for the payment of any obligations of the Lender or the Receiver

incurred in relation to the Property that have not been paid as at the closing date or in respect of the receivership of the Respondents, the closing of the APS transaction, any post-Closing matters or the implementation of the terms of the Vesting Order. The amounts to be paid from the Holdback include fees and expenses of counsel and the Receiver from and after October 15, 2018 and any expenses that were not known or quantifiable at the time of closing such as insurance, security for the Property or priority government obligations. The Receiver does not intend to hold these funds for an extended period of time and anticipates being in a position to release the balance of the Holdback within sixty (60) days.

40. Subject to the Vesting Order and directions and protections regarding payment of the Net Sale Proceeds into Court being granted, the Receiver will pay the Net Sale Proceeds, less the Holdback, to the Accountant of the Superior Court of Justice (the “**Accountant**”) within one week of Closing, to be held in an interest bearing account for the benefit of all those claiming an interest in such Net Sale Proceeds, or as otherwise directed by the Court. Based on the purchase price under the APS and the Closing Expenses that must be paid on Closing, the Net Sale Proceeds to be paid to the Accountant will exceed 125% of the total amount of the construction lien claims against the Property, and are expected to be in excess of 200% of the aggregate of all such lien claims. Upon delivery of the Net Sale Proceeds to the Accountant, the Receiver will deliver a certificate to all parties on the service list confirming that the Net Sale Proceeds have been paid to the Accountant in accordance with the terms of the Vesting Order.
41. Once the Net Sale Proceeds are paid into Court pursuant to the Vesting Order, all claims that might otherwise exist or be asserted against the Lender, the Receiver or in respect of the Property will instead be asserted against the Net Sale Proceeds only, with the same rights and priorities as existed prior to the Vesting Order being granted. It is a fundamental aspect of the Receiver remitting the Net Sale Proceeds to the Court for the benefit of all parties entitled to same, that such term be in the Vesting Order.

SEALING CONFIDENTIAL APPENDICES

42. The CIM, the detailed Offer Summary, the BMM Appraisal, the Colliers Appraisal and an un-redacted version of the APS (together, the “**Confidential Materials**”) have not been

publicly disclosed as the Receiver believes that if the Court does not issue the requested Vesting Order or if the sale of the Purchased Assets to the Purchaser does not close for any reason, disclosure of same may prejudice any future sales process for the Purchased Assets.

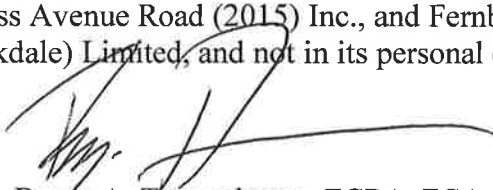
ORDER SOUGHT

43. The Receiver supports the Lender's request for an Order vesting the right, title and interest in the Purchased Assets in the Purchaser on the terms sought by the Lender and the Purchaser, in accordance with the APS.

All of which is respectfully submitted to this Court as of this 2nd day of October, 2018.

RSM CANADA LIMITED, in its capacity as
privately-appointed Receiver of Fortress Brookdale Inc.,
Fortress Avenue Road (2015) Inc., and Fernbrook Homes
(Brookdale) Limited, and not in its personal or corporate capacity

Per:



Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

APPENDIX A



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

RECEIVER: ARIF NAZARALI DHANANI
RSM Canada Limited
RSM Place
11 King Street West, Suite 700
Toronto, ONTARIO
M5H 4C7

DATE: June 28, 2018

RE: Filing of Receivership and Reporting Duties of Receiver

ESTATE NAME: FORTRESS BROOKDALE INC.

ESTATE NO: 31-458497

Dear Sir/Madam,

We write to acknowledge receipt of Form 87, Notice and Statement of the Receiver, for the above noted receivership. Please note the assigned estate number and ensure this number is on all future correspondence.

As a reminder, subsection 246(2) of the Bankruptcy and Insolvency Act (BIA) and Rule 126 of the Bankruptcy and Insolvency General Rules require the receiver to prepare interim reports relating to the receivership at least once every six months and provide copies thereof to the Superintendent, to the insolvent person or the Licensed Insolvency Trustee (in the case of a bankrupt) and to any creditor who requested a copy.

In addition, pursuant to subsection 246(3) of the BIA and Rule 127, the receiver shall, after completion of his/her duties, prepare a final report and a statement of accounts containing the prescribed information relating to the receivership and provide a copy thereof to the Superintendent, to the insolvent person or the Licensed Insolvency Trustee (in the case of a bankrupt) and to any creditor who requested a copy.

Please contact this office should you have any questions regarding any of the above.

Superintendent of Bankruptcy

151 Yonge Street, 4th Floor, Toronto, ONTARIO, M5C 2W7, 877/376-9902

Canada



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

RECEIVER: ARIF NAZARALI DHANANI
RSM Canada Limited
RSM Place
11 King Street West, Suite 700
Toronto, ONTARIO
M5H 4C7

DATE: June 28, 2018

RE: Filing of Receivership and Reporting Duties of Receiver

ESTATE NAME: FORTRESS AVENUE ROAD (2015) INC.

ESTATE NO: 31-458498

Dear Sir/Madam,

We write to acknowledge receipt of Form 87, Notice and Statement of the Receiver, for the above noted receivership. Please note the assigned estate number and ensure this number is on all future correspondence.

As a reminder, subsection 246(2) of the Bankruptcy and Insolvency Act (BIA) and Rule 126 of the Bankruptcy and Insolvency General Rules require the receiver to prepare interim reports relating to the receivership at least once every six months and provide copies thereof to the Superintendent, to the insolvent person or the Licensed Insolvency Trustee (in the case of a bankrupt) and to any creditor who requested a copy.

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Please contact this office should you have any questions regarding any of the above.

Superintendent of Bankruptcy

151 Yonge Street, 4th Floor, Toronto, ONTARIO, M5C 2W7, 877/376-9902

Canada



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Office of the Superintendent
of Bankruptcy Canada

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Bureau du surintendant
des faillites Canada

RECEIVER: ARIF NAZARALI DHANANI
RSM Canada Limited
RSM Place
11 King Street West, Suite 700
Toronto, ONTARIO
M5H 4C7

DATE: June 28, 2018

RE: Filing of Receivership and Reporting Duties of Receiver

ESTATE NAME: FERNBROOK HOMES (BROOKDALE) LIMITED

ESTATE NO: 31-458499

Dear Sir/Madam,

We write to acknowledge receipt of Form 87, Notice and Statement of the Receiver, for the above noted receivership. Please note the assigned estate number and ensure this number is on all future correspondence.

As a reminder, subsection 246(2) of the Bankruptcy and Insolvency Act (BIA) and Rule 126 of the Bankruptcy and Insolvency General Rules require the receiver to prepare interim reports relating to the receivership at least once every six months and provide copies thereof to the Superintendent, to the insolvent person or the Licensed Insolvency Trustee (in the case of a bankrupt) and to any creditor who requested a copy.

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Please contact this office should you have any questions regarding any of the above.

Superintendent of Bankruptcy

151 Yonge Street, 4th Floor, Toronto, ONTARIO, M5C 2W7, 877/376-9902

Canada

APPENDIX B



PRIME REAL ESTATE DEVELOPMENT OPPORTUNITY

“BROOKDALE ON AVENUE ROAD”

MIXED USE LAND PARCEL
APPROVED FOR 62 RESIDENTIAL
CONDOMINIUM UNITS, 18
RESIDENTIAL RENTAL UNITS AND
GROUND FLOOR RETAIL SPACE

APPROXIMATELY 1.069-ACRE
PARCEL OF LAND IN TORONTO, ON

JUNE 28, 2018

THE OPPORTUNITY

RSM Canada Limited, in its capacity as privately-appointed receiver (the “**Receiver**”) of Fortress Brookdale Inc. (the “**Debtor**”), and not in its personal capacity, invites the submission of offers in respect of the right, title and interest of the Debtor, if any, in the real property owned by the Debtor located on Avenue Road in the City of Toronto, Province of Ontario (“the **Property**”). The deadline for submission of offers is set for 12:00 noon, EST, on August 14, 2018.

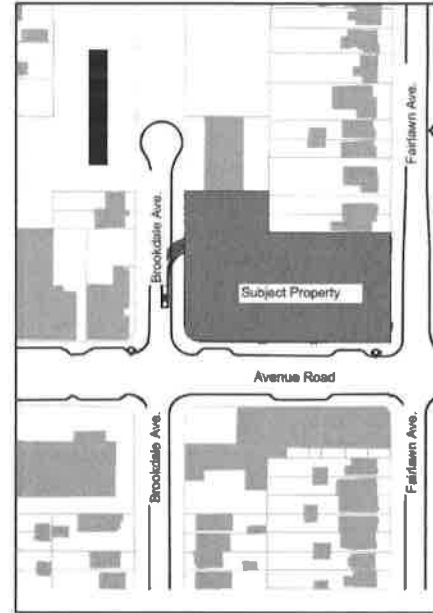
INVESTMENT HIGHLIGHTS

- Prime location in Toronto to capture future residential demand
- Site plan approved for condominium, residential and commercial space with parking
- Prior to the Receiver’s appointment, the Debtor entered into agreements of purchase and sale with respect to 59 of the 62 residential condominium units to be constructed on the Property.

Subject Property Overview

- The subject Property consists of approximately 1.069 acres located at 1678-1704 Avenue Road, 375-377 Fairlawn Avenue and 412-416 Brookdale Avenue in Toronto, Ontario.
- The site is site plan approved for approximately 165,770 sq. ft., 7-storey mixed use condominium building, consisting of 62 residential condominium units, 18 residential rental units and ground floor retail space.
- Details of the development, as intended, prior to the Debtor’s default, based on the project plan are:
 - the total net saleable floor area of the 62 condominium units in the building was planned to be approximately 113,943 sq. ft. (unit sizes range from approximately 704 sq. ft. to approximately 2,790 sq. ft.) with an average unit size of approximately 1,838 sq. ft.
 - 18 residential rental apartment units are required to be constructed to replace the former rental apartment units that were located on the Property. The 18 rental units were planned to have a total of approximately 11,291 sq. ft. of rentable space (average size of approximately 627 sq. ft.).
 - approximately 19,935 sq. ft. of retail space was planned to be on the ground floor with high ceilings (approx. 16’).

- The Property occupies street frontage of the entire city block on the west side of Avenue Road between Brookdale Avenue and Fairlawn Avenue in the city of Toronto and has been previously marketed as “Brookdale on Avenue Road”.



- Situated within walking distance to transit, grocery stores, restaurants and other amenities, the Property offers a unique advantage to set precedent for the condominium market in the area as it is surrounded by commercial and detached dwellings.
- The concrete forming of the foundation and first three stories of the building have been substantially completed.



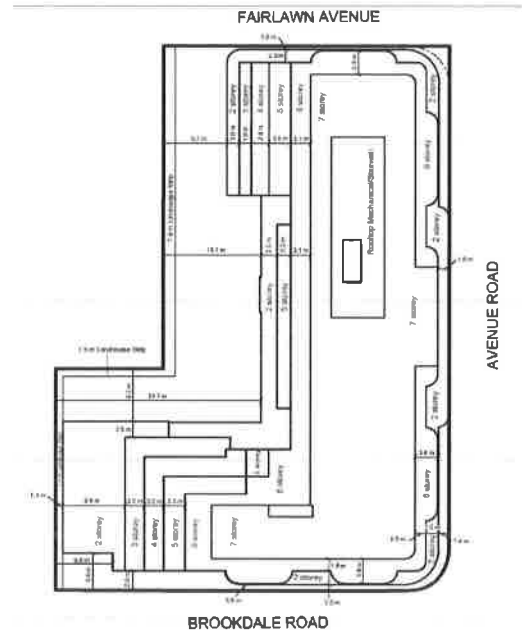
View from Northeast Corner of the Site at the junction of Fairlawn Avenue and Avenue Road.

ZONING & LEGAL DESCRIPTION

Zoning

According to the prevailing Zoning By-law, 436-2014, the Property is currently site plan approved for:

- Residential – 62 residential condominium units consisting of 3 3-storey townhomes and 59 apartment style units
- Rental – 18 rental units consisting of 17 1-bedroom units and 1 2-bedroom unit
- Parking – 188 parking units on 2 underground levels. 58 parking spots are allocated for general public use on a pay per use basis and 12 parking spots are allocated for the rental units
- Retail – 19,935 square feet of retail space located on the ground floor with 16' ceilings.



Legal Description

The real property is described as:

Firstly: PIN: 10189-0865 (LT), being Lots 33 and 34, Plan 2371, Part of Lots 42A and Lot 43A, Plan 2247, designated as Part 1 on Plan 66R29204; t/w an easement over Part 3 on Plan 66R29204 as

in AT4379990, s/t an easement as in AT4660181 and s/t an easement as in AT4753130, City of Toronto

Secondly: PIN: 10189-0866 (LT), being Lot 32, Plan 2371, Township of York, designated as Part 2 on Plan 66R29204, s/t an easement as in AT4660181 and s/t an easement as in AT4753130, City of Toronto

and municipally known as 1678-1704 Avenue Road, Toronto, Ontario, 375-377 Fairlawn Avenue, Toronto, Ontario and 412-416 Brookdale Avenue, Toronto, Ontario.

TRANSACTION AND COMPETITIVE BID PROCESS

The Receiver is conducting a Request for Offers, with the deadline for submission of offers set for Monday August 14, 2018 at 12:00 noon, Eastern Standard Time and are to be irrevocable for acceptance for 7 days from submission. Offers must be submitted using the form of offer available with the Confidential Information Memorandum ("CIM"). The Receiver reserves the right to extend the above deadline at its sole discretion.

To receive additional information including the CIM, interested parties must execute a Confidentiality Agreement. If you are interested in this opportunity, please contact Ms. Asiyya Pisani of the Receiver's office either at 647-730-1323 or at asiyya.pisani@rsmcanada.com.

rsmcanada.com

This document contains general information, may be based on authorities that are subject to change, and is not a substitute for professional advice or services. This document does not constitute audit, tax, consulting, business, financial, investment, legal or other professional advice, and you should consult a qualified professional advisor before taking any action based on the information herein. RSM Canada Limited and its affiliates and related entities are not responsible for any loss resulting from or relating to reliance on this document by any person. This communication is being sent to individuals who have subscribed to receive it or who we believe would have an interest in the topics discussed.

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APPENDIX C

Home Hardware chief executive Terry Davis to retire

SALMAN FARDQOUI

After 48 years with Home Hardware Stores Ltd. and the last four of them as CEO, Terry Davis is retiring and passing on the reins to someone better fit to handle the company's digital expansions.

Mr. Davis is stepping down after taking part in the company's latest five-year plan, which outlined how Home Hardware will move into the e-commerce market to stay competitive in what is a notoriously cut-throat home-improvement sector. Mr. Davis will remain as CEO until the company finds his replacement.

"You know, I'm 67 years old and it's time to get some fresh perspective on competing and meeting the challenges," Mr. Davis said. "There's a whole new generation of homeowners com-

ing in the next decade that may not know hardware as much as their parents did, and we just want to make sure that we're well positioned to help them."

But Mr. Davis says the core values that make Home Hardware the quirky, personable brand that it is known as will still be paramount as they adapt to the market.

He has previously said that Home Hardware's unique ownership structure, where shares are equally held by each individual store owner, means that store owners are the bosses of the CEO, not the other way around. As a result, the company has always promoted individualism, humour and a unique environment across almost 1,500 stores.

"One of our strengths is that every one of our dealer owners brings their strength and person-

ality and makes it their own," Mr. Davis said. "I think in today's environment, more than ever, people want to stand out as their own person... and I think the fact that our dealers are like that at a time when people are like that is a good match."

Those core values have worked out for them in recent years. In 2017, the store's yearly gross sales reached \$6-billion a year, which equalled a 19-per-cent share of the home-improvement industry. That put Home Hardware in third place behind Home Depot Inc. (17 per cent) and Rona Inc./Lowe's Cos. (16 per cent), and just ahead of Canadian Tire Corp. Ltd. (12 per cent). Home Hardware would not provide statistics on 2018, but Mr. Davis said that growth was still at a percentage near double digits in the first half of this year.

Despite its sizable market share, Home Hardware has remained more of a local brand than a corporate one. In Fort McMurray, Alta., Mr. Davis said that Home Hardware was the first business allowed back into the town to help with rebuilding after a fire in 2016 destroyed entire neighbourhoods and prompted an evacuation. Similar help was also provided by Home Hardware contractors during flooding in the Maritimes.

Mr. Davis said the hiring process will be aimed at determining how well applicants would fit in with the company culture.

"The nature of our business as a dealer-owned private company, with 1,500 plus shareholders that are each unique, means that they'll have to be really good with building relationships with those dealers and understanding that

their livelihoods depend on decisions being made here," Mr. Davis said. "Our competitors, they are big and invest a lot of money in technology in their marketing and in their stores, so we need a visionary leader who can compete with those giants."

As for Mr. Davis's own future, he says he's looking forward to not having to make those big decisions any more. In fact, he still remembers when he received a document outlining his work benefits when he first passed his probationary period at 19 years old. The document listed his official retirement date as February 1, 2016.

"I looked at that and my mind could not think ahead that far into the future. I could not comprehend there would be a year 2016 even," Mr. Davis said with a laugh. "I outlasted that by a little bit."

Airbus CEO says C Series orders, name change coming soon

ROSS MAROWITS/MIRABEL, QUE.

Tangible results of Airbus's majority stake in Bombardier Inc.'s C Series program will soon be revealed with the announcement of new orders and a name change, the aerospace giant's chief executive said on Wednesday.

"I'm convinced you will see the first results in the next couple of weeks as we go to Farnborough," said Tom Enders referring to the international air show near London that starts July 16.

Two of the world's largest aircraft manufacturers were celebrating with about 3,000 Bombardier employees the new C Series partnership that officially took effect July 1.

Mr. Enders later told reporters that a change in the aircraft's name is also coming. Published reports suggest the plane will become the A200 to align with Airbus planes.

"We're working on it. I'd say in the near future," he said outside a Mirabel assembly hangar.

Airbus's main focus will be to sell the C Series and drastically reduce production costs, Mr. Enders said.

"Our top priority is selling the aircraft like crazy," he said, pointing to some

6,000 planes with 100 to 150 seats are expected to be sold by the industry over the next 20 years.

Mr. Enders added the company with have "engaged discussions" with suppliers because a great aircraft needs a great cost structure.

He declined to say how much costs need to come down.

He promised Bombardier employees "We will fight for every C Series deal, every campaign and we are good fighters for our Airbus aircraft," he said.

Problems with the Pratt and Whitney engines have delayed aircraft deliveries.

Mr. Enders called them "teething problems" that were a little more than expected.

However, he doesn't anticipate customers avoiding the plane while Pratt works on a fix.

And while U.S. steel and aluminum tariffs won't cause an immediate problem for the C Series, Mr. Enders said he's concerned about an escalation in the trade dispute and retaliatory measures that

could reduce air traffic.

But Mr. Enders said he's encouraged that more American companies are speaking up against the trade policy of the White House.

"And I believe that will have an impact," Airbus expects to start production of the C Series for the U.S. market at a new plant in Mobile, Ala., in 2019 with deliveries coming a year later.

Bombardier CEO Alain Bellemare said the C Series is a perfect fit inside Airbus's portfolio of aircraft.

"The scale and the reach of Airbus will create tremendous value not only for Bombardier and the C Series but for the entire aerospace industry in Quebec and Canada."

He thanked the federal and Quebec governments for supporting the plane's development and saving 2,000 jobs in Mirabel and Montreal.

Bombardier's shares closed down 12 per cent at \$5.01 on the Toronto Stock Exchange.

THE CANADIAN PRESS



TOM ENDERS AIRBUS CEO

LEXPERT

The trade divorce of the century is just an ocean away. Yet, as Britain begins to leave the European Union on March 29, 2019, many Canadian businesses are watching closely to see whether it will be Deal or No Deal.

A "deal" would still see Britain leave the EU as planned, but remain largely under the EU's umbrella until the end of 2020 in order to negotiate new trading arrangements with its former partners. But this would require a signed withdrawal agreement, and a draft agreement issued in February caused an uproar in Britain over the proposed trade treatment of Northern Ireland, raising questions of whether Britain will be able to meet the deadline.

Lexpert contributor Sandra Rubin reports at lexpert.ca/globe. Lexpert is published by Thomson Reuters.

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David Tinsdale
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david.tinsdale@cbre.com

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TENDERS

REQUEST FOR OFFERS TO PURCHASE ASSETS OF

D.K. HELI-CROPPER INT'L LTD. ("DK")
OF ABBOTSFORD, BRITISH COLUMBIA

CROWE MACKAY & COMPANY LTD. IN ITS CAPACITY AS RECEIVER OF DK WILL BE ACCEPTING OFFERS FOR THE FOLLOWING HELICOPTER UNTIL 4:00PM ON WEDNESDAY, JULY 16, 2018:

-2008 Eurocopter AS350 B2 (Registration: CF-WZH / Serial Number 2510 / Airframe: 1280135N / Engine: Turbomeca Arriel 130) presently located in Langley, BC and its related components, parts and accessories including, but not limited to, avionics equipment, dual controls, high skid gear, bear paws, large squirrel checks, cargo swinghook and much more (the "Assets").

The Assets are offered on an "as is, where is" basis with no warranties or representations as to its condition or suitability for use or any other matter. Accordingly, it will be your responsibility to examine the Assets and make your own assessment.

A detailed listing of the components and access to review the logbooks is available upon request. For further information, please contact Derek Lal at (604) 697-5257 or derek.lal@crowemackay.ca.

DATED AT Vancouver, BC this 5th day of July, 2018.

CROWE MACKAY & COMPANY LTD., RECEIVER
1100 - 1177 WEST HASTINGS STREET
VANCOUVER, BC V6E 4T5
Phone: (604) 698-2928
Fax: (604) 697-5617

Prime Real Estate Development Opportunity

Invitation for Offers to Purchase

APPROVED FOR MIXED-USE LAND PARCEL IN TORONTO, ONTARIO "BROOKDALE ON AVENUE ROAD"

RSM Canada Limited, in its capacity as privately-appointed receiver (the "Receiver") of the real property of Fortvas Brookdale Inc. (the "Debtor") invites offers for the purchase of the Debtor's right, title and interest, if any, in the land owned by the Debtor on property municipally known as 1678-1704 Avenue Road, 375-377 Fairlawn Avenue and 432-416 Brookdale Avenue in Toronto, Ontario. The property is comprised of an approximately 1.069-acre parcel of land, which is site plan approved for mixed (residential/retail) condominium project use.

All offers must be received by the Receiver at the address set out below, on or before 12:00 noon (EST - Toronto), August 14, 2018. For further information and in order to obtain a confidentially agreement, please contact:

RSM Canada Limited
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7
Attn: Ms. Aalya Pissani
T: 647 730 1323 | F: 416 480 2646
E: aalya.pissani@rsmcanada.com
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THURSDAY, JULY 12, 2018

BUSINESS NEWS | B7

Molson Coors steps up climate-change efforts

Firm has cut 15 per cent of carbon emissions from direct operations in 2017, aims to reduce use of water and energy

ALISTER DAVIE/CPA

Molson Coors Brewing Co. is stepping up efforts to fight climate change even though recent hot weather in Europe during the World Cup has limited beer sales for some of the world's biggest brewers, chief executive Mark Hunter said on Wednesday.

The firm cut carbon emissions from its direct operations by 15 per cent in 2017, the first year of a program aimed at halving emissions by 2025 as part of a goal of limiting droughts, floods and more powerful storms.

Molson Coors is also working to cut use of water and energy and aims for zero waste to landfills by 2025, he said of the firm's "joining the Carbon Footprint Coalition" and the commitment will sustain the growth.

"Reducing our energy use and water use significantly is a key part of our strategy," he said by telephone from Denver.

Mr. Hunter said long-term disruptions to water supplies from climate change were a threat to crops including barley and hops,



The CEO of Molson Coors says the company is joining a UN-backed initiative by about 100 companies to halve carbon dioxide targets to match the overall goals of the Paris climate agreement plan. PAUL CHASSICK/THE CANADIAN PRESS

which puts the firm in a competitive position elsewhere in the country. He said Molson Coors was joining a UN-backed initiative by about 100 companies across the world to set "science-based" targets meant to match the overall goals of the Paris climate agreement, adopted in 2015 by 195 countries.

U.S. President Donald Trump plans to pull out of the Paris pact, dobbing mainstream findings about the risks of warming. By contrast, Molson Coors plans to halve emissions within its own operations by 2025, from 2008 levels, and by 20 per cent across its entire business. The firm produces beers including Coors Light, Blue Moon and Miller Lite.

Among other global big brewers setting science-based goals, Anheuser-Busch InBev plans to cut emissions by 25 per cent for each plant by 2025 from 2008 levels. Carlsberg aims for zero greenhouse gas emissions from its breweries by 2030.

Mr. Hunter said the firm has stuck to earnings guidance for 2018 despite weaker than expected earnings in the first quarter, but by late U.S. demand among 2018 goals, the company expects an underlying free cash flow of US\$1 billion.

The firm is offering incentives to farmers to improve the use of water. The company aims to use 27 units of water to produce a unit of beer at its main breweries and wants to cut the ratio to 23 by 2025.

Molson Coors is also reviewing the idea of carbon-injected beer after Canada approval of sales starting in October. "There is a lot to consider around this, particularly from a responsibility perspective," Mr. Hunter said.

U.S. President Donald Trump plans to pull out of the Paris pact, dobbing mainstream findings about the risks of warming.

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National News

Prime Real Estate Development Opportunity
Invitation for Offers to Purchase
APPROVED FOR MIXED-USE LAND PARCEL
IN TORONTO, ONTARIO
"BROOKDALE ON AVENUE ROAD"
RSM Canada Limited, in its capacity as privately-appointed receiver (the "Receiver") of the real property of Fortress Brookdale Inc. (the "Debtor") invites offers for the purchase of the Debtor's right, title and interest, if any, in the land owned by the Debtor on property municipally known as 3578-704 Avenue Road, 375-377 Fairlane Avenue and 412-416 Brookdale Avenue in Toronto, Ontario. The property is composed of an approximately 1,069-acre parcel of land, which is site plan approved for mixed (residential/retail) condominium project use.
All offers must be received by the Receiver at the address set out below, on or before 12:00 noon (EST - Toronto), August 14, 2018. For further information and in order to obtain a confidentiality agreement, please contact:
RSM Canada Limited
11 King St. W., Suite 700, Box 27
Toronto, ON M5H 8C7
Attn: Ms. Shyba Pisan
T: 416 758 1328 F: 416 480 2646
E: shyba.pisan@rsmcanada.com
View Form 9901/2018/08/14/18 at the public information website: www.esr.ca/land

Expression of Interest Opportunity (EOI-2-2018)

Development of a Seniors Oriented Housing Block within the Former Oakville Trafalgar Memorial Hospital (OTMH) Site
The Town of Oakville is seeking Expressions of Interest (EOI) to develop a seniors oriented housing block within the former Oakville Trafalgar Memorial Hospital (OTMH) site, as per the Town Council approved Master Plan.

This EOI is to solicit information only from interested respondents. The EOI is intended to assist the town in acquiring relevant market information for planning purposes without further commitment on its part. Therefore, this EOI does not constitute a solicitation for bids and no respondent will be awarded a contract by the town.

Vision The town is seeking creative ideas, solutions, designs and development models for seniors oriented housing on the former OTMH site that may include the re-purposing of the former Oakville Trafalgar High School (OTHS) building, which is designated under section IV of the Ontario Heritage Act, and incorporates a publicly accessible civic square.

The former OTMH site, owned by the town, is situated within an established residential area east of downtown Oakville and south east of the Oakville GO station. The entire former OTMH site is approximately 5.7 hectares in size. The Seniors Oriented Housing Block is located at 291 Reynolds Street and is approximately 1.8 hectares in size with frontage on Reynolds Street and Allan Street.

We invite respondents to submit information and potential solutions. Submissions must be received by 4 p.m. on Wednesday, August 29, 2018.

For more information about the EOI, visit <https://oakville.bidsandtenders.ca>.

For details on the Expression of Interest process, contact: Kathy Wyatt, CPPO, CPPB, Manager of Purchasing and Risk Management, Town of Oakville at 905-845-6601, ext. 3087 or by email at kathy.wyatt@oakville.ca.

APPENDIX D

**IN THE MATTER OF THE RECEIVERSHIP OF
FORTRESS BROOKDALE INC., FORTRESS AVENUE ROAD (2015)
INC. AND FERNBROOK HOMES (BROOKDALE) LIMITED**

Data Room Index

List of Available Documents as at August 1, 2018

1. Data Room Index
2. Site Survey:
 - Overall Survey – January 18, 2011
3. Plans & Drawings
 - Architectural Drawings 1700 Brookdale Ave
 - Architectural Set
 - Electrical
 - Issued for PTA
 - Landscaping
 - Mechanical
 - Shoring
 - Site Servicing
 - Slab Edge
 - Structural Drawing
4. Previous Developer Marketing Material
 - Residential
 - Retail
 - Disclosure Book
5. City of Toronto
 - Registered Site Plan Agreement
 - Transfer of Deed
 - Zoning Report – December 2013
 - Zoning Report – January 2014
 - Zoning Bylaw 436-2014
 - OMB Decision – December 2014
 - Registered Section 111 Rental Agreement
 - Registered Section 31 _ 1678-1704 Avenue Road
 - Sanitary Discharge Agreement – effective April 19, 2017

- Building Compliance Certificates
6. Property Taxes
 - 2017 Interim Tax Bills
 - 2017 Tax Bills
 - 2018 Tax Bills
 - Tax Certificates
 7. Environmental
 - ESA Phase I Report
 - ESA Phase II Report
 8. Geotechnical
 - Geotechnical Investigation
 9. Rental Units
 - CMHC – 2017 GTA Rental Report
 - Brookdale Rental Housing Return Nov 2015
 10. Agreements
 - Project Management Agreement
 - Conservation Compliance Letter
 - Hydro Compliance – Unregistered Easements
 11. APS
 - Agreement of Purchase and Sale
 12. Corporate Profile Reports
 - 989836 CPR
 - 989836 Document List
 - Fortress CPR
 - Fortress Document List
 - Mady CPR
 - Mady Document List
 - Wendelyn Financial Limited CPR
 - Wendelyn Financial Limited Document List
 - Wendelyn Textiles & Properties Limited CPR
 - Wendelyn Textiles & Properties Limited Document List

13. Title Searches

- PIN No. 10189 - 0865 (LT)
- PIN No. 10189 - 0866 (LT)
- Title Search Notes

14. RSM Documents

- Teaser
- CIM

15. Capital Costs and Costs to Complete

- Summary of Capital Costs and Costs to Complete

APPENDIX E

dedicated to your success

June 29, 2018

DELIVERED BY EMAIL

RSM Canada
11 King Street West, Suite 700
Toronto, ON
M5H 4C7

**Attention: Arif Dhanani,
Vice President**

RSM Canada
11 King Street West, Suite 700
Toronto, ON
M5H 4C7

**Attention: Bryan Tannenbaum,
Partner**

Dear Sirs:

**RE: Aluma Systems Inc. re: Summit Forming
1690, 1700 Avenue Road
Claim for Lien**

Thank you for our telephone call yesterday. As indicated, we are lawyers for Aluma Systems Inc., a company in the business of renting concrete forming and shoring equipment. Aluma is a sub-trade on the Brookdale Condominium project and contracted with Summit Forming Ltd.

Attached please find the Claim for Lien of Aluma Systems Inc. registered yesterday in the amount of \$739,244. Also attached please find an Inventory List for Aluma equipment on site.

Aluma is currently on-site as its equipment is being used on the improvement to secure the improvement. Monthly rentals approximate \$67,000.

Aluma equipment that is necessary and must remain at the improvement will require rental payments to be made and we would expect the receiver to make this commitment. We suggest that a representative of Aluma attend at the site together with your appropriate representative to review the Aluma equipment together with the Inventory List and make

decisions regarding what, if any, Aluma equipment can be removed at this time. If any equipment can be removed from site, we will also have to discuss the costs associated with removal.

We look forward to speaking with you further on this matter.

Yours truly,

GOLDMAN SLOAN NASH & HABER LLP

Per:

**Catherine Willson*

Catherine Willson

CEW:LS

Enclosures

c.c. Aluma Systems Inc.

*executed pursuant to the *Electronic Commerce Act*

Construction Lien Act, R.S.O. 1990, c.C.30

CLAIM FOR LIEN
Under Section 34 of the Act

Name of Lien Claimant: Aluma Systems Inc.
Address for Service: c/o Goldman Sloan Nash & Haber LLP
480 University Avenue, Suite 1600
Toronto, Ontario, M5G 1V2
Attention: Catherine Willson
Tel: 416 597-6488
Name of Owner: Fortress Brookdale Inc.
Address: 2220 Highway 7 West, Suite 5
Concord, ON L4K 1W7
**Name of person to whom lien
claimant supplied services or materials:** Summit Forming Ltd.
Address: 800 Arrow Road, Suite 6
Toronto, ON M9M 2Z8

Time within which services or materials were supplied:

from: 2017/10/02 **to:** 2018/06/28
(date supply commenced) (date of most recent supply)

Short description of services or materials that have been supplied:

Rental of shoring and wall forming and/or scaffolding equipment

Contract price or subcontract price: Preventive arrangement

**Amount claimed as owing in respect of
services or materials that have been supplied:** \$739,244.00

(Use A where the lien attaches to the premises; use B where the lien does not attach to the premises).

- A. The lien claimant claims a lien against the interest of every person identified above as an owner of the premises described in Schedule A to this claim for lien.
- ~~B. The lien claimant, [■], claims a charge against the holdbacks required to be retained under the Act and any additional amount owed by a payer to the contractor or to any subcontractor whose contract or subcontract was in whole or in part performed by the services or materials that have been supplied by the lien claimant in relation to the premises [■].~~

DATE:

Per: _____
Luis Alvarez
I have authority to bind the corporation

Construction Lien Act**SCHEDULE A**

To the claim for lien of Aluma Systems Inc.

Description of premises: 10189-0865 (LT)

LOTS 33 & 34 PLAN 2371, PART LOT 42A & LOT 43A
PLAN 2247 PT 1 66R29204; TOGETHER WITH AN
EASEMENT OVER PT 3 66R29204 AS IN AT4379990;
SUBJECT TO AN EASEMENT AS IN AT4660181;
SUBJECT TO AN EASEMENT AS IN AT4753130;
CITY OF TORONTO

10189-0866 (LT)

LOT 32 PLAN 2371 YORK PT 2 66R29204; SUBJECT
TO AN EASEMENT AS IN AT4660181; SUBJECT TO
AN EASEMENT AS IN AT4753130; CITY OF
TORONTO

Properties

PIN 10189 - 0866 LT
Description LOT 32 PLAN 2371 YORK PT 2 66R29204; SUBJECT TO AN EASEMENT AS IN AT4660181; SUBJECT TO AN EASEMENT AS IN AT4753130; CITY OF TORONTO
Address 1690 AVENUE ROAD
TORONTO

PIN 10189 - 0865 LT
Description LOTS 33 & 34 PLAN 2371, PART LOT 42A & LOT 43A PLAN 2247 PT 1 66R29204; TOGETHER WITH AN EASEMENT OVER PT 3 66R29204 AS IN AT4379990; SUBJECT TO AN EASEMENT AS IN AT4660181; SUBJECT TO AN EASEMENT AS IN AT4753130; CITY OF TORONTO
Address 1700 AVENUE ROAD
TORONTO

Consideration

Consideration \$739,244.00

Claimant(s)

Name ALUMA SYSTEMS INC.
Address for Service c/o Goldman Sloan Nash & Haber
LLP
480 University Avenue, Suite
1600
Toronto, ON M5G 1V2

Attention:
Catherine Willson
416 597-6488

I, Luis Alvarez, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, Luis Alvarez, have the authority to bind the corporation.

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

Statements

Name and Address of Owner Fortress Brookdale Inc., 2220 Highway 7 West, Suite 5, Concord, ON L4K 1W7 Name and address of person to whom lien claimant supplied services or materials Summit Forming Ltd., 800 Arrow Road, Suite 6, Toronto, ON M9M 2Z8 Time within which services or materials were supplied from 2017/10/02 to 2018/06/28 Short description of services or materials that have been supplied Rental of shoring and wall forming and/or scaffolding equipment. Contract price or subcontract price Prevenient Arrangement Amount claimed as owing in respect of services or materials that have been supplied \$739,244.00

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

Catherine Evanne Willson 480 University Ave, # 1600 acting for Signed 2018 06 28
Toronto Applicant(s)
M5G 1V2

Tel 416-597-9922

Fax 416-597-3370

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

Submitted By

GOLDMAN SLOAN NASH & HABER LLP 480 University Ave, # 1600 2018 06 28
Toronto
M5G 1V2

Tel 416-597-9922

Fax 416-597-3370

Fees/Taxes/Payment

Statutory Registration Fee \$63.65
Total Paid \$63.65

File Number

Claimant Client File Number : 008100.0026

Site Inventory Report

Div: 1520 Yard: All Cust: 0001902 Job: 02660 SalesRep: ALL Contr: ALL Mat No: ALL FMS No: All Material Groups: All List Prices Date: 6/29/2018
 Rental Billing Cost

Material #	Description	Quantity	List Price	Total List Price	Mat Weight
CUSTOMER Number: 0001902 SUMMIT FORMING LTD					
Job Number: 02660 Brookdale Condo's					
Contract Number: 15203204 Brookdale Condo's					
14	BEAM ALUMA 14R (4.27M)	45	\$224.00	\$10,080.00	2,520.00
15	BEAM ALUMA 10R 6in (3.2M)	22	\$168.00	\$3,696.00	924.00
16	BEAM ALUMA 12R (3.66M)	22	\$192.00	\$4,224.00	1,056.00
59	BEAM GUARD RAIL 10'-6" (3.20M)	4	\$262.00	\$1,048.00	188.00
67	BEAM ALUMA 15R (4.57M)	57	\$240.00	\$13,680.00	3,420.00
85	BEAM ALUMA 9R (2.75M)	51	\$144.00	\$7,344.00	1,836.00
112	BEAM ALUMA 6R (1.83M)	21	\$96.00	\$2,016.00	504.00
113	BEAM ALUMA 7R (2.13M)	0	\$112.00	\$0.00	0.00
115	BEAM ALUMA 8R (2.43M)	40	\$128.00	\$5,120.00	1,280.00
119	SOCKET POST ALUMINUM ASSEMBLED	30	\$25.00	\$750.00	60.00
257	FRAME ALUMACS 4X4 10Kip Norm/Leg	0	\$270.00	\$0.00	0.00
258	FRAME ALUMACS 4X6 10kip Norm/Leg	60	\$320.00	\$19,200.00	1,860.00
261	CONNECTOR INTER FRAME ALUMACS	1	\$10.00	\$10.00	1.00
265	PLATE BASE, ALUMACS FRAME	469	\$25.00	\$11,725.00	3,752.00
282	TRUSS 10R SPACER #6E (3.30M)	8	\$1,260.00	\$10,080.00	1,580.00
327	TRUSS SPACER 5R 1.77M #6E W/O	7	\$850.00	\$5,950.00	1,120.00
337	TRUSS JACK 12-18 MOD.MKIII	13	\$265.00	\$3,445.00	351.00
352	TRUSS EXTENSION LEG INNER 6FT	210	\$230.00	\$48,300.00	5,880.00
364	TRUSS JACK 18-24	0	\$245.00	\$0.00	0.00
365	TRUSS JACK 12-18	19	\$149.00	\$2,831.00	399.00
369	TRUSS CROSS BRACE 7R (2.13M)	36	\$75.00	\$2,700.00	584.00
371	TRUSS CROSS BRACE 12R (3.57M)	7	\$125.00	\$875.00	231.00
373	TRUSS GLIDE STANDARD	1	\$290.00	\$290.00	60.00
381	TRUSS EXT LEG LOCKING PIN	172	\$25.00	\$4,300.00	344.00
513	SCREW/JACK UNIV, ALUMA FRAME	241	\$60.00	\$14,460.00	2,651.00
521	SCREW/JACK UNIV, ALUMACS FRAME	87	\$70.00	\$6,090.00	1,044.00
2183	BRACE 3FT 4FT X 4FT	40	\$25.00	\$1,000.00	440.00

Site Inventory Report

Div: 1520 Yard: All Cust: 0001902 Job: 02660 SalesRep: ALL Contr: ALL Mat No: ALL FMS No: All Material Groups: All List Prices Date: 6/29/2018
 Rental Billing Cost

Material #	Description	Quantity	List Price	Total List Price	Mat Weight
2184	BRACE 3FT 4FT X 5FT	0	\$26.00	\$0.00	0.00
2189	BRACE 3FT 4FT X 10FT	0	\$36.00	\$0.00	0.00
2194	BRACE 8W X 4H	16	\$40.00	\$640.00	192.00
2209	BRACE COMB. 10X4-10X2 C	2	\$21.00	\$42.00	32.00
2212	BRACE COMBINATION 7X4-7X2	0	\$26.00	\$0.00	0.00
3991	RIVET	496	\$2.00	\$992.00	148.80
4045	PIN HITCH #210 ZINC	1158	\$0.25	\$289.50	34.74
6161	HD GALV. POST SHORE #2 6'6" TO	0	\$155.00	\$0.00	0.00
9310	TRUSS W OUTER 30R (9.14M) #6E	31	\$3,098.00	\$96,038.00	17,360.00
9361	4'X5' ALUMACs FRAME	9	\$319.00	\$2,871.00	334.44
9659	ULMA/ALUMA PANEL CONNECTOR BRACKET HDG	19	\$32.00	\$608.00	100.70
9682	GANGWALL CONNECTING RAIL 4'	3	\$62.00	\$186.00	33.00
9684	GANGWALL CONNECTING RAIL 8'	2	\$124.00	\$248.00	44.00
9685	GANGWALL CONNECTING RAIL 10'	16	\$154.00	\$2,464.00	440.00
10243	STORAGE RACKFORMING & SHORING	0	\$206.40	\$0.00	0.00
1800038	BASKET C2 (2'X4'X4')	1	\$598.00	\$598.00	70.00
1861094	ORMA WALKWAY BRACKET	0	\$166.00	\$0.00	0.00
1900020	PANEL 2.7x0.45(1.21m2)	2	\$853.00	\$1,706.00	378.40
1900038	PANEL 1.2x0.6(0.72m2)	0	\$698.00	\$0.00	0.00
1900119	HEAD 60	0	\$85.00	\$0.00	0.00
1900170	ORMA CLAMP	106	\$62.00	\$6,572.00	1,282.60
1900179	ORMA LIFTING HOOK	0	\$393.00	\$0.00	0.00
1900193	ORMA WALTER 0,9	0	\$70.00	\$0.00	0.00
1900256	PLATE WASHER NUT 15	190	\$10.00	\$1,900.00	585.20
1900265	UNIVERSAL PANEL BOLT	0	\$13.00	\$0.00	0.00
1900350	COLUMN PANEL 0.6x0.72(0.43m2)	0	\$594.00	\$0.00	0.00
1900448	WALTER HOOK	9	\$28.00	\$252.00	27.72
1900737	WIRE CRATE CR2 (3.5'X3'X3.5')	0	\$587.00	\$0.00	0.00
1902219	PROP HEAD 6-10	0	\$95.00	\$0.00	0.00
1908271	ORMA INSIDE CORNER 3,3 (1.98m2)	4	\$1,534.00	\$6,136.00	1,082.40

Site Inventory Report

Div: 1520 Yards: All Cust: 0001902 Job: 02660 SalesRep: ALL Contr: ALL Mat No: ALL FMS No: All Material Groups: All List Prices Date: 6/29/2018
 Rental Billing Cost

Material #	Description	Quantity	List Price	Total List Price	Mat Weight
1908372	UNIVERSAL PANEL 2.7x.92M (2.484m2)	4	\$1,281.00	\$5,124.00	1,355.20
1908670	ORMA LIFTING CHAIN (DO NOT USE)	1	\$1,704.45	\$1,704.45	50.60
1908730	ORMA LIFTING BRACKET/CHAIN	0	\$1,825.00	\$0.00	0.00
1908770	N-ORMA RETRACTABLE CORNER 3,3	1	\$2,329.00	\$2,329.00	426.80
1908771	N-ORMA RETRACTABLE CORNER 2,7	2	\$1,909.00	\$3,818.00	714.30
2220020	ALUPROP 2,2-3,7	0	\$309.00	\$0.00	0.00
2220070	ALUPROP PALLET (2.5'X4.5'X2.75')	3	\$196.00	\$588.00	300.30
B54	CROSS BRACE 5X4	61	\$22.20	\$1,354.20	564.25
SR11	BEAM ALUMA 18FT (5.49M)	60	\$288.00	\$17,280.00	4,320.00
SR111	BEAM ALUMA 5R (1.52M)	1	\$80.00	\$80.00	20.00
SR115	BEAM ALUMA 8FT (2.43M)	64	\$128.00	\$8,192.00	2,048.00
SR12	BEAM ALUMA 16R (4.88M)	247	\$256.00	\$63,232.00	15,808.00
SR14	BEAM ALUMA 14FT (4.27M)	262	\$224.00	\$58,688.00	14,672.00
SR15	BEAM ALUMA 10FT 6IN (3.21M)	1252	\$168.00	\$210,336.00	52,584.00
SR16	BEAM ALUMA 12FT (3.66M)	359	\$192.00	\$68,928.00	17,232.00
SR17	BEAM ALUMA 21FT (6.40M)	107	\$336.00	\$35,952.00	8,988.00
SR1908770	N-ORMA RETRACTABLE CORNER 3,3	4	\$2,329.00	\$9,316.00	1,707.20
SR1908771	N-ORMA RETRACTABLE CORNER 2,7	2	\$1,909.00	\$3,818.00	1,712.80
SR21	BEAM ANTHES 12R	270	\$192.00	\$51,840.00	12,150.00
SR2169	BRACE 3R 4R X 10R	6	\$36.00	\$216.00	132.00
SR239	J HEAD 5" X 8"	486	\$25.00	\$12,150.00	2,916.00
SR258	FRAME ALUMACS 4X6 10kip Norm/Leg	150	\$320.00	\$48,000.00	4,650.00
SR265	PLATE BASE	41	\$25.00	\$1,025.00	328.00
SR282	TRUSS 10R SPACER #6E (3.30M)	22	\$1,260.00	\$27,720.00	4,620.00
SR327	TRUSS SPACER 5R 1.77M #6E W/O	7	\$850.00	\$5,950.00	1,120.00
SR337	TRUSS JACK 12-18 MOD.MKIII	178	\$265.00	\$47,170.00	4,806.00
SR352	TRUSS EXTENSION LEG INNER 6FT	71	\$230.00	\$16,330.00	1,988.00
SR365	TRUSS JACK 12-18	28	\$148.00	\$4,172.00	588.00
SR366	TRUSS JACK 24-30	16	\$226.00	\$3,616.00	400.00
SR369	TRUSS CROSS BRACE 7R (2.13M)	72	\$75.00	\$5,400.00	1,368.00

Site Inventory Report

Div: 1520 Yard: All Cust: 0001902 Job: 02660 SalesRep: ALL Contr: ALL Mat No: ALL FMS No: All Material Groups: All List Prices Date: 6/29/2018
 Rental Billing Cost

Material #	Description	Quantity	List Price	Total List Price	Mat Weight
SR370	TRUSS CROSS BRACE 10R (3.04M)	34	\$105.00	\$3,570.00	918.00
SR381	TRUSS EXT LEG LOCKING PIN	109	\$25.00	\$2,725.00	218.00
SR513	SCREWJACK UNIV. ALUMA FRAME	159	\$60.00	\$9,540.00	1,749.00
SR521	SCREWJACK UNIV. ALUMACS FRAME	404	\$70.00	\$28,280.00	4,848.00
SR59	BEAM GUARD RAIL 10'-6" (3.20m)	10	\$262.00	\$2,620.00	470.00
SR85	BEAM ALUMA 9FT (2.75M)	73	\$144.00	\$10,512.00	2,628.00
SR9310	TRUSS W OUTER 30R (9.14M) #6E	48	\$3,098.00	\$148,704.00	26,880.00
SR94	BEAM GUARD RAIL 8FT (2.44M)	1	\$163.00	\$163.00	36.00
SR96	BEAM GUARD RAIL 9R (2.74M)	1	\$225.00	\$225.00	40.00
SR9659	ULMA/ALUMA PANEL CONNECTOR BRACKET HDG	80	\$32.00	\$2,560.00	424.00
SRB104	CROSS BRACE 10X4	92	\$42.80	\$3,937.60	1,449.00
SRB74	CROSS BRACE 7X4	66	\$36.30	\$2,395.80	775.50
SRU043006	METAL BASKET 4'X3'X2'	1	\$307.00	\$307.00	176.66
SSRS	SYSTEM RACK SMALL	1	\$411.80	\$411.80	116.50
U043006	METAL BASKET 4'X3'X2'	0	\$307.00	\$0.00	0.00
Contract Totals:				\$1,231,036.35	252,729.11
Job Totals:				\$1,231,036.35	252,729.11
Customer Totals				\$1,231,036.35	252,729.11
Report Totals:				\$1,231,036.35	252,729.11

APPENDIX F

Dhanani, Arif

From: Dhanani, Arif
Sent: Thursday, July 5, 2018 5:28 PM
To: 'Catherine Willson'
Cc: Tannenbaum, Bryan; Tyronne Hodgins
Subject: RE: Aluma Systems Inc.

Catherine,

The first thing I think we need to happen is a conference call or meeting among the Receiver, Summit and Aluma to try and get on the same page as to what is out there and how best to proceed and develop a plan.

We will then need to engage an independent structural consultant to attend on site with the Receiver, Aluma and Summit to provide advice on what can and cannot be removed and the best and safest method by which to commence removing your client's assets.

While I appreciate that your client wants its assets as soon as possible, as per our previous discussion, we cannot have anyone make a rash decision and compromise anyone's safety.

Unless you, your client or Summit have other thoughts or ideas on how to best proceed, I think the forgoing is the way to move forward. Communication is key. I welcome your and your client's input.

Thanks,

Arif

Arif Dhanani
Vice President

RSM Canada Limited

11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

D: 647.725.0183 F: 416.480.2646 | E: arif.dhanani@rsmcanada.com | W: www.rsmcanada.com



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From: Catherine Willson <willson@gsnh.com>
Sent: Thursday, July 5, 2018 4:46 PM
To: Dhanani, Arif <arif.dhanani@rsmcanada.com>
Cc: Tannenbaum, Bryan <bryan.tannenbaum@rsmcanada.com>; Tyronne Hodgins <hodgins@gsnh.com>
Subject: RE: Aluma Systems Inc.

Hi Arif,

Not sure what you want us to obtain.

We can send you our client's invoices and any contract information.

I am in touch with counsel for Summit.

Would you like to arrange a site visit with representatives of Summit, Aluma, and someone your client would choose?

Catherine.

CATHERINE WILLSON



Suite 1600 | 480 University Avenue | Toronto ON | M5G 1V2

Direct 416 597 6488 | Fax 416 597 3370 | willson@gsnh.com | www.gsnh.com

Assistant | Tyrone Hodgins | 416 597 9922 ext. 142 | hodgins@gsnh.com

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From: Dhanani, Arif [<mailto:arif.dhanani@rsmcanada.com>]

Sent: July-05-18 4:27 PM

To: willson@gsnh.com

Cc: Tannenbaum, Bryan <bryan.tannenbaum@rsmcanada.com>; Tyrone Hodgins <hodgins@gsnh.com>

Subject: FW: Aluma Systems Inc.

Catherine,

Upon receipt of your letter, we forwarded it to the former general contractor and project manager for the Brookdale site to be able to understand better the information you provided and what may need to be done to facilitate your client's requests. We received the reply below. On the basis of the reply we received, is your client in contact with Summit Forming and can it obtain cooperation from that party to assist with the issues raised?

Thanks,

Arif

Arif Dhanani
Vice President

RSM Canada Limited

11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7

D: 647.725.0183 F: 416.480.2646 | E: arif.dhanani@rsmcanada.com | W: www.rsmcanada.com



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APPENDIX G

July 6, 2018

DELIVERED BY EMAIL

RSM Canada
11 King Street West, Suite 700
Toronto, ON
M5H 4C7

**Attention: Arif Dhanani,
Vice President**

RSM Canada
11 King Street West, Suite 700
Toronto, ON
M5H 4C7

**Attention: Bryan Tannenbaum,
Partner**

Dear Sirs:

**RE: Aluma Systems Inc. re: Summit Forming Ltd.
1690, 1700 Avenue Road
Claim for Lien**

As requested, we will arrange a conference call or meeting with our client, Mr. Tannenbaum, and a representative of Summit Forming Ltd. next week.

To be clear, our client is seeking confirmation that the receiver will honour the Aluma contract and pay the monthly rental amounts for the Aluma equipment on site as of the date of the receivership. If we do not have this confirmation by end of next week, our client will be taking steps to remove its equipment and will not be responsible for any damage that results from these actions.

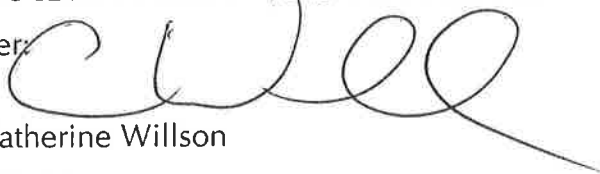
You have a copy of our client's inventory of equipment on site and its state of account. Rental amounts are charged monthly and will remain consistent with previous amounts charged.

We look forward to a quick resolution of this matter.

Yours truly,

GOLDMAN SLOAN NASH & HABER LLP

Per:

A handwritten signature in black ink, appearing to read 'C Willson', written over the word 'Per:'.

Catherine Willson

CEW:LS

c.c. Aluma Systems Inc.

APPENDIX H

Dhanani, Arif

From: Catherine Willson <willson@gsnh.com>
Sent: Friday, July 6, 2018 3:21 PM
To: Dhanani, Arif
Cc: Tannenbaum, Bryan; D. J. Miller; Leanne M. Williams - Thornton Grout Finnigan LLP (lwilliams@tgf.ca)
Subject: RE: Aluma Systems Inc.

Dear Arif,

Your representative and our client and Summit can meet next week as discussed and hopefully can resolve the situation. Our point is simply that Aluma's equipment is being used and it should not be at Aluma's expense.

Best,
Catherine.

CATHERINE WILLSON



Suite 1600 | 480 University Avenue | Toronto ON | M5G 1V2

Direct 416 597 6488 | Fax 416 597 3370 | willson@gsnh.com | www.gsnh.com

Assistant | Tyrone Hodgins | 416 597 9922 ext. 142 | hodgins@gsnh.com

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From: Dhanani, Arif [<mailto:arif.dhanani@rsmcanada.com>]
Sent: July-06-18 2:51 PM
To: Catherine Willson <willson@gsnh.com>
Cc: Tannenbaum, Bryan <bryan.tannenbaum@rsmcanada.com>; D. J. Miller <DJMiller@tgf.ca>; Leanne M. Williams - Thornton Grout Finnigan LLP (lwilliams@tgf.ca) <lwilliams@tgf.ca>
Subject: FW: Aluma Systems Inc.

Catherine,

We are writing in response to your letter of today's date. Copies of your letters of June 29, 2018 and July 6, 2018 are attached hereto and our email correspondence exchange is set out below for the benefit of our counsel, Thornton Grout Finnigan LLP, who is copied on this communication.

Based on our correspondence exchange below, the Receiver is attempting to accommodate your client in a reasonable manner. Your position, as set out in your letter of today's date is unreasonable and concerning. The consequences and implications of what is stated in your letter may result in, among other things, the frustration of the Receiver's sale process to the detriment of all creditors and lien claimants, voiding the Receiver's insurance policy and possibly, if anyone is on the site, physical harm.

Your client has no contract with the Receiver. The Receiver has not and will not undertake to pay your client any rental charges at this time. We will be advising on-site security to immediately call the authorities if any attempt is made by your client to access the property.

Please direct your future correspondence and phone calls to our counsel.

Yours truly,

RSM CANADA LIMITED, in its capacity as Privately-appointed Receiver of the property owned by Fortress Brookdale Inc. and not in its personal or corporate capacity

Arif Dhanani
Vice President

RSM Canada
11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7
D: 647.725.0183 F: xxx.xxx.xxxx | E: Email@rsmcanada.com | W: www.rsmcanada.com



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From: Dhanani, Arif
Sent: Thursday, July 5, 2018 5:28 PM
To: 'Catherine Willson' <willson@gsnh.com>
Cc: Tannenbaum, Bryan <bryan.tannenbaum@rsmcanada.com>; Tyrone Hodgins <hodgins@gsnh.com>
Subject: RE: Aluma Systems Inc.

Catherine,

The first thing I think we need to happen is a conference call or meeting among the Receiver, Summit and Aluma to try and get on the same page as to what is out there and how best to proceed and develop a plan.

We will then need to engage an independent structural consultant to attend on site with the Receiver, Aluma and Summit to provide advice on what can and cannot be removed and the best and safest method by which to commence removing your client's assets.

While I appreciate that your client wants its assets as soon as possible, as per our previous discussion, we cannot have anyone make a rash decision and compromise anyone's safety.

Unless you, your client or Summit have other thoughts or ideas on how to best proceed, I think the forgoing is the way to move forward. Communication is key. I welcome your and your client's input.

Thanks,

Arif

Arif Dhanani
Vice President

RSM Canada Limited

11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada, M5H 4C7
D: 647.725.0183 F: 416.480.2646 | E: arif.dhanani@rsmcanada.com | W: www.rsmcanada.com



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From: Catherine Willson <willson@gsnh.com>
Sent: Thursday, July 5, 2018 4:46 PM
To: Dhanani, Arif <arif.dhanani@rsmcanada.com>
Cc: Tannenbaum, Bryan <bryan.tannenbaum@rsmcanada.com>; Tyrone Hodgins <hodgins@gsnh.com>
Subject: RE: Aluma Systems Inc.

Hi Arif,

Not sure what you want us to obtain.

We can send you our client's invoices and any contract information.
I am in touch with counsel for Summit.

Would you like to arrange a site visit with representatives of Summit, Aluma, and someone your client would choose?

Catherine.

CATHERINE WILLSON



Suite 1600 | 480 University Avenue | Toronto ON | M5G 1V2

Direct 416 597 6488 | Fax 416 597 3370 | willson@gsnh.com | www.gsnh.com

Assistant | Tyrone Hodgins | 416 597 9922 ext. 142 | hodgins@gsnh.com

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From: Dhanani, Arif [<mailto:arif.dhanani@rsmcanada.com>]
Sent: July-05-18 4:27 PM
To: willson@gsnh.com
Cc: Tannenbaum, Bryan <bryan.tannenbaum@rsmcanada.com>; Tyrone Hodgins <hodgins@gsnh.com>
Subject: FW: Aluma Systems Inc.

APPENDIX I



dedicated to your success

CATHERINE WILLSON
Direct Dial: 416-597-6488
Email: willson@gsnh.com
Our File No.: 008100.0026

Assistant: Tyronne L. Hodgins
Tel: 416 597-9922 ext. 142
Email: hodgins@gsnh.com

August 17, 2018

BY EMAIL TO: dtaub@robapp.com

Your client: Fortress Brookdale Inc.

Mr. David A. Taub
Robins Appleby LLP
2600-120 Adelaide St. W.
Toronto, ON M5H 1T1

**BY EMAIL TO: craphael@airdberlis.com;
dmuise@airdberlis.com**

Your client: Summit Forming Ltd.

Ms Courtney V. Raphael
Ms Danielle Muise
Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800, Box 754
Toronto, ON M5J 2T9

**BY EMAIL TO: djmiller@tgf.ca;
lwilliams@tgf.ca; pfesharaki@tgf.ca**

Your client: Firm Capital Mortgage Fund Inc.

Ms D.J. Miller
Ms Leanne Williams
Mr. Puya Fesharaki
Thorton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington St. W., Suite 3200
Toronto, ON M5K 1K7

BY EMAIL TO: bahnuikj@olympiatrust.com

Your client: Olympia Trust Company

Mr. Jonathan Bahnuik
Olympia Trust Company
2200, 125-9th Avenue, SE
Calgary, AB T2G 0P6

BY EMAIL TO: gcorsianos@cl-law.ca

Mr. George Corsianos
Corsianos Lee
2800 Steeles Ave. W., Suite 203W
Vaughan, ON L4L 4G9

**BY EMAIL TO: mdellelis@osler.com;
priesterer@osler.com**

Mr. Michael De Lellis
Mr. Patrick Riesterer
Osler Hoskin & Harcourt LLP
1 First Canadian Place

Suite 6200, P.O. Box 50
Toronto, ON M5X 1B8

**BY EMAIL TO: derek.bell@dlapiper.com;
danny.nunes@dlapiper.com**

Mr. Derek J. Bell
Mr. Danny M. Nunes
DLA Piper (Canada) LLP
1 First Canadian Place
100 King Street West
Suite 6000, P.O. Box 367
Toronto, ON M5X 1E2

BY EMAIL: arif.dhanani@rsmcanada.com

Mr. Arif Dhanani
RSM Canada Limited
11 King Street West
Suite 700, P.O. Box 27
Toronto, ON M5H 4C7

Dear Counsel:

RE: Aluma Systems Inc. v. Fortress Brookdale Inc. et al.
Toronto Court file: CV-18-00602623-0000

We are litigation lawyers for Aluma Systems Inc.

Enclosed is our client's Statement of Claim regarding the above-noted matter. Please advise whether you can accept service on behalf of your respective clients.

Your clients: Quincy Investments Limited
969592 Ontario Limited, 969593 Ontario Limited
2307271 Ontario Inc., Sasso Auto Consulting Inc.
Angelo Grossi, David Mark Doubilet, Gus Stamatiou,
Robert Di Matteo, and Tony Amendola

Your clients: FAAN Mortgage Administrators Inc.,
as Administrators for
Building & Development Mortgages Canada Inc.
(previously Centro Mortgage Inc.)

Your client: Computershare Trust Company of
Canada

Receiver for Fortress Brookdale Inc.,
Fortress Avenue Road (2015) Inc. and
Fernbrook Homes (Brookdale) Limited
not in its personal capacity

In addition, would you kindly confirm going forward that we have your consent to service of any documents by email. You have our consent to same.

We look forward to hearing from you.

Yours sincerely,

GOLDMAN SLOAN NASH & HABER LLP

Per:

A handwritten signature in black ink, appearing to read 'C Willson', written over the printed name.

Catherine Willson

CW:ty

Encl.

Court File No.

CV-18-00602623-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF The Construction Act,
R.S.O. 1990, c. C.30, as amended

BETWEEN:

ALUMA SYSTEMS INC.

Plaintiff

and



**FORTRESS BROOKDALE INC., SUMMIT FORMING LTD., BUILDING & DEVELOPMENT
MORTGAGES CANADA INC, COMPUTERSHARE TRUST COMPANY OF CANADA,
OLYMPIA TRUST COMPANY, FIRM CAPITAL MORTGAGE FUND INC., JAEKEL
CAPITAL INC., QUINCY INVESTMENTS LIMITED, 969592 ONTARIO LIMITED, 969593
ONTARIO LIMITED, 2307271 ONTARIO INC., SASSO AUTO CONSULTING INC.,
ANGELO GROSSI, DAVID MARK DOUBILET, GUS STAMATIOU, ROBERT DI MATTEO,
TONINO AMENDOLA and RSM CANADA LIMITED**

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS:

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

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

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

~~TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been~~

~~set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.~~

Date: AUG 01 2018

Issued by:



Local Registrar

Address of Ontario Superior Court of Justice
Court Office: 393 University Ave., 10th Floor
Toronto, ON M5G 1E6

TO:

FORTRESS BROOKDALE INC.
2220 Highway 7 West, Suite 5
Concord, ON L4K 1W7

SUMMIT FORMING LTD.
800 Arrow Road, Suite 6
Toronto, ON M9M 2Z8

BUILDING & DEVELOPMENT MORTGAGES CANADA INC.
in trust
25 Brodie Drive, Unit 8
Richmond Hill, ON L4B 3K7

COMPUTERSHARE TRUST COMPANY OF CANADA
Attn: Private Capital Solutions
510 Burrard Street, 3rd Floor
Vancouver, B.C., V6C 3B9

OLYMPIA TRUST COMPANY
2200, 125-9TH Avenue SE
Calgary, AB T2G 0P6

FIRM CAPITAL MORTGAGE FUND INC.
163 Cartwright Ave.
Toronto, ON M6A 1V5

JAEKEL CAPITAL INC.
10376 Yonge Street, Suite 203
Richmond Hill, ON L4C 3B8

QUINCY INVESTMENTS LIMITED
31 Densley Avenue
Toronto, ON M6M 2P5

969592 ONTARIO LIMITED
31 Densley Avenue
Toronto, ON M6M 2P5

969593 ONTARIO LIMITED
31 Densley Avenue
Toronto, ON M6M 2P5

2307271 ONTARIO INC.
40 Hazelridge Court
Kleinburg, ON L0J 1C0

SASSO AUTO CONSULTING INC.
180 Bishop Avenue
Toronto, ON M2M 1Z7

ANGELO GROSSI
36 Pebblelane Court
Richmond Hill, ON L4C 6X2

DAVID MARK DOUBILET
70 Heath Street East
Toronto, ON M4T 1S3

GUS STAMATIOU
54 Kettle Court
Vaughan, ON L6A 2M2

ROBERT DI MATTEO
20 Cachet Woods Court, Unit 2
Markham, ON L6C 3G1

TONINO AMENDOLA
18 Norcross Road
Toronto, ON M3H 2R4

RSM CANADA LTD.
Attn: Arif Dhanani
11 King Street West, Suite 700, PO Box 27
Toronto, ON M5H 4C7

CLAIM

1. THE PLAINTIFF CLAIMS:

- a. payment of the sum of \$739,244.00 inclusive of taxes;
- b. payment of a further sum of \$450,000 inclusive of taxes for ongoing rental payments;
- c. payment of a further sum of \$100,000 inclusive of taxes for missing or damaged equipment;
- d. an Order for the return of the Plaintiff's equipment from the Lands;
- e. a declaration that the Plaintiff is entitled to a lien against all of the estate, title and interest of the Defendants in the lands and premises against which the Claim for Lien in the amount of \$739,244.00 was registered in respect of the improvement to which the Plaintiff supplied its labour, services and materials as hereinafter set forth in the attached Schedule "A";
- f. a declaration that the Defendants are owners within the meaning of the *Construction Lien Act*, R.S.O. 1990, c.C. 30, as amended (the "Act") and liable to the Plaintiff for the holdback required to be retained under the Act;
- g. payment of pre-judgment and post-judgment interest in the amount of 18% per annum or, in the alternative, pursuant to the provisions of the Courts of Justice Act, R.S.O. 1990, Chapter C.43;
- h. its costs of this action on a substantial indemnity basis plus HST thereon;

- i. that in default of payment of the sum of \$739,244.00 plus costs on a substantial indemnity basis and interest, the estate and interest of the Defendants in the lands and premises to which the lien hereinafter described attaches, and which lands and premises are described in the Claim for Lien of the Plaintiff in the attached Schedule "A" (the "Lands"), be sold and the proceeds applied toward payment of the Plaintiff's claim pursuant to the provisions of the Act;
- j. a declaration that the Plaintiff's lien referred to herein has full priority over the mortgages in favour of the Defendants, Building & Development Mortgages Canada Inc., Computershare Trust Company Of Canada, Olympia Trust Company, Firm Capital Mortgage Fund Inc., Jaekel Capital Inc., Quincy Investments Limited, 969592 Ontario Limited, 969593 Ontario Limited, 2307271 Ontario Inc., Sasso Auto Consulting Inc., Angelo Grossi, David Mark Doubilet, Gus Stamatiou, Robert Di Matteo, and Tonino Amendola, or alternatively, priority over the said mortgages to the extent that any portion of said mortgages advanced by it exceeded the actual value of the lands and premises which are the subject matter of this action at the time the first lien arose, or, in the further alternative, priority over said mortgages to the extent of any unadvanced portions, or in the further alternative, priority to the extent that there are deficiencies in the holdback required to be retained pursuant to the provisions of the Act;
- k. for all purposes aforesaid, and for all other purposes pursuant to the Act, that accounts be taken and directions be given under the supervision and direction

of This Honourable Court; and

- I. such other and further relief as counsel may advise and This Honourable Court permits.

The Parties

2. The Plaintiff, Aluma Systems Inc. ("Aluma"), is a company incorporated pursuant to the laws of the Province of Alberta. Aluma is in the business of the rental and supply of scaffolding, shoring, and formwork products.
3. The Defendant, Fortress Brookdale Inc., is a company incorporated pursuant to the laws of Ontario and is the registered and/or beneficial owner of the Lands.
4. The Defendant, Summit Forming Ltd. ("Summit"), is a company incorporated pursuant to the laws of Ontario and carries on business as concrete form erectors.
5. The Defendant, Building & Development Mortgages Canada Inc. formerly known as Centro Mortgage Inc., is a company incorporated pursuant to the laws of Ontario and is a mortgagee of the Lands.
6. The Defendant, Computershare Trust Company of Canada, is a federally incorporated trust company and is a mortgagee of the Lands.
7. The Defendant, Olympia Trust Company, is a trust corporation incorporated pursuant to the laws of the Province of Alberta and is a mortgagee of the Lands.
8. The Defendant, Firm Capital Mortgage Fund Inc., is a company incorporated pursuant to the laws of Ontario and is a mortgagee of the Lands.

9. The Defendant, Jaekel Capital Inc. formerly known as RW Fortress Inc., is a company incorporated pursuant to the laws of Ontario and is a mortgagee of the Lands.
10. The Defendant, Quincy Investments Limited, is a company incorporated pursuant to the laws of Ontario and is a mortgagee of the Lands.
11. The Defendant, 969592 Ontario Limited, is a company incorporated pursuant to the laws of Ontario and is a mortgagee of the Lands.
12. The Defendant, 969593 Ontario Limited, is a company incorporated pursuant to the laws of Ontario and is a mortgagee of the Lands.
13. The Defendant, 2307271 Ontario Inc., is a company incorporated pursuant to the laws of Ontario and is a mortgagee of the Lands.
14. The Defendant, Sasso Auto Consulting Inc., is a company incorporated pursuant to the laws of Ontario and is a mortgagee of the Lands.
15. The Defendant, Angelo Grossi, is an individual residing in the Town of Richmond Hill, Ontario, and is a mortgagee of the Lands.
16. The Defendant, David Mark Doubilet, is an individual residing in the City of Toronto, Ontario, and is a mortgagee of the Lands.
17. The Defendant, Gus Stamatiou, is an individual residing in the City of Vaughan, Ontario, and is a mortgagee of the Lands.
18. The Defendant, Robert Di Matteo, is an individual residing in the City of Markham, Ontario, and is a mortgagee of the Lands.

19. The Defendant, Tonino Amendola, is an individual residing in the City of Toronto, Ontario, and is a mortgagee of the Lands.
20. The Defendants described in paragraphs 5-19 above are hereinafter referred to as the "Mortgagee Defendants".
21. The Defendant, RSM Canada Limited, is the Receiver for Fortress Brookdale Inc.
22. Aluma states that the interest of all of the Defendants in the Lands are subject to Aluma's lien as set out in the respective claim for lien. Aluma pleads and relies on the Act.

The Contract

23. Aluma states that in or about October 2017, it entered into a prevenient arrangement (the "Agreement") with Summit for the rental of shoring and forming equipment and the labour to erect and dismantle same with respect to an improvement on the Lands and premises more particularly described in the legal description in the Construction Lien attached hereto as Schedule "A".
24. The terms of the Agreement included the following:
 - a. Summit shall pay Aluma's rates for the rental of the equipment and other services provided by Aluma; and
 - b. Summit shall pay Aluma's invoices within thirty days from the date of the invoice and interest shall accrue on all overdue accounts at the rate of 18% per annum.
25. Aluma performed its obligations according to the terms of the Agreement and

rendered invoices from time to time to Summit for materials and services it supplied to the improvement pursuant to the Agreement.

26. Particulars of the materials and services provided by Aluma are contained in the invoices that were rendered to Summit and will be provided prior to trial.
27. As of the date herein, Summit remains indebted to Aluma for services and materials supplied to the improvement and pursuant to the Agreement in the amount of \$739,244.00 inclusive of taxes. Despite repeated requests, Summit has neglected or refused to pay its accounts with Aluma and is therefore in breach of contract.
28. By reason of supplying the material and services, Aluma is entitled to a lien upon the estate and interest of the Defendants in the Lands for the sum of \$739,244.00 inclusive of taxes, together with interest and its costs of this action pursuant to the provisions of the Act.
29. Aluma's equipment remains on site and rental charges continue to accumulate on a monthly basis. Summit has failed or refused to return the equipment to Aluma in breach of Aluma's contract and despite demands for same.
30. The Owner of the Lands Fortress Brookdale Inc. was placed into receivership on June 11, 2018 by RSM Canada Limited, as Receiver. Aluma has requested the return of its equipment from the Receiver of Fortress Brookdale Inc. or payment of its ongoing rental invoices. The Receiver has refused both requests.
31. Aluma continues to incur further costs for equipment and rentals, in the approximate amount of \$70,000.00 per month, which amount is owing by the Defendants. Aluma

also claims the sum of \$100,000 for missing or damaged equipment from the Defendants.

The Lien

32. On June 28, 2018, Aluma caused to be registered in the Land Titles Division for the Registry Office of Toronto, a Claim for Lien registered as Instrument No. AT4897958 and attached hereto as Schedule "A".
33. At all material times, the lands and premises described in the Claim for Lien, which are the Lands, were occupied by the Defendants, and are the Lands to which the Plaintiff supplied services and materials at the request of, upon the credit, on behalf of, with the privity and consent, and for the direct benefit of the Defendants, and accordingly, the Defendants were at all materials times statutory owners of the Lands within the meaning of Section 1(1) of the Act.
34. Aluma pleads that the Defendants remain liable to Aluma for all statutory holdbacks that the said Defendants are required to maintain for lien claimants pursuant to the provisions of the *Construction Lien Act*.
35. Aluma states that, by reason of the furnishing of its materials and services to the Lands, it has enhanced the value of the Lands and that the Defendants have received the benefit of same and have been unjustly enriched in the amount of \$739,244.00 at the expense and to the detriment of Aluma. Aluma pleads and relies upon the doctrine of unjust enrichment.
36. Alternatively, Aluma states that it is entitled to payment of its claim from the Defendants

on the basis of *quantum meruit*.

37. Aluma states that all of the mortgages taken by the Mortgagee Defendants on the Lands were taken for the purpose of securing the financing of the construction of the improvement and therefore Aluma's lien referred to herein has full priority over the mortgages to the extent of any deficiencies in the holdbacks that are required to be retained for its benefit by the Defendants pursuant to the Act. In the alternative, Aluma claims that its lien has priority over the mortgages to the extent that any portion of the mortgages advanced exceeded the actual value of the Lands at the time when the first lien arose with respect to the improvement. In the further alternative, Aluma claims that its lien has priority over the said mortgages to the extent of any unadvanced portions thereof.
38. Aluma states that the particulars of all advances pursuant to the mortgages of the Mortgagee Defendants are within the knowledge of the Mortgagee Defendants and Aluma pleads and relies on section 78 of the Act.
39. Aluma proposes that this action be tried in Toronto, Ontario.

~~July 31, 2018~~
AUG 01 2018

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, ON M5G 1V2

Catherine E. Willson, LSO #30163J
Tel: 416 597-6488
Fax: 416 597-3370
Email: willson@gsnh.com

Lawyers for the Plaintiff, Aluma Systems Inc.

Schedule "A"

LRO # 80 Construction Lien

Received as AT4897958 on 2018 06 28 at 16:37

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

yyyy mm dd Page 1 of 2

Properties

PIN 10189 - 0866 LT

Description LOT 32 PLAN 2371 YORK PT 2 66R29204; SUBJECT TO AN EASEMENT AS IN AT4660181; SUBJECT TO AN EASEMENT AS IN AT4753130; CITY OF TORONTO

Address 1690 AVENUE ROAD
TORONTO

PIN 10189 - 0865 LT

Description LOTS 33 & 34 PLAN 2371, PART LOT 42A & LOT 43A PLAN 2247 PT 1 66R29204; TOGETHER WITH AN EASEMENT OVER PT 3 66R29204 AS IN AT4379990; SUBJECT TO AN EASEMENT AS IN AT4660181; SUBJECT TO AN EASEMENT AS IN AT4753130; CITY OF TORONTO

Address 1700 AVENUE ROAD
TORONTO

Consideration

Consideration \$739,244.00

Claimant(s)

Name ALUMA SYSTEMS INC.
Address for Service c/o Goldman Sloan Nash & Haber
LLP
480 University Avenue, Suite
1600
Toronto, ON M5G 1V2

Attention:
Catherine Willson
416 597-6488

I, Luis Alvarez, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, Luis Alvarez, have the authority to bind the corporation.

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

Statements

Name and Address of Owner Fortress Brookdale Inc., 2220 Highway 7 West, Suite 5, Concord, ON L4K 1W7 Name and address of person to whom lien claimant supplied services or materials Summit Forming Ltd., 800 Arrow Road, Suite 6, Toronto, ON M9M 2Z8 Time within which services or materials were supplied from 2017/10/02 to 2018/06/28 Short description of services or materials that have been supplied Rental of shoring and wall forming and/or scaffolding equipment. Contract price or subcontract price Prevenient Arrangement Amount claimed as owing in respect of services or materials that have been supplied \$739,244.00

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

Catherine Evanne Willson 480 University Ave, # 1600 acting for Signed 2018 06 28
Toronto Applicant(s)
M5G 1V2

Tel 416-597-9922

Fax 416-597-3370

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

Submitted By

GOLDMAN SLOAN NASH & HABER LLP 480 University Ave, # 1600 2018 06 28
Toronto
M5G 1V2

Tel 416-597-9922

Fax 416-597-3370

Fees/Taxes/Payment

Statutory Registration Fee \$63.65

Total Paid \$63.65

File Number

Claimant Client File Number :

008100.0026

ALUMA SYSTEMS INC.

Plaintiff

Court File No:

CV-18-00602-20-0000

FORTRESS BROOKDALE INC. and SUMMIT FORMING LTD., et al.

Defendants

ONTARIO

SUPERIOR COURT OF JUSTICE,

Proceedings commenced at

TORONTO

STATEMENT OF CLAIM

GOLDMAN SLOAN NASH & HABER LLP

480 University Avenue, Suite 1600
Toronto, ON M5G 1V2

Catherine E. Willson, LSO #30163J

Tel: 416 597-6488

Fax: 416 597-3370

Email: willson@gsnh.com

Lawyers for the Plaintiff

APPENDIX J

meyer, wassenaar

& banach, LLP, *Barristers & Solicitors*

5001 Yonge Street, Suite 301, North York, Ontario, Canada M2N 6P6

Telephone: (416) 223-9191

Fax: (416) 223-9405

Solicitor: Joseph Fried (Ext 230)

Email: jfried@mwb.ca

Sy. L. Wassenaar, Q.C. (Retired)

Martin Banach, LL.B.

Joseph Fried, LL.B.

Gary D. Goldfarb, J.D.

Bryan Whealen, B.A., LL.B.

Elissa Banach, J.D.

Dana Shen, J.D.

Please reply to: **Gabriela Zlatanovic (Ext 226)**

Email: gzlatanovic@mwb.ca

DELIVERED BY EMAIL

File No. 2018-1140

April 4, 2018

RSM Canada Limited

11 King St. W., Suite 700

Box 27, Toronto, Ontario

M5H 4C7

Attention: Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

RE: Application for Appointment of RSM Canada Limited (“**RSM**”) as the proposed receiver of the property, assets and undertaking (the “**Assets**”) of Fortress Brookdale Inc. (“**Borrower**”), Fortress Avenue Road (2015) Inc. (“**FAR**”) and Fernbrook Homes (Brookdale) Limited (“**Fernbrook**”) (Borrower, FAR and Fernbrook are collectively referred to as, the “**Debtor Parties**”) and loan from Firm Capital Mortgage Fund Inc., (the “**Lender**”) to the Borrower secured, inter alia, by: (i) a first mortgage in the principal sum of \$18,500,000.00 registered on June 7, 2017 as Instrument No. AT4591073 (the “**Mortgage**”) on the Lands municipally known as 1678-1704 Avenue Road, 375-377 Fairlawn Avenue and 412-416 Brookdale Avenue, Toronto, Ontario; and (ii) by a General Security Agreement from each of the Debtor parties in favour of the Lender (collectively the “**Security Agreements**”) perfected by the financing statement as herein set out

We are counsel to RSM Canada Limited, in its capacity as proposed Court-Appointed Receiver (the “**Receiver**”) of the property assets and undertaking of the Debtor Parties. You have asked us to provide you with our opinion in respect of the validity of the Lender’s security from the Debtor Parties specifically the Mortgage and the Security Agreements, and in such capacity, we have reviewed: (i) the title to the Lands more particularly described in Schedule “A” attached hereto (the lands, together with all buildings, improvements and other erections on, in or upon such lands are collectively herein referred to the “**Lands**”) and the lands abutting the Lands; (ii)

the Security Agreements and the PPSA Enquiry Response Certificates from the Ministry of Government Services (the “**Ministry**”) each with file currency as at February 21, 2018 (collectively “**Ministry Response Certificates**”) and (iii) reviewed copies, certified or otherwise identified to our satisfaction, of such certificates of public officials and of such other certificates, documents and records as we considered necessary or relevant for purposes of the opinions expressed below, including the following:

- The Lender’s solicitors Final Title Report;
- The Mortgage and the Assignment of Rents;
- Officer’s Certificate and certified copy of resolutions of each of the Debtor Parties;
- Beneficial Owner Charge and Direction;
- The postponement and subordination agreements in respect of mortgages registered on title to the Lands and in respect of security agreements and applicable financing statements re PPSA Postponements as set out in Schedule “C” (collectively the “**Subordination Agreements**”); and
- The corporate opinion letter of Robins Appleby (“**Robins**”) dated June 6, 2017 (the “**Opinion Letter**”) addressed to the Lender and its counsel Owens Wright LLP, a copy of which Opinion Letter is attached hereto as Schedule “D”.

The opinions set forth herein are based solely upon our investigation of title to the Lands as disclosed by the instruments of record in the Land Registry Office for the Land Titles Division of Toronto (No. 66) (the “**Registry Office**”) in respect of the Lands at 12:45 p.m. on March 1, 2018 (the time and date upon which our title searches were last updated), an execution certificate obtained February 21, 2018 which was clear as against the Borrower, corporate searches against corporate predecessors on title and the Ministry Response Certificates (collectively the “**Searches**”).

We have not conducted any off-title searches and enquiries with respect to the Lands. Except for Searches described above we have not reviewed, assessed or conducted any other searches or investigations with respect to the Lands or the Security Agreements.

For the purposes of the opinions expressed herein, we have assumed:

- a) the genuineness of all signatures, the legal capacity at all relevant times of all individuals, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified or notarial copies or as photocopies or facsimiles;
- b) the genuineness and authenticity of all signatures on all documents of record in the Registry Office and the due authorization, execution and delivery of such documents submitted to us by each of the parties thereto, and

- c) the accuracy, currency and completeness of the records, indices and filing systems maintained at the Registry Office and the other public offices and registries where we have searched or enquired or caused searches or enquiries to be conducted and upon information and advice provided to us by appropriate government, regulatory or other like officials with respect to the matters referred to herein.

In addition to the foregoing, our opinion is subject to the qualification that equitable remedies and court orders in connection with the priority of any document registered on title, including, without limitation, rights acquired by subrogation, may be granted in the discretion of a court of competent jurisdiction.

We are solicitors qualified to practice law in the Province of Ontario and the opinions expressed below are limited to the laws of the Province of Ontario and the federal laws of Canada applicable therein in force as of the date hereof. We express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the security interests created by the Security Agreements as a result of the application of Ontario conflict of laws rules. In addition, we express no opinion whether, pursuant to those conflict of law rules, Ontario laws would govern the validity, perfection, effect of perfection or non-perfection or enforcement of those security interests.

Based and relying upon and subject to the foregoing, we are of the opinion that in respect of the Lands:

1. The Mortgage in favour of the Lender was registered in the Registry Office on June 7, 2017 at 12:31 pm as Instrument No. AT4591073.
2. The Mortgage constitutes a good, valid and enforceable first charge of the Lands, in accordance with its terms, subject only to the qualifications and encumbrances set out in Schedule "B" attached hereto (the "**Qualifications**").
3. We confirm that there is no contravention of the *Planning Act* (Ontario).

Based and relying upon and subject to the foregoing, we are of the opinion that in respect of the Security Agreements:

1. The Security Agreements were perfected by a financing statement registered as File No. 727742403 which have first priority in respect to the PPSA Registrations on file with the Ministry, in respect of the Collateral (as such word is defined in the Security Agreements), save for deposit monies paid by purchasers under Agreements of Purchase and Sale for units at the Lands, in respect of which there are prior registrations in favour of:

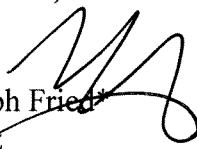
- (i) Tarion Warranty Corporation – File No. 711545769 and having a collateral description of: “Security Interest in all deposit monies pursuant to a Deposit Trust Agreement between the Debtor and the Secured Party dated November 5, 2015, with respect to the Brookdale on Avenue Road Condominium Project, In Toronto, Ontario”;
- (ii) Aviva Insurance Company of Canada – File No. 726606954 and having a collateral description of: “Security Interest in all deposit monies pursuant to a Deposit Trust Agreement between the Debtor and the Secured Party effective January 17, 2017, with respect to 121 Tarion Type C Condominium Complex located at Brookdale on Avenue Road, Toronto, known as Brookdale on Avenue Road”.

We express no opinion as to the due authorization, execution or delivery of the Subordination Agreements nor as to their enforceability.

The opinions expressed above are provided solely for the benefit of the Receiver and may not be used or relied upon by any other person or for any other purpose, other than in connection with the Receiver’s reporting obligations to the Court, nor may it be quoted in whole or in part or otherwise referred to, without our prior written consent.

Yours very truly,

MEYER, WASSENAAR & BANACH, LLP


Joseph Fried*

JF:gz

*on behalf of JOSEPH FRIED PROFESSIONAL CORPORATION

Schedule A

LEGAL DESCRIPTION OF THE LANDS

Firstly:

PIN 10189-0865 (LT)

Lots 33 & 34 Plan 2371, Part of Lot 42A & Lot 43A Plan 2247, being Part 1 on Plan 66R-29204; Together with an Easement over Part 3 on Plan 66R-29204 as in AT4379990; Subject to an Easement as in AT4660181; Subject to an Easement as in AT4753130; City of Toronto

Secondly:

PIN 10189-0866(LT)

Lot 32, Plan 2371 York, being Part 2 on Plan 66R-29204; Subject to an Easement as in AT4660181; Subject to an Easement as in AT4753130; City of Toronto

All in the Land Titles Division of the Toronto Registry Office (No. 66)

Schedule B

QUALIFICATIONS

General Encumbrances

1. The reservations and conditions expressed in the patent from the Crown as amended by statute.
2. The exceptions and qualifications set out in Section 44(1) (other than clause 11 thereof) and Section 45 of the *Land Titles Act* (Ontario).
3. The priority of any liens under the *Construction Lien Act* (Ontario) to the extent of any deficiency in the holdbacks required to be made under the said Act.
4. Any municipal by-laws or regulations affecting the Lands or its use and any other municipal land use instruments including, without limitation, official plans and zoning and building by-laws, as well as decisions of the Committee of Adjustment or any other competent authority permitting variances therefrom, and all applicable building codes.
5. Any and all interest (including liens, charges, adverse claims, security interests or other encumbrances) of any nature whatsoever now or hereafter claimed or held by Her Majesty the Queen in Right of Canada, Her Majesty the Queen in Right of any province of Canada, or by any other governmental department, agency or authority under or pursuant to any applicable legislation, statute or regulation.
6. Any and all licences, easements, rights-of-way, rights in the nature of easements and agreements with respect thereto including, without limitation, agreements, easements, licences, rights-of-way and interest in the nature of easements for sidewalks, public ways, sewers, drains, utilities, gas steam and water mains or electric light and power, or telephone and telegraphic conduits, poles, wires and cables.
7. Any defects which might be revealed by an up-to-date survey.
8. Equitable remedies and court orders in connection with the priority of any document registered on title, including, without limitation, rights acquired by subrogation, that may be granted in the discretion of a court of competent jurisdiction.
9. Any fraud which may have occurred prior to or during the course of the Mortgage transaction.

Specific Encumbrances

PINS 10189-0865 & 10189-0866 (LT)

1. Instrument No. 64BA895 registered on September 2, 1976 is a Plan Boundries Act.

2. Instrument No. 64BA1481 registered on February 15, 1978 is a Plan Boundries Act.
3. Instrument No. 64BA1152 registered on March 22, 1978 is a Plan Boundries Act.
4. Instrument No. AT3585071 registered on May 20, 2014 is a Section 37 Agreement between the City of Toronto (the “City”) and Mady Avenue Road Ltd.
5. Instrument No. AT4303844 registered on August 9, 2016 is a Section 111 Agreement with the City.
6. Instrument No. AT4303858 registered on August 9, 2016 is a no dealings Restriction in favour of the City.
7. Instrument No. AT4379989 registered on October 25, 2016 is a Site Plan Agreement with the City.
8. Instrument No. AT4476610 registered on February 1, 2017 is a Notice Amending Instrument No. AT4286895 - Notice of Application for Absolute Title.
9. Instrument No. 66R29204 registered on March 13, 2017 is a Plan Reference.
10. Instrument No. AT4509599 registered on March 13, 2017 is an Application for Absolute Title by Fortress Brookdale Inc.
11. Instrument No. AT4660181 registered on August 21, 2017 is a Transfer Easement to Rogers Communications Inc.
12. Instrument No. AT4753130 registered on December 6, 2017 is a Transfer Easement to Enbridge Gas Distribution Inc.

SCHEDULE “C”

Instrument No. AT4591075 is a Postponement registered on June 7, 2017 whereby Jaekel Capital Inc. postponed Charge No. AT3894769 to Charge No. AT4591073 in favour of Firm Capital Mortgage Fund Inc.

Instrument No. AT4591076 is a Postponement registered on June 7, 2017 whereby Building & Development Mortgages Canada Inc. and Olympia Trust Company postponed Charge No. AT3955352 to Charge No. AT4591073 in favour of Firm Capital Mortgage Fund Inc.

Instrument No. AT4591077 is a Postponement registered on June 7, 2017 whereby Quincy Investments Limited, 969592 Ontario Limited, 969593 Ontario Limited, 2307271 Ontario Inc., Sasso Auto Consulting Inc., Angelo Grossi, David Mark Doubilet, Gus Stamatiou, Robert Di Matteo and Tonino Amendola postponed Charge No. AT4065378 to Charge No. AT4591073 in favour of Firm Capital Mortgage Fund Inc.

PPSA and LANDS

Unregistered Subordination and Standstill Agreement made as of the 12th day of May, 2017 between Firm Capital Mortgage Fund Inc. (the “**Prior Mortgagee**”), Jaekel Capital Inc. (the “**Subsequent Mortgagee**”) and Fortress Brookdale Inc. (the “**Mortgagee**”) whereby the Subsequent Mortgagee postponed all of the Subsequent Mortgage Security (as such term is defined in the Subordination and Standstill Agreement) to the Prior Mortgage Security (as such term is defined in the Subordination and Standstill Agreement).

Unregistered Subordination and Standstill Agreement made as of 12th day of May, 2017 between Firm Capital Mortgage Fund Inc. (the “**Prior Mortgagee**”), Building & Development Mortgages Canada Inc. and Olympia Trust Company (collectively, the “**Subsequent Mortgagee**”) and Fortress Brookdale Inc. (the “**Mortgagee**”) whereby the Subsequent Mortgagee postponed all of the Subsequent Mortgage Security (as such term is defined in the Subordination and Standstill Agreement) to the Prior Mortgage Security (as such term is defined in the Subordination and Standstill Agreement).

Unregistered Subordination and Standstill Agreement made as of 12th day of May, 2017 between Firm Capital Mortgage Fund Inc. (the “**Prior Mortgagee**”), Quincy Investments Limited, 969592 Ontario Limited, 969593 Ontario Limited, 2307271 Ontario Inc., Sasso Auto Consulting Inc., Angelo Grossi, David Mark Doubilet, Gus Stamatiou, Robert Di Matteo and Tonino Amendola (collectively, the “**Subsequent Mortgagee**”) and Fortress Brookdale Inc. (the “**Mortgagee**”) whereby the Subsequent Mortgagee postponed all of the Subsequent Mortgage Security (as such term is defined in the Subordination and Standstill Agreement) to the Prior Mortgage Security (as such term is defined in the Subordination and Standstill Agreement).

Building & Development Mortgages Canada Inc. and Olympia Trust Company postponed its PPSA File No. 707640462 to PPSA registration File No. 727742403 in favour of Firm Capital Mortgage Fund Inc.

Building & Development Mortgages Canada Inc. and Olympia Trust Company postponed its PPSA File No. 707640471 to PPSA registration File No. 727742403 in favour of Firm Capital Mortgage Fund Inc.

Building & Development Mortgages Canada Inc. and Olympia Trust Company postponed its PPSA File No. 707640489 to PPSA registration File No. 727742403 in favour of Firm Capital Mortgage Fund Inc.

SCHEDULE "D"
OPINION LETTER



ROBINS APPLEBY
BARRISTERS + SOLICITORS

June 6, 2017

Firm Capital Mortgage Fund Inc.
163 Cartwright Avenue
Toronto, Ontario
M6A 1V5

- and -

Owens Wright LLP
Barristers and Solicitors,
20 Holly Street, Suite 300
Toronto, Ontario
M4S 3B1

Dear Sirs:

RE: FIRM CAPITAL MORTGAGE FUND INC. MORTGAGE LOAN TO
FORTRESS BROOKDALE INC. ON THE LANDS AND PREMISES
LEGALLY DESCRIBED IN SCHEDULE "A" ATTACHED HERETO

We have acted as counsel to Fortress Real Developments Inc. (the "**Corporation**") in connection with the above noted loan transaction (the "**Loan**") and in particular, in connection with the execution and delivery by the Corporation the Charge/Mortgage, a General Security Agreement, an Assignment of Agreements of Purchase and Sale, a Guarantee and Postponement of Claim, and all other documents related thereto (the "**Security Documents**").

For the purposes of the opinions expressed herein, we have:

- a) examined each of the documents comprising the Security Documents;
- b) examined such corporate records and made such other investigations as we have considered necessary for the purposes of the opinions hereinafter expressed;
- c) examined the articles and by-laws of the Corporation as contained in the minute books of the Corporation;
- d) examined and relied upon a certificate of an officer of the Corporation (the "**Officer's Certificate**"), a copy of which is annexed hereto;
- e) examined a certified copy of a resolution of the Corporation authorizing the Loan and the execution and delivery of the Security Documents;



- f) examined and relied upon a Certificate of Status dated June 6, 2017, attached hereto, issued by the Ministry of Consumer and Commercial Relations in respect of the Corporation (the "**Certificate of Status**");
- g) examined a certificate incumbency of the Corporation;
- h) examined the birth certificates or driver's licences of the signing officer(s) of the Corporation to verify the identity of the signatories;

For the purpose of the opinions expressed herein we have:

- 1. assumed the authenticity of all documents delivered to us as originals, the authenticity of documents filed or registered in public offices, the legal capacity of natural persons and the conformity to originals of all documents delivered to us as certified, notarized, conformed or photostatic copies or facsimiles;
- 2. relied upon the Certificate of Status and assumed that the same continue to be accurate as at the date hereof;
- 3. with respect to the opinion contained in paragraph 9 hereof, relied only upon our review of the Corporation's minute books;

Based and relying upon the foregoing and subject to the qualifications hereinafter expressed, we are of the opinion that:

- 4. the Corporation has been incorporated under the laws of the Province of Ontario and has not been dissolved;
- 5. the Corporation has all necessary corporate power and capacity to own the assets charged by the Security Documents and to enter into, execute and perform its obligations under the Security Documents;
- 6. all necessary corporate action has been taken by the Corporation to authorize the execution, delivery and performance by it of the Security Documents and each of the documents comprising the Security Documents has been duly executed and delivered by the Corporation;
- 7. each of the documents comprising the Security Documents constitutes a valid and legally binding obligation of the Corporation, enforceable against it, in accordance with its terms;
- 8. each of the documents comprising the Security Documents creates a valid security interest in favour of the Lender of and in the right, title and interest of the Corporation in and to such of the collateral therein described;



ROBINS APPLEBY
BARRISTERS + SOLICITORS

9. the authorized capital of the Corporation consists of an unlimited number of common shares, of which 100 common shares have been duly and validly allotted and issued and are outstanding and Jawad S. Rathore is the registered holder of 80 common shares of the Corporation and Vince Petrozza is the registered holder of 20 common shares of the Corporation;
10. the execution and delivery by the Corporation of the Security Documents and the performance by it of its respective obligations thereunder do not contravene, breach or result in any default under its articles, by-laws or other documents as referred to in the Officer's Certificate.

The foregoing opinions are subject to the following qualifications and limitations:

- A. We are qualified lawyers in the Province of Ontario and we are qualified to render opinions only as to the laws in force in the Province of Ontario, including the applicable federal laws of Canada as currently applied and in force in Ontario and we express no opinion as to the laws in any other jurisdiction;
- B. the enforceability of the Security Documents may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or other similar laws affecting the enforcement of creditors' rights generally;
- C. the enforceability of the Security Documents is subject to general principles of equity and the availability of equitable remedies including specific performance and injunction which may be granted in the discretion in a court of a competent jurisdiction and no opinion is expressed as to any such specific remedy;

Acknowledgement

Notwithstanding that my fee for this opinion will be paid by the Corporation and that we have acted for the Corporation in the capacity noted above, we acknowledge that the Lender is relying upon this opinion letter and the opinions expressed herein in its present and future dealings with the Corporation in connection with the loan by the Lender to the Corporation. We authorize Owens Wright LLP to attach a copy of the opinion to any opinion it may give to the Lender and consent to reliance by the Lender, its successors and assigns with respect to this transaction, and Owens Wright LLP on the opinions expressed herein.

Yours truly,

Robins Appleby LLP



ROBINS APPLEBY
BARRISTERS + SOLICITORS

SCHEDULE "A"

LEGAL DESCRIPTION

PIN: 10189-0865 (LT)

Lots 33 and 34, Plan 2371, Part of Lots 42A and Lot 43A, Plan 2247, designated as Part 1 on Plan 66R29204; t/w an easement over Part 3 on Plan 66R29204 as in AT4379990, City of Toronto

PIN: 10189-0866 (LT)

Lot 32, Plan 2371, Township of York, designated as Part 2 on Plan 66R29204, City of Toronto

In the Land Titles Division of the Toronto Registry Office (No. 66)

Request ID: 020340618
Demande n° :
Transaction ID: 64672556
Transaction n° :
Category ID: CT
Catégorie :

Province of Ontario
Province de l'Ontario
Ministry of Government Services
Ministère des Services gouvernementaux

Date Report Produced: 2017/06/06
Document produit le :
Time Report Produced: 10:25:20
Imprimé à :

CERTIFICATE OF STATUS ATTESTATION DU STATUT JURIDIQUE

This is to certify that according to the records of the Ministry of Government Services

D'après les dossiers du Ministère des Services gouvernementaux, nous attestons que la société

F O R T R E S S R E A L D E V E L O P M E N T S I N C .

Ontario Corporation Number

Numéro matricule de la société (Ontario)

0 0 2 3 3 4 6 4 5

is a corporation incorporated, amalgamated or continued under the laws of the Province of Ontario.

est une société constituée, prorogée ou née d'une fusion aux termes des lois de la Province de l'Ontario.

The corporation came into existence on

La société a été fondée le

J U L Y 0 9 J U I L L E T , 2 0 1 2

and has not been dissolved.

et n'est pas dissoute.

Dated

Fait le

J U N E 0 6 J U I N , 2 0 1 7



Director
Directeur

In the matter of Sections 97 and 100 of the Courts of Justice Act, R.S.O. 1990 c. C.43, as amended

FIRM CAPITAL MORTGAGE FUND INC.

- and -

**FORTRESS BROOKDALE INC., FORTRESS AVENUE ROAD
(2015) INC. and FERNBROOK HOMES (BROOKDALE) LIMITED**

Applicant

Respondents

Court File No. CV-18-604993-00CL

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

Proceedings commenced at Toronto, Ontario

**REPORT OF RSM CANADA LIMITED, in its capacity as the
Privately-appointed Receiver of the Respondents
(October 2, 2018)**

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Toronto, Ontario M5K 1K7
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Lawyers for Firm Capital Mortgage Fund Inc.