

Appendix 7:

Sutton 2012 Loan Agreement

LOAN AGREEMENT

THIS AGREEMENT made as of the 4th day of September, 2012,

BETWEEN:

Derek Sorrenti, in trust, as lender

- and -

ADI Developments Sutton Inc., as borrower

- and -

Adi Development Group Inc., as guarantor

WHEREAS the Lender agreed to advance the Loan to the Borrower;

AND WHEREAS the Loan will be secured by a second-ranking mortgage against the Property;

AND WHEREAS the balance of the terms of the Loan are set out in this Agreement;

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Defined Terms**

Unless expressly stated otherwise, the following capitalized terms shall have the meanings indicated:

- (a) **"Agreement"** means this agreement and all amendments thereof;
- (b) **"Borrower"** means ADI Developments Sutton Inc. and its successors and permitted assigns;
- (c) **"Business Day"** means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (d) **"Conditions Precedent"** shall have the meaning attributed thereto in Section 11 hereof;
- (e) **"default"** means an event or condition, the occurrence of which would, with the lapse of time or the giving of notice, or both, become an Event of Default;
- (f) **"Event of Default"** shall have the meaning attributed thereto in Section 15 hereof;

- (g) **"First-Ranking Construction Loan Security"** means one or more secured Project construction loans, in favour of arm's-length lender(s), in an aggregate principal amount not to exceed \$45,000,000 , plus a 10% contingency if required ranking *pari passu* or with stated priority between them (in the case of multiple loans), with usual cost-to-complete advances and related security/documentation;
- (h) **"Guarantor"** means Adi Development Group Inc. and its successors and permitted assigns;
- (i) **"Hazardous Substances"** means all contaminants, pollutants, substances and materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances and/or materials are or shall become prohibited, controlled or regulated pursuant to environmental laws and shall include "contaminants", "dangerous substances", "hazardous materials", "hazardous substances", "hazardous wastes", "industrial wastes", "liquid wastes", "pollutants" and "toxic substances", all as defined in, referred to and/or contemplated in environmental laws, but exclude all cleaning and related products used in the usual operation and maintenance of property;
- (j) **"Lender"** means Derek Sorrenti, in trust, for and on behalf of certain persons/entities, and their respective successors and assigns;
- (k) **"Loan"** shall have the meaning attributed thereto in Section 3 hereof;
- (l) **"Loan Documents"** means this Agreement, the Security, all other documentation delivered in connection with the Loan and all amendments thereof;
- (m) **"Maturity Date"** shall have the meaning attributed thereto in Section 4 hereof;
- (n) **"Notice"** shall have the meaning attributed thereto in Subsection 17(b) hereof;
- (o) **"Permitted Encumbrances"** means the First-Ranking Construction Loan Security and such non-financial encumbrances as shall be reasonable for a development such as the Project (including, without limitation, encumbrances pertaining to condominium deposits, easements, rights-of-way, subdivision agreements, site plan control agreements, development agreements, cost-sharing agreements, encroachment agreements, zoning/use laws, utility licences, utility easements, Crown patent reservations and restrictive covenants);
- (p) **"Project"** means the development to be constructed on the Property, comprised of 5226, 5218, 5210 Dundas Street, 2500 Burloak Drive, Burlington, Ontario; (5236 Dundas Street, Burlington, Ontario, will be added as security in 2013 and this charge will become a blanket mortgage against all 5 parcels identified above.)
- (q) **"Project Budget"** means the Project budget attached hereto as Schedule "B";

- (r) **“Project Cost Consultant”** means an arm’s-length cost consultant approved by the Lender, acting reasonably;
- (s) **“Property”** means the lands municipally and legally described in Schedule “A” attached hereto, together with all personal, intellectual and other property and all contracts relating thereto or associated therewith;
- (t) **“Security”** shall have the meaning attributed thereto in Section 9 hereof; and
- (u) **“Term”** shall have the meaning attributed thereto in Section 4 hereof.

2. **Schedules**

The following are the schedules attached to and forming part of this Agreement:

- (a) Schedule “A” - Municipal and Legal Description of the Property
- (b) Schedule “B” - Project Budget

3. **Loan**

The non-revolving loan in an amount up to and including the sum of \$11,600,000 (the **“Loan”**), to provide for the Borrower’s soft costs to be incurred prior to the construction financing of the Project.

4. **Term**

3 years (**“Term”**), commencing on October 4, 2012 and ending on the final day of such period (the **“Maturity Date”**). At the Borrower’s option (to be exercised in writing not less than three (3) months prior to the Maturity Date), the Borrower may extend the Maturity Date for 6 additional months.

5. **Interest Rate**

Interest only calculated at Eight Percent (8%) per annum.

6. **Interest Payment**

Calculated and payable quarterly, not in advance, with the first payment thereof to be made on January 4th, 2013.

7. **Method of Payment of Quarterly Interest Payment**

The Borrower shall subscribe to the “pre-authorized payment” system to allow quarterly instalments to be withdrawn automatically.

8. **Prepayment/Repayment of Principal**

The Borrower may prepay the Loan, in whole but not in part, upon two (2) Business Days' prior written notice to the Lender.

The outstanding Loan principal together with accrued interest and all other amounts due and owing, if any, pursuant to the Loan Documents shall become wholly due and payable on the earlier of the Maturity Date and the date of substantial completion of the Project.

9. **Project Completion Fee**

In addition to the above and not later than thirty (30) days following substantial completion of the Project, the Borrower shall pay to the Lender a Project completion fee equal to 12% of the Loan principal, subject to increases/decreases relating to Project profit. If Project profit is less than the sum of \$12,195,850, then the percentage of \$12,195,850 by which it is less, shall be deducted from the Project completion fee. If Project profit is more than the sum of \$12,195,850, then the percentage of \$12,195,850 by which it is more, shall be added to the Project completion fee.

10. **Security**

The security for the Loan (as amended, hereinafter the "Security") shall be as follows, subject only to the Permitted Encumbrances:

- (a) Property mortgage executed by the Borrower in a principal amount equal to 11,600,000
- (b) if the Property beneficial owner is not the Borrower but a Guarantor, then a direction, acknowledgement and security agreement executed by the beneficial owner/Guarantor, Borrower and Lender, including confirmation of a second-ranking charge of the beneficial owner's/Guarantor's interest in the Property and a direction by the beneficial owner/Guarantor to the Borrower to execute the Loan Documents to which the Borrower is a party, such direction to be duly acknowledged by the Borrower;
- (c) a general security agreement executed by the Borrower charging the personal property and undertaking of the Borrower, present and future, used in connection with the Property including, without limitation, all accounts, equipment, goods, inventory, chattel paper, documents of title, intangibles, securities and proceeds therefrom;
- (d) a guarantee agreement executed by the Guarantor guaranteeing the Borrower's payment and performance of its obligations pursuant to the Loan Documents;
- (e) an indemnity from each of the Borrower and the Guarantor indemnifying the Lender from and against all losses, demands, claims, liabilities, costs, actions, penalties, obligations and expenses imposed upon the Lender and arising in connection with the Lender being a lender hereunder in respect of the Property

and all assets relating thereto, save and except in respect of matters arising and caused by the gross negligence of the Lender during any period in which the Lender shall be in exclusive possession of the Property and/or arising and caused after a completed foreclosure proceeding or sale proceeding pursuant to the Security and/or caused by the gross negligence of the Lender; such indemnity shall survive the full payment and discharge of the Loan; and

- (f) such further and/or other security relating to the Property as the Lender shall reasonably require.

11. **Deliveries to Lender**

The Borrower shall deliver, within five (5) Business Days following execution of this Agreement, a copy of each of the following:

- (a) the Property parcel pages, existing registered encumbrances and existing surveys thereof;
- (b) the appraisal and professional reports described in Section 11 hereof;
- (c) the financial statements and Project Budget described in Section 11 hereof;
- (d) the off-title search results and corporate/personalty search results described in Section 11 hereof;
- (e) evidence of reasonable Property and construction insurance coverage;
- (f) all material Project contracts;
- (g) all Project plans and specifications and all periodic Project development reports issued to date;
- (h) all architectural and engineering documents together with the draft plan, zoning analysis, traffic study, sanitary study, water study, storm-water study, utility study and road study; and
- (i) All other information and/or documentation in respect of the Project, the Property, the Borrower and/or the Guarantor as the Lender may request, acting reasonably.

12. **Conditions Precedent to Advance**

Each advance pursuant to the Loan shall be conditional upon the Lender's receipt of the following (the "**Conditions Precedent**"), which Conditions Precedent are inserted for the sole benefit of the Lender and may be waived by the Lender, in whole or in part:

- (a) the Security, duly registered and perfected (as the case may be) together with all other documentation relating to the Loan, the Property, the Project, the Borrower and the Guarantor required by the Lender, acting reasonably;

- (b) an opinion from Borrower's counsel confirming the Borrower's good, valid and marketable title to the Property, subject only to Permitted Encumbrances, specified off-title search results, specified corporate/personalty search results and specified third party consent requirements (or alternatively, for some or all of the said opinion, title insurance from a title insurance company approved by the Lender, acting reasonably);
- (c) an opinion from Borrower's counsel confirming the subsistence, power and authority of each of the Borrower and the Guarantor, the due authorization, execution, delivery and enforceability (subject to customary assumptions and qualifications) of the Loan Documents and such other matters as the Lender shall reasonably require;
- (d) a mortgage statement from a Permitted Encumbrance mortgagee confirming that the relevant mortgage loan is in good standing;
- (e) certificate from the Borrower certifying no Event of Default or default, the truth of all representations and warranties, the satisfaction of all conditions and compliance with all covenants set out in the Loan Documents;
- (f) an appraisal or valuation indicating completed Project value of not less than \$8,700,000;
- (g) satisfactory environmental report, geotechnical report, mechanical engineering report, structural engineering report and zoning report, prepared by the appropriate professionals (with reliance letters in favour of the Lender);
- (h) confirmation that realty taxes have been paid to the relevant date;
- (i) satisfactory financial statements in respect of both the Borrower and the Guarantor and a satisfactory summary of Borrower and Guarantor share ownership;
- (j) satisfactory Project Budget, duly approved by the Project Cost Consultant and the Lender;
- (k) satisfactory insurance coverage for the Project, duly approved by the Lender's insurance consultant (if any) and the Lender;
- (l) all relevant consents pursuant to the Loan Documents; and
- (m) Certificate from the Borrower certifying that there have been no material changes affecting the Property, the Borrower and/or the Guarantor since the later of the date of execution of this Agreement and the immediately prior advance hereunder.

13. **Representations and Warranties**

The Borrower represents and warrants as follows:

- (a) each of the Borrower and the Guarantor is duly constituted and validly subsisting under the laws of the Province of Ontario, has all necessary power and authority to own its properties and assets and to carry on its business as now conducted and is duly licensed or registered or otherwise qualified in all jurisdictions wherein the nature of its assets or the business transacted by it makes such licensing, registration or qualification necessary;
- (b) each of the Borrower and the Guarantor has full power and capacity to enter into, deliver and perform its obligations under the Loan Documents to which it is a party and all other instruments contemplated hereunder to which it is a party;
- (c) the execution and delivery and performance by each of the Borrower and the Guarantor of the Loan Documents to which it is a party and all obligations contained herein and therein, and all other instruments contemplated hereunder to which it is a party and the consummation of the transactions contemplated hereby and thereby:
 - (i) have been duly authorized by all necessary action;
 - (ii) do not and will not conflict with, result in any breach or violation of, or constitute a default under any such party's constating documents or by-laws, or any applicable laws or judgment presently in effect and applicable to it, or of any material Project agreement to which any such party is bound;
 - (iii) do not (except for the Security) result in or require the creation of any security interest or encumbrance upon or with respect to which any of the Borrower and/or the Guarantor is bound; and
 - (iv) do not require the consent or approval (other than those consents or approvals already obtained and copies of which have been delivered to the Lender and other than those consents which, if not obtained, would not adversely affect any material component of the Security, the value of the Property or the operation of the business of the Borrower at the Property) of, or registration or filing with (except as contemplated herein), any other person, including any public authority;
- (d) the Borrower has provided to the Lender accurate and complete copies of all material Project agreements;
- (e) each Loan Document and all other instruments contemplated hereunder are, or when executed and delivered to the Lender will be, legal, valid and binding obligations enforceable against the Borrower or Guarantor (as applicable) in accordance with their respective terms, subject to the limitations with respect to enforcement imposed under law in connection with bankruptcy, insolvency, liquidation, reorganization and other laws affecting the enforcement of creditors' rights generally and subject to the availability of equitable remedies which are only available in the discretion of the court from which they are sought;

- (f) the Security granted by each of the Borrower and the Guarantor constitutes an assignment, a fixed and specific mortgage and charge, a floating charge and security on its undertaking, property and assets purported to be assigned, mortgaged, charged or subjected to the Security thereby and ranks in priority to all other security interests upon such undertaking, property and assets other than Permitted Encumbrances;
- (g) subject to any limitations stated therein, all financial statements which were furnished to the Lender hereunder, fairly present the financial condition of the relevant party as at the date thereof, and no material adverse change has occurred since the date of such delivery;
- (h) no event has occurred and is continuing, and no circumstance exists which has not been waived, which:
 - (i) constitutes a default or Event of Default; or
 - (ii) constitutes a default or event of default under any Permitted Encumbrance which may materially adversely affect the value of the Property or impair the validity or enforceability of the Security;
- (i) neither of the Borrower or the Guarantor is in violation of any terms of its constating documents or, in any material respect, of any applicable law (including, without limitation, all building, zoning, planning, development, construction, construction lien, environmental and occupation laws);
- (j) the Borrower owns all intellectual property used and/or to be used in connection with the Project, free from all encumbrances;
- (k) each of the Borrower and the Guarantor is solvent and will not become insolvent after giving effect to the transactions contemplated in this Agreement;
- (l)
 - (i) each material Project agreement is in full force and effect and has not been modified or supplemented;
 - (ii) the Borrower is not in default under any material Project agreement, and to the knowledge of the Borrower, no other party to any such material Project agreement is in default of any material obligation thereunder; and in each such case, no event has occurred which, with the giving of notice or the lapse of time, or both, would constitute such a default; and
 - (iii) no notice or other written or oral communication has been provided by or to the Borrower to or from any party under any material Project agreement which alleges that, as of the date hereof, either a default exists or with the passage of time will exist under the provisions of such material Project agreement;

- (m) the Property has full and free legally enforceable access to and from public highways, which access is sufficient for the purposes of the normal operation of the Property and the Borrower has no knowledge of any fact or condition that would result in the interruption or termination of such access;
- (n) all public utilities required for the normal operation of the Property connect into the Property through adjoining public highways or if they pass through adjoining private land, do so in accordance with valid registered easements and are sufficient for the operation of the Property;
- (o) no legal action or other proceeding has been instituted or, to the best of its knowledge after making diligent enquiry, threatened against the Borrower or the Guarantor; the Borrower has not received notice of any work orders, deficiency notices or notices of violation pertaining to the Property;
- (p) the Property complies with all laws regarding environmental matters; the Property has never been used as a land fill site or to store Hazardous Substances either above or below ground, in storage tanks or otherwise; no Hazardous Substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Property; and there are no outstanding directions, writs, injunctions, orders or judgments issued pursuant to environmental laws in respect of the Property;
- (q) the Borrower has good, valid and marketable title to the Property, free from all encumbrances except the Permitted Encumbrances; and
- (r) The Borrower has filed or caused to be filed in a timely manner all tax returns, reports and declarations required to be filed under law; all information in such tax returns, reports and declarations is complete and accurate in all material respects; the Borrower has paid all taxes due and payable.

14. **Covenants**

The Borrower covenants and agrees as follows:

- (a) to defend its right, title and interest in the Property for the benefit of the Lender against all claims and demands whatsoever of all persons/entities, other than holders of Permitted Encumbrances;
- (b) not to create or suffer to exist any encumbrance of any nature (whether prior to, *pari passu* with or subordinate to the Security) upon the Property or any part thereof other than Permitted Encumbrances;
- (c) to preserve, repair and keep in good order, condition and repair or cause to be preserved, repaired and kept in good order, condition and repair the Property and all appurtenances thereto and all properties and assets used in connection with the Property, to the standard of a prudent owner of similar property, and the Borrower shall carry on and conduct, or cause to be carried on and conducted, the operation

of the Property in a prudent manner so as to preserve and protect the Property; the Borrower shall keep the Property in good condition and order, or shall cause the Property to be put and kept in good condition and order, and shall promptly make, or cause to be made, all needed repairs and replacements thereto, including such repairs and replacements to implement the recommendations which a prudent owner of a property similar to the Property would deem appropriate or necessary from time to time; the Borrower shall at any and all reasonable times, upon the prior written request of the Lender, permit the Lender to inspect the Property or any part thereof during normal business hours;

- (d) to carry on or cause to be carried on and conduct or cause to be conducted the operation of the Property in a prudent manner so as not to materially impair the value of the Property or the use of the Property for the purpose for which it is held;
- (e) to duly and punctually pay, or cause to be paid, to the Lender the principal of and interest accrued on the Loan, any premium of the Loan and all other amounts owing in respect of the Loan on the dates, at the places, in the monies, and in the manner mentioned herein and in the Loan, in strict conformity therewith, and shall faithfully observe and perform all the conditions, covenants and requirements of all Loan Documents;
- (f) to pay or cause to be paid, on or before the due date thereof, all taxes, rates, levies, duties and assessments, general and special, ordinary and extraordinary, of every nature and kind whatsoever, including local improvement taxes which shall be levied, assessed or imposed upon the Property or any part thereof, or upon the Borrower or any other person on account thereof, and shall from time to time as the same are paid, at the written request of the Lender produce for inspection by the Lender, satisfactory evidence that all such taxes have been paid when due (together with such further supporting information or documentation reasonably required by the Lender);
- (g) the Borrower shall register or file or cause to be registered or filed the Security (or a notice or financing statement in respect hereof) without delay at every public office of record in the Province of Ontario and in any other jurisdiction where the Borrower is "located" for the purposes of perfecting a security interest pursuant to the *Personal Property Security Act* (Ontario), in each case, where the registration or filing thereof is, in the opinion of the Lender, required to preserve, perfect and/or protect the security hereby or thereby created; and the Borrower shall renew or cause to be renewed any such registrations or filings as may be necessary from time to time to so preserve, perfect and/or protect the security hereby or thereby created;
- (h) the Borrower shall fully and effectively maintain and keep the Security or cause the Security to be maintained and kept as valid and effective security at all times while the Loan is outstanding and shall not permit or suffer the registration of any lien whatsoever, whether of workmen, builders, contractors, engineers, architects or suppliers of material, upon or in respect of any of the Property, which would

rank subsequent to, *pari passu* with or prior to the security of the Security other than Permitted Encumbrances;

- (i) the Borrower shall cooperate fully with the Lender with respect to any proceedings before any court, board or other public authority which may in any way materially and adversely affect the rights of the Lender hereunder or any rights obtained by it under any of the Loan Documents and, in connection therewith, shall keep the Lender fully advised of the status of all such proceedings and shall allow the Lender and its counsel at its election to attend meetings in respect of such proceedings; the Borrower shall cooperate with the Lender in obtaining for the Lender the benefits of any insurance proceeds lawfully or equitably payable in connection with the Property to the extent that the Lender is entitled to the same under the terms of the Loan Documents, and the Lender shall be reimbursed for any actual out-of-pocket expenses incurred in connection therewith (including, without limitation, legal fees and disbursements, and the payment by the Borrower of the expense of an appraisal on behalf of the Lender in case of a fire or other casualty affecting the Property or any part thereof) out of such insurance proceeds;
- (j) the Borrower shall cause the Property to be used only for multi-residential and retail purposes and parking and for no other purpose, and the Borrower will do, observe and perform or cause to be done, observed and performed, in all material respects, all of its obligations and all matters and things necessary or expedient to be done, observed or performed under or by virtue of all applicable laws;
- (k) the Borrower shall do, observe and perform, or cause to be done, observed and performed, in all material respects, all of the obligations and things necessary or expedient to be done, observed or performed by the Borrower under or by virtue of all Permitted Encumbrances and material Project agreements; for greater certainty, this covenant regarding Permitted Encumbrances applies to all prior-ranking financial encumbrances which are Permitted Encumbrances;
- (l) if the Borrower shall fail to perform any covenant on its part contained in this Agreement the Lender may, after giving concurrent notice to the Borrower, itself perform (but shall not be obliged to perform), any of such covenants provided no payment or expenditure of funds is required in connection therewith, or, if a default has occurred, and if any such covenant requires the payment or expenditure of money, it may make such payment or expenditure with its own funds, or with money borrowed by or advanced to it for such purpose; all sums so expended or advanced shall be payable by the Borrower together with interest thereon which shall accrue, until paid, at the interest rate applicable to the Loan from the date of such expenditure or advance until repayment but no such performance or payment shall be deemed to relieve the Borrower from any default hereunder;
- (m) the Borrower shall encumber or cause to be encumbered in favour of the Lender, as part of the Security, all additional improvements, licenses, easements and rights of way which, in any way or manner, it shall hereafter acquire in connection with

the Property, and the Borrower shall make or cause to be made all requisite registrations required by this Agreement with respect thereto; any and all times the Borrower will do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered all and every such further acts, deeds and assurances in law as the Lender shall reasonably require, for the purpose of giving the Lender a valid encumbrance of the nature herein specified upon all such property (subject only to Permitted Encumbrances) for the better encumbering unto the Lender all and singular the lands and premises, and property encumbered under the Security, or intended so to be or which the Borrower may hereafter become bound to encumber or cause to be encumbered in favour of the Lender;

- (n) so long as the Loan or any portion thereof remains outstanding the Borrower shall not cancel or materially amend any material Property agreements without the Lender's consent;
- (o) the Borrower shall give prompt notice to the Lender upon the occurrence of any default or any Event of Default or any event, circumstance or matter which may reasonably be expected to have a material adverse effect on the financial condition of the Borrower, Guarantor and/or the Property; the Borrower shall not create, assume, incur or suffer to exist any security interest in or upon any of its undertakings, properties, rights or assets secured by the Security except for Permitted Encumbrances;
- (p) upon two (2) Business Days' prior written notice or at any time in an emergency as reasonably determined by the Lender, the Borrower shall permit the Lender to have reasonable access at all reasonable times and from time to time, to the Property and to all related records (including records pertaining to the Borrower and/or the Guarantor), and shall permit the Lender, acting reasonably, to make copies of and abstracts from such records;
- (q) the Borrower shall give to the Lender prompt written notice of any material adverse change in the condition of the business, financial or otherwise, of the Borrower and/or the Guarantor;
- (r) the Borrower shall give to the Lender prompt written notice of all actions, suits, litigation or other proceeding commenced or threatened against the Borrower, the Guarantor and/or in respect of the Property;
- (s) the Borrower shall obtain and maintain during the Term the following Property insurance coverage:
 - (i) fire insurance with extended coverage for all other risks and perils in, representing an amount equal to 100% of the gross replacement cost of all buildings and landlord improvements located on the Property, without deduction for foundations or footings; the proceeds payable under such policy shall be payable to the Lender as mortgage creditor, pursuant to a standard mortgage clause approved by the Insurance Bureau of Canada;

- (ii) broad form boiler insurance with coverage on all electrical equipment, mechanical equipment and pressure vessels; such policy shall contain a standard mortgage clause approved by the Canadian Boiler and Machinery Underwriters Association, or an equivalent clause, with proceeds payable thereunder to the Lender as mortgage creditor;
 - (iii) general liability insurance covering damages in an amount of not less than \$5,000,000.00 per occurrence;
 - (iv) environmental liability and remediation insurance covering damages in an amount of not less than \$5,000,000.00 per occurrence; such coverage shall include third party pollution liability claims and first party on-site remediation expenses; and
 - (v) such other insurance as shall be requested by the Lender, acting reasonably;
- (t) the Borrower shall deliver to the Lender, within one hundred and twenty (120) days following the Borrower's fiscal year, unaudited financial statements in respect of the Property and unaudited financial statements in respect of the Borrower, prepared internally by a qualified person in accordance with generally accepted accounting principles, consistent with prior years, and shall include all appropriate documents, explanatory notes and additional information; the Guarantor shall deliver to the Lender, within one hundred and twenty (120) days following the Guarantor's fiscal year, unaudited financial statements in respect of the Guarantor, prepared internally by a qualified person in accordance with generally accepted accounting principles, consistent with prior years, and shall include all appropriate documents, explanatory notes and additional information; in addition to the above financial statements, each of the Borrower and the Guarantor covenant to provide to the Lender, from time to time, upon request, any further financial information then still undisclosed and reasonably required, pertaining to the Property, the Borrower and/or the Guarantor; the Lender reserves the right to disclose to third parties any financial information concerning the Property, the Borrower and/or the Guarantor, provided that such third parties shall be limited to potential assignees of part or all of the Loan, the Lender's auditors, the Lender's solicitors, the Lender's bankers, the Lender's other advisors and persons to whom such information is ordinarily disclosed in a mortgage securitization or mortgage syndication;
- (u) the Borrower covenants to develop and construct and/or cause the development and construction of the Property in accordance with the delivered plans and specifications using only new materials and not Hazardous Substances, without defect in construction, installation and/or materials;
 - (v) the Borrower covenants not to materially amend the delivered plans and specifications or fail to construct in accordance with the delivered plans and specifications without the Lender's prior written consent, which consent shall not be unreasonably withheld;

- (w) the Borrower shall pay, regardless of whether any part of the Loan shall be advanced, all reasonable third party costs, fees and expenses incurred by the Lender in connection with the transaction hereunder including, without limitation:
 - (i) all costs incurred in connection with a survey, an appraisal, an engineering review, an architectural review, an environmental review, other professional consultant review, a credit review, a lease review and an insurance review;
 - (ii) all legal fees and disbursements of the Lender's solicitors; and
 - (iii) all registration, recording and filing fees and transfer and mortgage taxes; and
- (x) the Borrower shall not sell, transfer, lease, license or otherwise convey an interest in the Property or any part thereof, save and except as contemplated for the staging and completion of the Project or to an entity approved by the Lender, in its sole, absolute and unfettered discretion.

15. **Events of Default**

Events of Default ("Events of Default") shall be as follows:

- (a) if the Borrower fails to pay interest, principal or other amount owing hereunder on a due date during the Term; or
- (b) if the Borrower fails to pay all principal on the Maturity Date; or
- (c) if the Borrower fails to pay, or cause to be paid, taxes, rates, levies, duties, public utility charges and assessments, general and special, ordinary and extraordinary, of any nature or kind whatsoever, including local improvement taxes, which shall be levied, assessed or imposed upon the Property or any part thereof, or upon the Borrower, on account thereof and any such default shall continue either for a period of five (5) Business Days after written notice to the Borrower from the Lender or for such shorter period as would, if continued, render the Property, or any part thereof, liable to forfeiture or sale; or
- (d) if the Borrower creates, permits or suffers to exist, any encumbrance against the Property or any part thereof, other than Permitted Encumbrances and, in the case of encumbrances which have not been created by the Borrower, the same continue to exist for a period of ten (10) days after written notice thereof has been given to the Borrower by the Lender or for such shorter period as would, if continued, render the Property or any part thereof, liable to forfeiture or sale; or
- (e) if any representation or warranty in any of the Loan Documents or any financial statements delivered pursuant thereto, is (or, at the time it was given or repeated, was) false or erroneous and such false or erroneous condition shall continue for a

period of ten (10) days following the Borrower's receipt of written notice thereof from the Lender; or

- (f) if the Borrower shall fail to comply with any covenant/agreement in any of the Loan Documents and such non-compliance shall continue for a period of ten (10) days following the Borrower's receipt of written notice thereof from the Lender; or
- (g) if any material provision in the Loan Documents shall for any reason cease to be valid, binding and enforceable in accordance with its terms or the Borrower and/or the Guarantor shall so assert in writing; or any security interest created under any of the Loan Documents shall cease to be a valid and perfected security interest having the priority in any of the collateral purported to be covered thereby; or
- (h) if the Borrower does, or fails to do, anything which would entitle an insurer to cancel or not renew a policy of insurance on the Property required hereunder which is not rectified within fifteen (15) days following the Borrower becoming aware of such entitlement to cancel or not renew, and in any event not later than ten (10) days prior to the termination or expiry of such policy, or if any policy of insurance is cancelled, expires or terminates and is not replaced in accordance with the requirements of this Agreement; or
- (i) if all or part of the Property is expropriated; or
- (j) if one or more final judgments for the payment of money (whether or not covered by insurance) shall be rendered against the Guarantor and the Guarantor shall fail to discharge the same within thirty (30) days from the date of notice of entry thereof or if one or more final judgments for the payment of money (which is not covered by insurance) shall be rendered against the Borrower; or
- (k) if any writ, attachment, execution, enforcement, sequestration, extent, distress or any other similar process shall become enforceable against the Borrower or the Guarantor, or if a distress or any analogous process is levied against any properties or assets of the Borrower or the Guarantor; or
- (l) if the Borrower or the Guarantor shall suspend or cease or threaten to suspend or cease its business; or
- (m) if the Borrower or the Guarantor shall breach any law which results in a notice or control order or cancellation of any license or certificate or approval that results in any material disruption of the business at the Property or that could reasonably be expected to have a material adverse effect on the Security, the repayment of the Loan, the Lender's rights under the Loan Documents, the Property or the business operations, prospect or condition of the Borrower or Guarantor (financial or otherwise); or

- (n) if any environmental order is issued by any public authority against the Property and such environmental order has not been satisfied or discharged within the shorter of time allowed for in such environmental order and within thirty (30) days after the date such environmental order was received by the Borrower; or
- (o) if the Borrower or the Guarantor shall admit its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency or if an order shall be made or an effective resolution passed for the winding up of such entity or if such entity shall make an assignment for the benefit of its creditors or if a receiver or a liquidator or a trustee in bankruptcy of such entity shall be appointed or if such entity shall make a proposal to its creditors under a bankruptcy act including, without limitation, the *Companies' Creditors Arrangement Act (Canada)*; or
- (p) if any proceeding is instituted for the winding up of the Borrower or the Guarantor or a petition in bankruptcy be presented against such entity under a bankruptcy act and if in either case such proceeding or petition shall not have been dismissed or withdrawn within twenty (20) days of the commencement of the proceeding or petition; or
- (q) If ownership control of one or both of the Borrower and the Guarantor shall be transferred without the Lender's approval, which approval may be withheld in the Lender's sole, absolute and unfettered discretion.

16. **Postponement and Subordination**

The Lender covenants and agrees as follows:

- (a) to postpone and subordinate the Loan Documents in favour of the First-Ranking Construction Loan Security and to enter into such standstill agreements as shall be reasonable in the circumstances;
- (b) to postpone and subordinate the Loan Documents in favour of each non-financial encumbrance which is reasonable for a development such as the Project and which individually does not materially adversely affect the market value of the Property (including, without limitation, encumbrances pertaining to condominium deposits, roads, sidewalks, easements, rights-of-way, subdivision agreements, site plan control agreements, development agreements, cost-sharing agreements, encroachment agreements, zoning/use laws, utility licences, utility easements, Crown patent reservations and restrictive covenants);
- (c) to discharge the Loan Documents in respect of any part of the Property which is not material to the Project and/or the market value of the Property or which is required by any governmental authority, without requirement for payment or prepayment of any part of the Loan;
- (d) to provide partial discharges of the Loan Documents in respect of all Project condominium unit sales to third parties and in respect of all Project office/retail/parking component sales to third parties, without compensation,

provided that the full proceeds thereof shall be used immediately to first pay down the First-Ranking Construction Loan Security and then to pay down other Project trade creditors; and

- (e) to enter into a non-disturbance agreement, upon request, with any Project office/retail/parking component tenant; such non-disturbance agreement shall provide for the tenant's postponement and subordination of its lease in favour of the Loan Documents and the tenant's agreement to attorn to the Lender and its successors and assigns upon an Event of Default.

17. **General**

- (a) If the Borrower shall be comprised of more than one person/entity, then such persons/entities shall be jointly and severally liable for all of the obligations of the Borrower pursuant to this Agreement. If the Guarantor shall be comprised of more than one person/entity, then such persons/entities shall be jointly and severally liable for all of the obligations of the Guarantor pursuant to this Agreement.
- (b) All notices, directions, service, correspondence and communications ("Notice") between the parties hereunder shall be in writing and delivered, sent by prepaid registered mail or electronically communicated by telecopy; delivered Notices shall be deemed to have been delivered on the day of delivery, if delivered at or before 5:00 p.m. (Toronto time) on a Business Day, or on the next Business Day if delivered after that time; Notices sent by prepaid registered mail shall be deemed to have been received on the third (3rd) Business Day following the date of mailing (notwithstanding the date of actual receipt and the fact that it may not have then been received), except in the event of interruption of postal service during which period Notices shall not be mailed; Notices electronically communicated by telecopy shall be deemed to have been delivered on the day of communication with confirmation of transmission, if communicated at or before 5:00 p.m. (Toronto time), or on the next Business Day if communicated after that time; any party may provide Notice of a change of its address and/or telefax number, provided that the Notice is communicated in accordance with this Subsection 17(b).
- (c) Neither the Borrower nor the Guarantor shall assign its rights and obligations pursuant to this Agreement, in whole or in part, without the Lender's prior written consent, which consent may be withheld in the Lender's sole, absolute and unfettered discretion.
- (d) The Lender shall be entitled to assign all or part of its right, title and interest pursuant to this Agreement to one or more assignees, by way of simple assignment, syndication, securitization and/or other method of assignment.
- (e) All Loan Documents shall be governed by and interpreted in accordance with the laws in effect within the Province of Ontario.

- (f) The terms and conditions contained in this Agreement are inserted for the exclusive benefit of the Lender and may be waived, in whole or in part, by the Lender at any time or times. In the event of inconsistency or conflict between the provisions of this Agreement and the provisions of the Security, this Agreement shall prevail to the extent of such inconsistency or conflict.
- (g) This Agreement and the Loan Documents constitute the entire agreement between the parties hereto pertaining to the subject-matter hereof and supersede all prior agreements, negotiations, understandings and discussions, whether written or oral.
- (h) If any obligation contained in this Agreement or any other Loan Document or the application thereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement or such Loan Document and the application of such obligation to persons or circumstances other than those to whom/which it is held invalid or unenforceable, shall not be affected thereby and each obligation contained in this Agreement and each other Loan Document shall be separately valid and enforceable to the fullest extent permitted by law.
- (i) All amendments of this Agreement and any other Loan Document shall be in writing.
- (j) Time shall be of the essence of this Agreement and each other Loan Document.
- (k) This Agreement and each other Loan Document shall enure to the benefit of and be binding upon the successors and permitted assigns of the Borrower, the successors and permitted assigns of the Guarantor and the successors and assigns of the Lender.
- (l) Words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender and words importing persons shall include firms and corporations, and vice versa. Similarly, all references to any party or parties herein shall be read with such changes in number as the context or reference may require. References to any statute herein includes such statute as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto.
- (m) In the event that any day on which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the first Business Day thereafter.
- (n) Any legal action or proceeding with respect to this Agreement shall be brought in the courts of the Province of Ontario and such courts shall have exclusive jurisdiction to deal with all matters relating to the interpretation of, or enforcement of rights under all Loan Documents and each of the parties hereto hereby irrevocably attorns to the jurisdiction of such courts.

- (o) Unless specifically otherwise provided herein, all references to dollar amounts herein or other money amounts herein are expressed in terms of lawful money of Canada.
- (p) The Borrower shall, at all times during the Term and for a period of two (2) years thereafter, maintain as confidential this Agreement and all related matters, except as required under law and except as disclosed to advisors and/or employees (who shall be bound by the same obligation).
- (q) The failure of any party hereto to insist upon the strict performance of any provision of this Agreement or to exercise any right or remedy contained herein shall not be construed as a waiver or relinquishment of such provision/right/remedy, which provision/right/remedy shall remain in full force and effect.
- (r) This Agreement may be executed in counterparts.
- (s) If the Borrower shall sell, transfer, lease, license or otherwise convey an interest in the Property or any part thereof in contravention of Subsection 14(x) hereof, or if the Borrower shall mortgage or otherwise encumber an interest in the Property or any part thereof in contravention of this Agreement, then the Lender may, in its sole, absolute and unfettered discretion, demand immediate repayment of the Loan principal in full together with all accrued interest and all other amounts due hereunder.
- (t) Notwithstanding any other provision hereof, in the event that, for any reason whatsoever, less than the principal amount of \$11,600,000 set out in Subsection 1(g) hereof is arranged for ultimate advance to the Borrower, then the Lender may, in its sole, absolute and unfettered discretion, agree to arrange a financing of the shortfall through an additional loan from a third party lender or agree to finance the shortfall itself by way of additional loan. Such additional loan shall rank in priority to the Loan and the Loan Documents and rank behind the First-Ranking Construction Loan Security, and the parties agree to execute and deliver all reasonable documentation to reflect such priority/ranking. Such additional loan shall provide for usual cost-to-complete advances and be secured by all usual security/documentation.

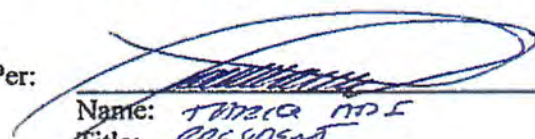
Derek Sorrenti In Trust [Lender]

Per: 
Name: _____
Title: BARE TRUSTEE

Per: _____
Name: _____
Title: _____

We have the authority to bind the Corporation.

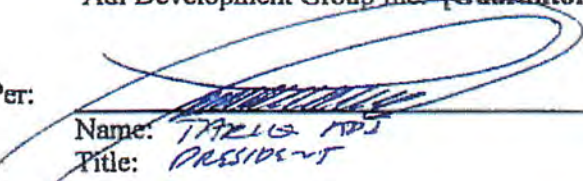
ADI Developments Sutton Inc. [Borrower]

Per: 
Name: T. M. M. I.
Title: PRESIDENT

Per: _____
Name: _____
Title: _____

We have the authority to bind the Corporation.

Adi Development Group Inc. [Guarantor]

Per: 
Name: T. M. M. I.
Title: PRESIDENT

Per: _____
Name: _____
Title: _____

We have the authority to bind the Corporation.

SCHEDULE "A" TO LOAN AGREEMENT

MUNICIPAL AND LEGAL DESCRIPTION OF THE PROPERTY

SCHEDULE "B" TO LOAN AGREEMENT

PROJECT BUDGET

Appendix 8:

Sutton 2014 Loan Agreement

LOAN AGREEMENT

THIS AGREEMENT made as of the 4th day of April, 2014,

BETWEEN:

Sorrenti Law Professional Corporation, in trust, as lender

- and -

ADI Developments (Link) Inc., as borrower

- and -

Adi Development Group Inc., as guarantor

WHEREAS the Lender agreed to advance the Loan to the Borrower;

AND WHEREAS the Loan will be secured by a third-ranking mortgage against the Property (third-ranking mortgage moving to a second-ranking mortgage upon the acceptance and agreement of current mortgage position investors);

AND WHEREAS the balance of the terms of the Loan are set out in this Agreement;

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Defined Terms**

Unless expressly stated otherwise, the following capitalized terms shall have the meanings indicated:

- (a) **"Agreement"** means this agreement and all amendments thereof;
- (b) **"Borrower"** means ADI Developments (Link) Inc. and its successors and permitted assigns;
- (c) **"Business Day"** means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (d) **"Conditions Precedent"** shall have the meaning attributed thereto in Section 11 hereof;
- (e) **"default"** means an event or condition, the occurrence of which would, with the lapse of time or the giving of notice, or both, become an Event of Default;

- (f) **“Event of Default”** shall have the meaning attributed thereto in Section 15 hereof;
- (g) **“First-Ranking Construction Loan Security”** means one or more secured Project construction loans, in favour of arm’s-length lender(s), in an aggregate principal amount not to exceed \$45,000,000.00, plus a 10% contingency if required ranking *pari passu* or with stated priority between them (in the case of multiple loans), with usual cost-to-complete advances and related security/documentation;
- (h) **“Guarantor”** means Adi Development Group Inc. and its successors and permitted assigns;
- (i) **“Hazardous Substances”** means all contaminants, pollutants, substances and materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances and/or materials are or shall become prohibited, controlled or regulated pursuant to environmental laws and shall include “contaminants”, “dangerous substances”, “hazardous materials”, “hazardous substances”, “hazardous wastes”, “industrial wastes”, “liquid wastes”, “pollutants” and “toxic substances”, all as defined in, referred to and/or contemplated in environmental laws, but exclude all cleaning and related products used in the usual operation and maintenance of property;
- (j) **“Lender”** means Sorrenti Law Professional Corporation, in trust, for and on behalf of certain persons/entities, and their respective successors and assigns;
- (k) **“Loan”** shall have the meaning attributed thereto in Section 3 hereof;
- (l) **“Loan Documents”** means this Agreement, the Security, all other documentation delivered in connection with the Loan and all amendments thereof;
- (m) **“Maturity Date”** shall have the meaning attributed thereto in Section 4 hereof;
- (n) **“Notice”** shall have the meaning attributed thereto in Subsection 17(b) hereof;
- (o) **“Permitted Encumbrances”** means the First-Ranking Construction Loan Security and such non-financial encumbrances as shall be reasonable for a development such as the Project (including, without limitation, encumbrances pertaining to condominium deposits, easements, rights-of-way, subdivision agreements, site plan control agreements, development agreements, cost-sharing agreements, encroachment agreements, zoning/use laws, utility licences, utility easements, Crown patent reservations and restrictive covenants);
- (p) **“Project”** means the development to be constructed on the Property, comprised of 5236, 5226, 5218, 5210 Dundas Street, 2500 Burloak Drive, Burlington, Ontario;
- (q) **“Project Budget”** means the Project budget attached hereto as Schedule “B”;

- (r) **“Project Cost Consultant”** means an arm’s-length cost consultant approved by the Lender, acting reasonably;
- (s) **“Property”** means the lands municipally and legally described in Schedule “A” attached hereto, together with all personal, intellectual and other property and all contracts relating thereto or associated therewith;
- (t) **“Security”** shall have the meaning attributed thereto in Section 9 hereof; and
- (u) **“Term”** shall have the meaning attributed thereto in Section 4 hereof.

2. **Schedules**

The following are the schedules attached to and forming part of this Agreement:

- (a) Schedule “A” - Municipal and Legal Description of the Property
- (b) Schedule “B” - Project Budget

3. **Loan**

The non-revolving loan in an amount up to and including the sum of \$17,600,000 (the **“Loan”**), to provide for the Borrower’s soft costs to be incurred prior to the construction financing of the Project.

4. **Term**

24 Months (**“Term”**), commencing on April 4, 2014 and ending on the final day of such period (the **“Maturity Date”**). At the Borrower’s option (to be exercised in writing not less than three (3) months prior to the Maturity Date), the Borrower may extend the Maturity Date for an additional 6 months.

5. **Interest Rate**

Interest only calculated at eight percent (8%) per annum.

6. **Interest Payment**

Calculated and payable quarterly, not in advance, with the first payment thereof to be made on July 4th, 2014.

7. **Method of Payment of Quarterly Interest Payment**

The Borrower shall subscribe to the “pre-authorized payment” system to allow quarterly instalments to be withdrawn automatically.

8. **Prepayment/Repayment of Principal**

The Borrower may prepay the Loan, in whole but not in part, upon two (2) Business Days' prior written notice to the Lender.

The outstanding Loan principal together with accrued interest and all other amounts due and owing, if any, pursuant to the Loan Documents shall become wholly due and payable on the earlier of the Maturity Date and the date of substantial completion of the Project.

9. **Project Completion Fee**

In addition to the above and not later than thirty (30) days following substantial completion of the Project, the Borrower shall pay to the Lender a Project completion fee equal to 4% of the Loan principal, subject to increases/decreases relating to Project profit. If Project profit is less than the sum of \$17,699,996, then the percentage of \$17,699,996 by which it is less, shall be deducted from the Project completion fee. If Project profit is more than the sum of \$17,699,996, then the percentage of \$17,699,996 by which it is more, shall be added to the Project completion fee.

10. **Security**

The security for the Loan (as amended, hereinafter the "Security") shall be as follows, subject only to the Permitted Encumbrances:

- (a) Property mortgage executed by the Borrower in a principal amount equal to 17,600,000;
- (b) if the Property beneficial owner is not the Borrower but a Guarantor, then a direction, acknowledgement and security agreement executed by the beneficial owner/Guarantor, Borrower and Lender, including confirmation of a third-ranking charge of the beneficial owner's/Guarantor's interest in the Property and a direction by the beneficial owner/Guarantor to the Borrower to execute the Loan Documents to which the Borrower is a party, such direction to be duly acknowledged by the Borrower;
- (c) a general security agreement executed by the Borrower charging the personal property and undertaking of the Borrower, present and future, used in connection with the Property including, without limitation, all accounts, equipment, goods, inventory, chattel paper, documents of title, intangibles, securities and proceeds therefrom;
- (d) a guarantee agreement executed by the Guarantor guaranteeing the Borrower's payment and performance of its obligations pursuant to the Loan Documents;
- (e) an indemnity from each of the Borrower and the Guarantor indemnifying the Lender from and against all losses, demands, claims, liabilities, costs, actions, penalties, obligations and expenses imposed upon the Lender and arising in connection with the Lender being a lender hereunder in respect of the Property

and all assets relating thereto, save and except in respect of matters arising and caused by the gross negligence of the Lender during any period in which the Lender shall be in exclusive possession of the Property and/or arising and caused after a completed foreclosure proceeding or sale proceeding pursuant to the Security and/or caused by the gross negligence of the Lender; such indemnity shall survive the full payment and discharge of the Loan; and

- (f) such further and/or other security relating to the Property as the Lender shall reasonably require.

11. **Deliveries to Lender**

The Borrower shall deliver, within five (5) Business Days following execution of this Agreement, a copy of each of the following:

- (a) the Property parcel pages, existing registered encumbrances and existing surveys thereof;
- (b) the appraisal or valuation and professional reports described in Section 11 hereof;
- (c) the Project Budget described in Section 11 hereof;
- (d) the off-title search results and corporate/personalty search results described in Section 11 hereof;
- (e) evidence of reasonable Property and construction insurance coverage;
- (f) all material Project contracts;
- (g) all Project plans and specifications and all periodic Project development reports available;
- (h) all architectural and engineering documents together with the draft plan, zoning analysis, traffic study, sanitary study, water study, storm-water study, utility study and road study; (if available)
- (i) All other information and/or documentation in respect of the Project, the Property, the Borrower and/or the Guarantor as the Lender may request, acting reasonably.

12. **Conditions Precedent to Advance**

Each advance pursuant to the Loan shall be conditional upon the Lender's receipt of the following (the "Conditions Precedent"), which Conditions Precedent are inserted for the sole benefit of the Lender and may be waived by the Lender, in whole or in part:

- (a) the Security, duly registered and perfected (as the case may be) together with all other documentation relating to the Loan, the Property, the Project, the Borrower and the Guarantor required by the Lender, acting reasonably;

- (b) an opinion from Borrower's counsel confirming the Borrower's good, valid and marketable title to the Property, subject only to Permitted Encumbrances, specified off-title search results, specified corporate/personalty search results and specified third party consent requirements (or alternatively, for some or all of the said opinion, title insurance from a title insurance company approved by the Lender, acting reasonably);
- (c) an opinion from Borrower's counsel confirming the subsistence, power and authority of each of the Borrower and the Guarantor, the due authorization, execution, delivery and enforceability (subject to customary assumptions and qualifications) of the Loan Documents and such other matters as the Lender shall reasonably require;
- (d) a mortgage statement from a Permitted Encumbrance mortgagee confirming that the relevant mortgage loan is in good standing;
- (e) certificate from the Borrower certifying no Event of Default or default, the truth of all representations and warranties, the satisfaction of all conditions and compliance with all covenants set out in the Loan Documents;
- (f) an appraisal or valuation indicating completed Project value of not less than \$25,500,000;
- (g) satisfactory environmental report, geotechnical report, mechanical engineering report, structural engineering report and zoning report, prepared by the appropriate professionals (with reliance letters in favour of the Lender);
- (h) confirmation that realty taxes have been paid to the relevant date;
- (i) satisfactory financial statements in respect of both the Borrower and the Guarantor and a satisfactory summary of Borrower and Guarantor share ownership;
- (j) satisfactory Project Budget, duly approved by the Project Cost Consultant and the Lender;
- (k) satisfactory insurance coverage for the Project, duly approved by the Lender's insurance consultant (if any) and the Lender;
- (l) all relevant consents pursuant to the Loan Documents; and
- (m) Certificate from the Borrower certifying that there have been no material changes affecting the Property, the Borrower and/or the Guarantor since the later of the date of execution of this Agreement and the immediately prior advance hereunder.

13. **Representations and Warranties**

The Borrower represents and warrants as follows:

- (a) each of the Borrower and the Guarantor is duly constituted and validly subsisting under the laws of the Province of Ontario, has all necessary power and authority to own its properties and assets and to carry on its business as now conducted and is duly licensed or registered or otherwise qualified in all jurisdictions wherein the nature of its assets or the business transacted by it makes such licensing, registration or qualification necessary;
- (b) each of the Borrower and the Guarantor has full power and capacity to enter into, deliver and perform its obligations under the Loan Documents to which it is a party and all other instruments contemplated hereunder to which it is a party;
- (c) the execution and delivery and performance by each of the Borrower and the Guarantor of the Loan Documents to which it is a party and all obligations contained herein and therein, and all other instruments contemplated hereunder to which it is a party and the consummation of the transactions contemplated hereby and thereby:
 - (i) have been duly authorized by all necessary action;
 - (ii) do not and will not conflict with, result in any breach or violation of, or constitute a default under any such party's constating documents or by-laws, or any applicable laws or judgment presently in effect and applicable to it, or of any material Project agreement to which any such party is bound;
 - (iii) do not (except for the Security) result in or require the creation of any security interest or encumbrance upon or with respect to which any of the Borrower and/or the Guarantor is bound; and
 - (iv) do not require the consent or approval (other than those consents or approvals already obtained and copies of which have been delivered to the Lender and other than those consents which, if not obtained, would not adversely affect any material component of the Security, the value of the Property or the operation of the business of the Borrower at the Property) of, or registration or filing with (except as contemplated herein), any other person, including any public authority;
- (d) the Borrower has provided to the Lender accurate and complete copies of all material Project agreements;
- (e) each Loan Document and all other instruments contemplated hereunder are, or when executed and delivered to the Lender will be, legal, valid and binding obligations enforceable against the Borrower or Guarantor (as applicable) in accordance with their respective terms, subject to the limitations with respect to enforcement imposed under law in connection with bankruptcy, insolvency, liquidation, reorganization and other laws affecting the enforcement of creditors' rights generally and subject to the availability of equitable remedies which are only available in the discretion of the court from which they are sought;

- (f) the Security granted by each of the Borrower and the Guarantor constitutes an assignment, a fixed and specific mortgage and charge, a floating charge and security on its undertaking, property and assets purported to be assigned, mortgaged, charged or subjected to the Security thereby and ranks in priority to all other security interests upon such undertaking, property and assets other than Permitted Encumbrances;
- (g) subject to any limitations stated therein, all financial statements which were furnished to the Lender hereunder, fairly present the financial condition of the relevant party as at the date thereof, and no material adverse change has occurred since the date of such delivery;
- (h) no event has occurred and is continuing, and no circumstance exists which has not been waived, which:
 - (i) constitutes a default or Event of Default; or
 - (ii) constitutes a default or event of default under any Permitted Encumbrance which may materially adversely affect the value of the Property or impair the validity or enforceability of the Security;
- (i) neither of the Borrower or the Guarantor is in violation of any terms of its constating documents or, in any material respect, of any applicable law (including, without limitation, all building, zoning, planning, development, construction, construction lien, environmental and occupation laws);
- (j) the Borrower owns all intellectual property used and/or to be used in connection with the Project, free from all encumbrances;
- (k) each of the Borrower and the Guarantor is solvent and will not become insolvent after giving effect to the transactions contemplated in this Agreement;
- (l)
 - (i) each material Project agreement is in full force and effect and has not been modified or supplemented;
 - (ii) the Borrower is not in default under any material Project agreement, and to the knowledge of the Borrower, no other party to any such material Project agreement is in default of any material obligation thereunder; and in each such case, no event has occurred which, with the giving of notice or the lapse of time, or both, would constitute such a default; and
 - (iii) no notice or other written or oral communication has been provided by or to the Borrower to or from any party under any material Project agreement which alleges that, as of the date hereof, either a default exists or with the passage of time will exist under the provisions of such material Project agreement;

- (m) the Property has full and free legally enforceable access to and from public highways, which access is sufficient for the purposes of the normal operation of the Property and the Borrower has no knowledge of any fact or condition that would result in the interruption or termination of such access;
- (n) all public utilities required for the normal operation of the Property connect into the Property through adjoining public highways or if they pass through adjoining private land, do so in accordance with valid registered easements and are sufficient for the operation of the Property;
- (o) no legal action or other proceeding has been instituted or, to the best of its knowledge after making diligent enquiry, threatened against the Borrower or the Guarantor; the Borrower has not received notice of any work orders, deficiency notices or notices of violation pertaining to the Property;
- (p) the Property complies with all laws regarding environmental matters; the Property has never been used as a land fill site or to store Hazardous Substances either above or below ground, in storage tanks or otherwise; no Hazardous Substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Property; and there are no outstanding directions, writs, injunctions, orders or judgments issued pursuant to environmental laws in respect of the Property;
- (q) the Borrower has good, valid and marketable title to the Property, free from all encumbrances except the Permitted Encumbrances; and
- (r) the Borrower has filed or caused to be filed in a timely manner all tax returns, reports and declarations required to be filed under law; all information in such tax returns, reports and declarations is complete and accurate in all material respects; the Borrower has paid all taxes due and payable.

14. **Covenants**

The Borrower covenants and agrees as follows:

- (a) to defend its right, title and interest in the Property for the benefit of the Lender against all claims and demands whatsoever of all persons/entities, other than holders of Permitted Encumbrances;
- (b) not to create or suffer to exist any encumbrance of any nature (whether prior to, *pari passu* with or subordinate to the Security) upon the Property or any part thereof other than Permitted Encumbrances;
- (c) to preserve, repair and keep in good order, condition and repair or cause to be preserved, repaired and kept in good order, condition and repair the Property and all appurtenances thereto and all properties and assets used in connection with the Property, to the standard of a prudent owner of similar property, and the Borrower shall carry on and conduct, or cause to be carried on and conducted, the operation

of the Property in a prudent manner so as to preserve and protect the Property; the Borrower shall keep the Property in good condition and order, or shall cause the Property to be put and kept in good condition and order, and shall promptly make, or cause to be made, all needed repairs and replacements thereto, including such repairs and replacements to implement the recommendations which a prudent owner of a property similar to the Property would deem appropriate or necessary from time to time; the Borrower shall at any and all reasonable times, upon the prior written request of the Lender, permit the Lender to inspect the Property or any part thereof during normal business hours;

- (d) to carry on or cause to be carried on and conduct or cause to be conducted the operation of the Property in a prudent manner so as not to materially impair the value of the Property or the use of the Property for the purpose for which it is held;
- (e) to duly and punctually pay, or cause to be paid, to the Lender the principal of and interest accrued on the Loan, any premium of the Loan and all other amounts owing in respect of the Loan on the dates, at the places, in the monies, and in the manner mentioned herein and in the Loan, in strict conformity therewith, and shall faithfully observe and perform all the conditions, covenants and requirements of all Loan Documents;
- (f) to pay or cause to be paid, on or before the due date thereof, all taxes, rates, levies, duties and assessments, general and special, ordinary and extraordinary, of every nature and kind whatsoever, including local improvement taxes which shall be levied, assessed or imposed upon the Property or any part thereof, or upon the Borrower or any other person on account thereof, and shall from time to time as the same are paid, at the written request of the Lender produce for inspection by the Lender, satisfactory evidence that all such taxes have been paid when due (together with such further supporting information or documentation reasonably required by the Lender);
- (g) the Borrower shall register or file or cause to be registered or filed the Security (or a notice or financing statement in respect hereof) without delay at every public office of record in the Province of Ontario and in any other jurisdiction where the Borrower is "located" for the purposes of perfecting a security interest pursuant to the *Personal Property Security Act* (Ontario), in each case, where the registration or filing thereof is, in the opinion of the Lender, required to preserve, perfect and/or protect the security hereby or thereby created; and the Borrower shall renew or cause to be renewed any such registrations or filings as may be necessary from time to time to so preserve, perfect and/or protect the security hereby or thereby created;
- (h) the Borrower shall fully and effectively maintain and keep the Security or cause the Security to be maintained and kept as valid and effective security at all times while the Loan is outstanding and shall not permit or suffer the registration of any lien whatsoever, whether of workmen, builders, contractors, engineers, architects or suppliers of material, upon or in respect of any of the Property, which would

rank subsequent to, *pari passu* with or prior to the security of the Security other than Permitted Encumbrances;

- (i) the Borrower shall cooperate fully with the Lender with respect to any proceedings before any court, board or other public authority which may in any way materially and adversely affect the rights of the Lender hereunder or any rights obtained by it under any of the Loan Documents and, in connection therewith, shall keep the Lender fully advised of the status of all such proceedings and shall allow the Lender and its counsel at its election to attend meetings in respect of such proceedings; the Borrower shall cooperate with the Lender in obtaining for the Lender the benefits of any insurance proceeds lawfully or equitably payable in connection with the Property to the extent that the Lender is entitled to the same under the terms of the Loan Documents, and the Lender shall be reimbursed for any actual out-of-pocket expenses incurred in connection therewith (including, without limitation, legal fees and disbursements, and the payment by the Borrower of the expense of an appraisal on behalf of the Lender in case of a fire or other casualty affecting the Property or any part thereof) out of such insurance proceeds;
- (j) the Borrower shall cause the Property to be used only for multi-residential and retail purposes and parking and for no other purpose, and the Borrower will do, observe and perform or cause to be done, observed and performed, in all material respects, all of its obligations and all matters and things necessary or expedient to be done, observed or performed under or by virtue of all applicable laws;
- (k) the Borrower shall do, observe and perform, or cause to be done, observed and performed, in all material respects, all of the obligations and things necessary or expedient to be done, observed or performed by the Borrower under or by virtue of all Permitted Encumbrances and material Project agreements; for greater certainty, this covenant regarding Permitted Encumbrances applies to all prior-ranking financial encumbrances which are Permitted Encumbrances;
- (l) if the Borrower shall fail to perform any covenant on its part contained in this Agreement the Lender may, after giving concurrent notice to the Borrower, itself perform (but shall not be obliged to perform), any of such covenants provided no payment or expenditure of funds is required in connection therewith, or, if a default has occurred, and if any such covenant requires the payment or expenditure of money, it may make such payment or expenditure with its own funds, or with money borrowed by or advanced to it for such purpose; all sums so expended or advanced shall be payable by the Borrower together with interest thereon which shall accrue, until paid, at the interest rate applicable to the Loan from the date of such expenditure or advance until repayment but no such performance or payment shall be deemed to relieve the Borrower from any default hereunder;
- (m) the Borrower shall encumber or cause to be encumbered in favour of the Lender, as part of the Security, all additional improvements, licenses, easements and rights of way which, in any way or manner, it shall hereafter acquire in connection with

the Property, and the Borrower shall make or cause to be made all requisite registrations required by this Agreement with respect thereto; any and all times the Borrower will do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered all and every such further acts, deeds and assurances in law as the Lender shall reasonably require, for the purpose of giving the Lender a valid encumbrance of the nature herein specified upon all such property (subject only to Permitted Encumbrances) for the better encumbering unto the Lender all and singular the lands and premises, and property encumbered under the Security, or intended so to be or which the Borrower may hereafter become bound to encumber or cause to be encumbered in favour of the Lender;

- (n) so long as the Loan or any portion thereof remains outstanding the Borrower shall not cancel or materially amend any material Property agreements without the Lender's consent;
- (o) the Borrower shall give prompt notice to the Lender upon the occurrence of any default or any Event of Default or any event, circumstance or matter which may reasonably be expected to have a material adverse effect on the financial condition of the Borrower, Guarantor and/or the Property; the Borrower shall not create, assume, incur or suffer to exist any security interest in or upon any of its undertakings, properties, rights or assets secured by the Security except for Permitted Encumbrances;
- (p) upon two (2) Business Days' prior written notice or at any time in an emergency as reasonably determined by the Lender, the Borrower shall permit the Lender to have reasonable access at all reasonable times and from time to time, to the Property and to all related records (including records pertaining to the Borrower and/or the Guarantor), and shall permit the Lender, acting reasonably, to make copies of and abstracts from such records;
- (q) the Borrower shall give to the Lender prompt written notice of any material adverse change in the condition of the business, financial or otherwise, of the Borrower and/or the Guarantor;
- (r) the Borrower shall give to the Lender prompt written notice of all actions, suits, litigation or other proceeding commenced or threatened against the Borrower, the Guarantor and/or in respect of the Property;
- (s) the Borrower shall obtain and maintain during the Term the following Property insurance coverage:
 - (i) fire insurance with extended coverage for all other risks and perils in, representing an amount equal to 100% of the gross replacement cost of all buildings and landlord improvements located on the Property, without deduction for foundations or footings; the proceeds payable under such policy shall be payable to the Lender as mortgage creditor, pursuant to a standard mortgage clause approved by the Insurance Bureau of Canada;

- (ii) broad form boiler insurance with coverage on all electrical equipment, mechanical equipment and pressure vessels; such policy shall contain a standard mortgage clause approved by the Canadian Boiler and Machinery Underwriters Association, or an equivalent clause, with proceeds payable thereunder to the Lender as mortgage creditor;
 - (iii) general liability insurance covering damages in an amount of not less than \$5,000,000.00 per occurrence;
 - (iv) environmental liability and remediation insurance covering damages in an amount of not less than \$5,000,000.00 per occurrence; such coverage shall include third party pollution liability claims and first party on-site remediation expenses; and
 - (v) such other insurance as shall be requested by the Lender, acting reasonably;
- (t) the Borrower shall deliver to the Lender, within one hundred and twenty (120) days following the Borrower's fiscal year, unaudited financial statements in respect of the Property and unaudited financial statements in respect of the Borrower, prepared internally by a qualified person in accordance with generally accepted accounting principles, consistent with prior years, and shall include all appropriate documents, explanatory notes and additional information; the Guarantor shall deliver to the Lender, within one hundred and twenty (120) days following the Guarantor's fiscal year, unaudited financial statements in respect of the Guarantor, prepared internally by a qualified person in accordance with generally accepted accounting principles, consistent with prior years, and shall include all appropriate documents, explanatory notes and additional information; in addition to the above financial statements, each of the Borrower and the Guarantor covenant to provide to the Lender, from time to time, upon request, any further financial information then still undisclosed and reasonably required, pertaining to the Property, the Borrower and/or the Guarantor; the Lender reserves the right to disclose to third parties any financial information concerning the Property, the Borrower and/or the Guarantor, provided that such third parties shall be limited to potential assignees of part or all of the Loan, the Lender's auditors, the Lender's solicitors, the Lender's bankers, the Lender's other advisors and persons to whom such information is ordinarily disclosed in a mortgage securitization or mortgage syndication;
- (u) the Borrower covenants to develop and construct and/or cause the development and construction of the Property in accordance with the delivered plans and specifications using only new materials and not Hazardous Substances, without defect in construction, installation and/or materials;
 - (v) the Borrower covenants not to materially amend the delivered plans and specifications or fail to construct in accordance with the delivered plans and specifications without the Lender's prior written consent, which consent shall not be unreasonably withheld;

- (w) the Borrower shall pay, regardless of whether any part of the Loan shall be advanced, all reasonable third party costs, fees and expenses incurred by the Lender in connection with the transaction hereunder including, without limitation:
 - (i) all costs incurred in connection with a survey, an appraisal, an engineering review, an architectural review, an environmental review, other professional consultant review, a credit review, a lease review and an insurance review;
 - (ii) all legal fees and disbursements of the Lender's solicitors; and
 - (iii) all registration, recording and filing fees and transfer and mortgage taxes; and
- (x) the Borrower shall not sell, transfer, lease, license or otherwise convey an interest in the Property or any part thereof, save and except as contemplated for the staging and completion of the Project or to an entity approved by the Lender, in its sole, absolute and unfettered discretion.

15. **Events of Default**

Events of Default ("Events of Default") shall be as follows:

- (a) if the Borrower fails to pay interest, principal or other amount owing hereunder on a due date during the Term; or
- (b) if the Borrower fails to pay all principal on the Maturity Date; or
- (c) if the Borrower fails to pay, or cause to be paid, taxes, rates, levies, duties, public utility charges and assessments, general and special, ordinary and extraordinary, of any nature or kind whatsoever, including local improvement taxes, which shall be levied, assessed or imposed upon the Property or any part thereof, or upon the Borrower, on account thereof and any such default shall continue either for a period of five (5) Business Days after written notice to the Borrower from the Lender or for such shorter period as would, if continued, render the Property, or any part thereof, liable to forfeiture or sale; or
- (d) if the Borrower creates, permits or suffers to exist, any encumbrance against the Property or any part thereof, other than Permitted Encumbrances and, in the case of encumbrances which have not been created by the Borrower, the same continue to exist for a period of ten (10) days after written notice thereof has been given to the Borrower by the Lender or for such shorter period as would, if continued, render the Property or any part thereof, liable to forfeiture or sale; or
- (e) if any representation or warranty in any of the Loan Documents or any financial statements delivered pursuant thereto, is (or, at the time it was given or repeated, was) false or erroneous and such false or erroneous condition shall continue for a

period of ten (10) days following the Borrower's receipt of written notice thereof from the Lender; or

- (f) if the Borrower shall fail to comply with any covenant/agreement in any of the Loan Documents and such non-compliance shall continue for a period of ten (10) days following the Borrower's receipt of written notice thereof from the Lender; or
- (g) if any material provision in the Loan Documents shall for any reason cease to be valid, binding and enforceable in accordance with its terms or the Borrower and/or the Guarantor shall so assert in writing; or any security interest created under any of the Loan Documents shall cease to be a valid and perfected security interest having the priority in any of the collateral purported to be covered thereby; or
- (h) if the Borrower does, or fails to do, anything which would entitle an insurer to cancel or not renew a policy of insurance on the Property required hereunder which is not rectified within fifteen (15) days following the Borrower becoming aware of such entitlement to cancel or not renew, and in any event not later than ten (10) days prior to the termination or expiry of such policy, or if any policy of insurance is cancelled, expires or terminates and is not replaced in accordance with the requirements of this Agreement; or
- (i) if all or part of the Property is expropriated; or
- (j) if one or more final judgments for the payment of money (whether or not covered by insurance) shall be rendered against the Guarantor and the Guarantor shall fail to discharge the same within thirty (30) days from the date of notice of entry thereof or if one or more final judgments for the payment of money (which is not covered by insurance) shall be rendered against the Borrower; or
- (k) if any writ, attachment, execution, enforcement, sequestration, extent, distress or any other similar process shall become enforceable against the Borrower or the Guarantor, or if a distress or any analogous process is levied against any properties or assets of the Borrower or the Guarantor; or
- (l) if the Borrower or the Guarantor shall suspend or cease or threaten to suspend or cease its business; or
- (m) if the Borrower or the Guarantor shall breach any law which results in a notice or control order or cancellation of any license or certificate or approval that results in any material disruption of the business at the Property or that could reasonably be expected to have a material adverse effect on the Security, the repayment of the Loan, the Lender's rights under the Loan Documents, the Property or the business operations, prospect or condition of the Borrower or Guarantor (financial or otherwise); or

- (n) if any environmental order is issued by any public authority against the Property and such environmental order has not been satisfied or discharged within the shorter of time allowed for in such environmental order and within thirty (30) days after the date such environmental order was received by the Borrower; or
- (o) if the Borrower or the Guarantor shall admit its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency or if an order shall be made or an effective resolution passed for the winding up of such entity or if such entity shall make an assignment for the benefit of its creditors or if a receiver or a liquidator or a trustee in bankruptcy of such entity shall be appointed or if such entity shall make a proposal to its creditors under a bankruptcy act including, without limitation, the *Companies' Creditors Arrangement Act* (Canada); or
- (p) if any proceeding is instituted for the winding up of the Borrower or the Guarantor or a petition in bankruptcy be presented against such entity under a bankruptcy act and if in either case such proceeding or petition shall not have been dismissed or withdrawn within twenty (20) days of the commencement of the proceeding or petition; or
- (q) If ownership control of one or both of the Borrower and the Guarantor shall be transferred without the Lender's approval, which approval may be withheld in the Lender's sole, absolute and unfettered discretion.

16. **Postponement and Subordination**

The Lender covenants and agrees as follows:

- (a) to postpone and subordinate the Loan Documents in favour of the First-Ranking Construction Loan Security and to enter into such standstill agreements as shall be reasonable in the circumstances;
- (b) to postpone and subordinate the Loan Documents in favour of each non-financial encumbrance which is reasonable for a development such as the Project and which individually does not materially adversely affect the market value of the Property (including, without limitation, encumbrances pertaining to condominium deposits, roads, sidewalks, easements, rights-of-way, subdivision agreements, site plan control agreements, development agreements, cost-sharing agreements, encroachment agreements, zoning/use laws, utility licences, utility easements, Crown patent reservations and restrictive covenants);
- (c) to discharge the Loan Documents in respect of any part of the Property which is not material to the Project and/or the market value of the Property or which is required by any governmental authority, without requirement for payment or prepayment of any part of the Loan;
- (d) to provide partial discharges of the Loan Documents in respect of all Project condominium unit sales to third parties and in respect of all Project office/retail/parking component sales to third parties, without compensation,

provided that the full proceeds thereof shall be used immediately to first pay down the First-Ranking Construction Loan Security and then to pay down other Project trade creditors; and

- (e) to enter into a non-disturbance agreement, upon request, with any Project office/retail/parking component tenant; such non-disturbance agreement shall provide for the tenant's postponement and subordination of its lease in favour of the Loan Documents and the tenant's agreement to attorn to the Lender and its successors and assigns upon an Event of Default.

17. **General**

- (a) if the Borrower shall be comprised of more than one person/entity, then such persons/entities shall be jointly and severally liable for all of the obligations of the Borrower pursuant to this Agreement. If the Guarantor shall be comprised of more than one person/entity, then such persons/entities shall be jointly and severally liable for all of the obligations of the Guarantor pursuant to this Agreement.
- (b) all notices, directions, service, correspondence and communications ("**Notice**") between the parties hereunder shall be in writing and delivered, sent by prepaid registered mail or electronically communicated by telecopy; delivered Notices shall be deemed to have been delivered on the day of delivery, if delivered at or before 5:00 p.m. (Toronto time) on a Business Day, or on the next Business Day if delivered after that time; Notices sent by prepaid registered mail shall be deemed to have been received on the third (3rd) Business Day following the date of mailing (notwithstanding the date of actual receipt and the fact that it may not have then been received), except in the event of interruption of postal service during which period Notices shall not be mailed; Notices electronically communicated by telecopy shall be deemed to have been delivered on the day of communication with confirmation of transmission, if communicated at or before 5:00 p.m. (Toronto time), or on the next Business Day if communicated after that time; any party may provide Notice of a change of its address and/or telefax number, provided that the Notice is communicated in accordance with this Subsection 17(b).
- (c) neither the Borrower nor the Guarantor shall assign its rights and obligations pursuant to this Agreement, in whole or in part, without the Lender's prior written consent, which consent may be withheld in the Lender's sole, absolute and unfettered discretion.
- (d) the Lender shall be entitled to assign all or part of its right, title and interest pursuant to this Agreement to one or more assignees, by way of simple assignment, syndication, securitization and/or other method of assignment.
- (e) all Loan Documents shall be governed by and interpreted in accordance with the laws in effect within the Province of Ontario.

- (f) the terms and conditions contained in this Agreement are inserted for the exclusive benefit of the Lender and may be waived, in whole or in part, by the Lender at any time or times. In the event of inconsistency or conflict between the provisions of this Agreement and the provisions of the Security, this Agreement shall prevail to the extent of such inconsistency or conflict.
- (g) this Agreement and the Loan Documents constitute the entire agreement between the parties hereto pertaining to the subject-matter hereof and supersede all prior agreements, negotiations, understandings and discussions, whether written or oral.
- (h) if any obligation contained in this Agreement or any other Loan Document or the application thereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement or such Loan Document and the application of such obligation to persons or circumstances other than those to whom/which it is held invalid or unenforceable, shall not be affected thereby and each obligation contained in this Agreement and each other Loan Document shall be separately valid and enforceable to the fullest extent permitted by law.
- (i) all amendments of this Agreement and any other Loan Document shall be in writing.
- (j) time shall be of the essence of this Agreement and each other Loan Document.
- (k) this Agreement and each other Loan Document shall enure to the benefit of and be binding upon the successors and permitted assigns of the Borrower, the successors and permitted assigns of the Guarantor and the successors and assigns of the Lender.
- (l) words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender and words importing persons shall include firms and corporations, and vice versa. Similarly, all references to any party or parties herein shall be read with such changes in number as the context or reference may require. References to any statute herein includes such statute as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto.
- (m) in the event that any day on which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the first Business Day thereafter.
- (n) any legal action or proceeding with respect to this Agreement shall be brought in the courts of the Province of Ontario and such courts shall have exclusive jurisdiction to deal with all matters relating to the interpretation of, or enforcement of rights under all Loan Documents and each of the parties hereto hereby irrevocably attorns to the jurisdiction of such courts.

- (o) unless specifically otherwise provided herein, all references to dollar amounts herein or other money amounts herein are expressed in terms of lawful money of Canada.
- (p) the Borrower shall, at all times during the Term and for a period of two (2) years thereafter, maintain as confidential this Agreement and all related matters, except as required under law and except as disclosed to advisors and/or employees (who shall be bound by the same obligation).
- (q) the failure of any party hereto to insist upon the strict performance of any provision of this Agreement or to exercise any right or remedy contained herein shall not be construed as a waiver or relinquishment of such provision/right/remedy, which provision/right/remedy shall remain in full force and effect.
- (r) this Agreement may be executed in counterparts.
- (s) if the Borrower shall sell, transfer, lease, license or otherwise convey an interest in the Property or any part thereof in contravention of Subsection 14(x) hereof, or if the Borrower shall mortgage or otherwise encumber an interest in the Property or any part thereof in contravention of this Agreement, then the Lender may, in its sole, absolute and unfettered discretion, demand immediate repayment of the Loan principal in full together with all accrued interest and all other amounts due hereunder.
- (t) notwithstanding any other provision hereof, in the event that, for any reason whatsoever, less than the principal amount of \$17,600,000 set out in Subsection 1(g) hereof is arranged for ultimate advance to the Borrower, then the Lender may, in its sole, absolute and unfettered discretion, agree to arrange a financing of the shortfall through an additional loan from a third party lender or agree to finance the shortfall itself by way of additional loan. Such additional loan shall rank in priority to the Loan and the Loan Documents and rank behind the First-Ranking Construction Loan Security, and the parties agree to execute and deliver all reasonable documentation to reflect such priority/ranking. Such additional loan shall provide for usual cost-to-complete advances and be secured by all usual security/documentation.

Sorrenti Law Professional Corporation, in Trust
[Lender]

Per:

Name: Derek Sorrenti

Title:

I have the authority to bind the Corporation.

ADI Developments (Link) Inc. **[Borrower]**

Per:

Name: Tariq Adi

Title: President

I have authority to bind the Corporation.

Adi Development Group Inc. **[Guarantor]**

Per:

Name: Tariq Adi

Title: A.S.O.

I have the authority to bind the Corporation.

SCHEDULE "A" TO LOAN AGREEMENT

MUNICIPAL AND LEGAL DESCRIPTION OF THE PROPERTY

SCHEDULE "B" TO LOAN AGREEMENT

PROJECT BUDGET

Appendix 9:

**Sutton 2012 Mortgage Charges (without schedules) and
2012 Form 9D (with personal information redacted)**

Properties

<i>PIN</i>	07184 – 0023 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 4 , CON 1 SOUTH OF DUNDAS STREET , AS IN 846141; CITY OF BURLINGTON		
<i>Address</i>	5210 DUNDAS ST BURLINGTON		
<i>PIN</i>	07184 – 0022 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 3 , CON 1 SOUTH OF DUNDAS STREET , AS IN 831307 ; BURLINGTON/NELSON TWP		
<i>Address</i>	5218 DUNDAS ST BURLINGTON		
<i>PIN</i>	07184 – 0021 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 3 , CON 1 SOUTH OF DUNDAS STREET , AS IN 480433 ; BURLINGTON/NELSON TWP		
<i>Address</i>	5226 DUNDAS ST BURLINGTON		
<i>PIN</i>	07184 – 2197 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 38, PLAN 20M822, BURLINGTON.		
<i>Address</i>	2500 BURLOAK DRIVE BURLINGTON		

Chargor(s)

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

<i>Name</i>	ADI DEVELOPMENTS SUTTON INC.
<i>Address for Service</i>	4411 Millcroft Park Drive Burlington, Ontario L7M 4Y7

I, Tariq Adi, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

<i>Name</i>	SORRENTI, DEREK
<i>Address for Service</i>	3800 Steeles Avenue West, Suite 400 Vaughan, Ontario L4L 4G9

Statements

Schedule: Derek Sorrenti holds this mortgage in trust.

Provisions

<i>Principal</i>	\$5,600,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	Annually, not in advance		
<i>Balance Due Date</i>	2015/10/04		
<i>Interest Rate</i>	8.0%		
<i>Payments</i>	\$112,000.00		
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only payments, quarterly on the 4th day of every 3rd month		
<i>First Payment Date</i>	2013 01 04		
<i>Last Payment Date</i>	2015 10 04		
<i>Standard Charge Terms</i>	200033		
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>	ADI Development Group Inc.		

Additional Provisions

See Schedules

Signed By

Derek Francesco Sorrenti 400-3800 Steeles Ave. West acting for Chargor Signed 2012 11 07
Vaughan (s)
L4L 4G9

Tel 9052646414400

Fax 9052646413

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

Submitted By

DEREK SORRENTI 400-3800 Steeles Ave. West 2012 11 08
Vaughan
L4L 4G9

Tel 9052646414400

Fax 9052646413

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Chargor Client File Number : 120065-1

Chargee Client File Number : 120065-1

Properties

PIN 07184 – 0021 LT
Description PT LT 3 , CON 1 SOUTH OF DUNDAS STREET , AS IN 480433; CITY OF BURLINGTON
Address 5226 DUNDAS ST
 BURLINGTON

PIN 07184 – 0022 LT
Description PT LT 3 , CON 1 SOUTH OF DUNDAS STREET , AS IN 831307; CITY OF BURLINGTON
Address 5218 DUNDAS ST
 BURLINGTON

PIN 07184 – 0023 LT
Description PT LT 4 , CON 1 SOUTH OF DUNDAS STREET , AS IN 846141; CITY OF BURLINGTON
Address 5210 DUNDAS ST
 BURLINGTON

PIN 07184 – 2197 LT
Description BLOCK 38, PLAN 20M822; CITY OF BURLINGTON
Address 2500 BURLOAK DRIVE
 BURLINGTON

PIN 07184 – 0020 LT
Description PT LT 3 , CON 1 SOUTH OF DUNDAS STREET , AS IN 569766 ;
 BURLINGTON/NELSON TWP
Address 5236 DUNDAS ST
 BURLINGTON

Consideration

Consideration \$11,600,000.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name ADI DEVELOPMENTS SUTTON INC.
Address for Service 4411 Millcroft Park Drive
 Burlington, Ontario
 L7M 4Y7

I, Tariq Adi, have the authority to bind the corporation.

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

Party To(s)**Capacity****Share**

Name SORRENTI, DEREK
Address for Service 3300 Highway 7, Suite 310
 Vaughan, Ontario
 L4K 4M3
 Trustee

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

Name OLYMPIA TRUST COMPANY
Address for Service 125 9th Avenue SE, Suite 2200
 Calgary, Alberta
 T2G 0P6
 Trustee

I, Anna Le, have the authority to bind the corporation

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

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, HR1062915 registered on 2012/11/08 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration no.(s)HR1062915; HR1163232

Signed By

Derek Francesco Sorrenti 3300 Highway 7 , Suite 310 acting for Signed 2014 02 04
Vaughan Applicant(s)
L4K 4M3

Tel 905-264-6414

Fax 905-264-6413

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

Submitted By

Sorrenti Law Professional Corporation 3300 Highway 7 , Suite 310 2014 02 04
Vaughan
L4K 4M3

Tel 905-264-6414

Fax 905-264-6413

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Applicant Client File Number : 120065-21

Party To Client File Number : 120065-21

Investment Authority – Form 9D

To: **Sorrenti Law Professional Corporation**
3800 Steeles Avenue West, Suite 400
Vaughan, ON, L4L 4G9
Attention: Derek Sorrenti, Barrister & Solicitor
(905) 264-6414
derek.sorrenti@sorrentilaw.com

I, [REDACTED], hereby instruct you to act on my behalf, on my mortgage investment of \$ [REDACTED] the details, conditions and disclosures of which are set below.

A. Details about the investment:

1. Name and Address of the Borrower: ADI Developments Sutton Inc.
4411 Millcroft Park Drive
Burlington ON

Name and Address of the Guarantor: Adi Development Group Inc.
4411 Millcroft Park Drive
Burlington ON

2. Municipal Address and Legal Description of real property (ies) Against which my investment will Be secured:

5236, 5226, 5218, 5210 Dundas Street, 2500 Burloak Drive, Burlington, Ontario.

5236 Dundas st w –PT LT 3, Con 1 south of Dundas Street, As in 569766;
Burlington/Nelson TWP

5226 Dundas St W – PT LT 3, Con 1 South of Dundas Street, AS in 480433;
Burlington/Nelson TWP

5218 Dundas st w –PT LT 3, Con 1 South of Dundas Street, As in 831307;
Burlington/Nelson TW

5210 Dundas st w – PT LT 4, Con 1 South of Dundas Street, As in 846141;
Burlington/Nelson TWP

2500 Burloak – Block 38, Plan 20M-822,
Burlington

3. Type of property: 3 six-storey and 1 four-storey mixed use condominium buildings. Total units equals 311. 283 are condominium units and 28 are townhouses.
4. Principal amount of mortgage or charge: **\$10,250,000.00** – (increasing to a Maximum of \$11,600,000.00). See Paragraph 20.
5. Amount of loan to be advanced: \$ [REDACTED]
6. Rank of mortgage or charge: **Second ranking Charge/Mortgage – subject to paragraph 21, below.**
7. Encumbrances: **First ranking Charges/Mortgages will be registered in priority of this mortgage investment.**

There will be 1 facility used to achieve the required amount;

Cameron Stephens

Balance 1st mortgage \$2,792,400.00

Please refer to paragraph 21, below for details on future postponements to construction financing and development agreements.

8. My investment of \$ [REDACTED] represents [REDACTED] % of the total loan to the borrower.
9. I am satisfied that the approximate and current market value of the property against which my investment has been secured is **\$14,500,000.00**. The means taken to determine said value was a letter of opinion completed by Kevin Ferguson and Jeff Cheong from Legacy Global Mercantile Partners Ltd., dated September 26, 2013.
10. Including my investment and mortgage amount of [REDACTED], the percentage of the value of the property including this mortgage and all prior ranking charges is currently: **90%**.
11. The term of the loan is 3 years (36 months) **with the option of the BORROWER to extend the term for SIX (6) additional months without penalty.** The loan is fully open with no penalty for early repayment. **THE LENDER ACKNOWLEDGES INTEREST CALCULATIONS AND PAYMENT DATES ARE TO BE BASED ON THE ACTUAL DATE OF THE FIRST ADVANCE OF FUNDS TO BORROWER UNLESS OTHERWISE PROVIDED IN ANY LOAN AGREEMENTS OR DOCUMENTS THERETO.**

12. The due date of the loan is **October 4th, 2015**. (Extension date April 4th, 2016)
THE LENDER ACKNOWLEDGES INTEREST CALCULATIONS AND PAYMENT DATES ARE TO BE BASED ON THE ACTUAL DATE OF THE FIRST ADVANCE OF FUNDS TO BORROWER UNLESS OTHERWISE PROVIDED IN ANY LOAN AGREEMENTS OR DOCUMENTS THERETO.
13. The loan is amortized over **0 years**- the mortgage is an interest only mortgage.
14. The interest rate is **8.00%** calculated annually, not in advance.
15. Particulars of amounts and due dates (monthly, quarterly, etc.) of payments of interest only: Payments made **QUARTERLY**, in the amount of [REDACTED], payments commencing on **January 4th, 2013**, the initial payment being pro rata from the date of advance up to the date of the predetermined initial payment.
16. Particulars and amounts of any bonus or holdback or any other special terms: N/A
17. The mortgage is to be registered in the name of: **"DEREK SORRENTI IN TRUST"** (the **"TRUSTEE"**) FOR [REDACTED]
18. After completion of the mortgage transaction, a collection or administration fee of per instalment is payable by the borrower: N/A
19. If the mortgage is held in trust, the dates on which payments are made by the trustee to me are: **QUARTERLY**, commencing on **January 4th, 2013**. Interest payments cannot be disbursed to the Lender by the Trustee until funds are received by the Trustee from the Borrower (on behalf of non-registered investors), or by the Trustee trust company from the Borrower (on behalf of registered investors.)
20. I understand that the mortgage shall be initially registered indicating a face value of \$10,250,000.00 and that from time to time the loan amount will increase upon the completion of certain development and construction milestones on the Property by the Borrower. It is anticipated that the loan amount shall be amended during the term of the loan to a **MAXIMUM OF \$11,600,000.00**.
21. I understand the Charge/Mortgage in which I have an interest is currently a **second** ranking Charge/Mortgage against the Property.

I understand that a first ranking Charge/Mortgage against the Property in favour of Cameron Stephens in the principal amount of \$2,792,400.00 currently exists and Cameron Stephens will postpone its position to construction financing.

I understand that during the course of this investment the Borrower anticipates obtaining additional construction financing for the Property which is expected to take priority to the existing first Charge/Mortgage, changing its position to a second Charge/Mortgage.

I HEREBY UNDERSTAND, CONSENT AND AGREE THAT OTHER CHARGES/MORTGAGES AND/OR DEVELOPMENT AGREEMENTS MAY BE

REGISTERED IN PRIORITY TO THE SECOND CHARGE/MORTGAGE AGAINST THE PROPERTY DURING THE TERM OF MY INVESTMENT IN THE SECOND CHARGE/MORTGAGE.

I HEREBY CONFIRM THAT I UNDERSTAND AND AGREE THAT THE SECOND CHARGE/MORTGAGE IN WHICH I HAVE INVESTED SHALL BE REQUIRED TO POSTPONE AND STANDSTILL TO PRIOR CHARGES/MORTGAGES TO A MAXIMUM OF \$45,000,000, PLUS A 10% CONTINGENCY IF REQUIRED, IN PRIORITY FINANCING. I UNDERSTAND THAT PRIORITY FINANCING IS EXPECTED TO PERIODICALLY INCREASE OVER THE TERM OF THIS SECOND CHARGE/MORTGAGE AND THAT SUCH POSTPONEMENTS SHALL BE PERMITTED AND SHALL OCCUR ON THE BASIS OF COST CONSULTANT REPORTS PREPARED ON BEHALF OF THE BORROWER.

I UNDERSTAND THAT ADDITIONAL PRIORITY FINANCING MAY BE REQUIRED IF THERE IS A SHORTFALL PURSUANT TO THE TERMS OF THE CHARGE/MORTGAGE IN WHICH I AM INVESTING. IN THE EVENT OF A SHORTFALL IN THE FUNDING OF THIS CHARGE/MORTGAGE I UNDERSTAND AND AGREE THAT OTHER CHARGES/MORTGAGES MAY BE REGISTERED AGAINST THE PROPERTY TO FUND AND SECURE ANY SUCH SHORTFALL.

I UNDERSTAND THAT THE TRUSTEES OF THIS CHARGE/MORTGAGE MAY BE REQUESTED TO EXECUTE SUCH DOCUMENTS AS MAY BE REQUIRED TO PERMIT THE REGISTRATION OF CERTAIN AGREEMENTS FOR THE PURPOSE OF FACILITATING THE PLANNED DEVELOPMENT OF THE PROPERTY, EXAMPLES OF SUCH AGREEMENTS INCLUDE, BUT ARE NOT LIMITED TO: SITE PLANS, DEVELOPMENT PLANS, PLANNING ACT REQUIREMENTS, MEZZANINE FINANCING, INSURANCE ON DEPOSITS, OR CONDOMINIUM REGISTRATION DOCUMENTS.

I HEREBY CONFIRM THAT I AM AWARE OF AND UNDERSTAND THAT I HAVE PROVIDED THE TRUSTEE OF MY CHARGE/MORTGAGE WITH MY IRREVOCABLE CONSENT TO EXECUTE ANY REQUIRED DOCUMENTS AS A CONDITION OF MY PARTICIPATION IN THIS CHARGE/MORTGAGE AND

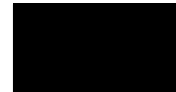
I HEREBY RE-CONFIRM MY CONSENT AND AGREEMENT TO POSTPONE AND STANDSTILL TO ANY REQUIRED FINANCING OR DEVELOPMENT AGREEMENTS, AND TO PARTIALLY DISCHARGE MY CHARGE/MORTGAGE, WITHOUT PAYMENT, WITH RESPECT TO ANY LANDS SECURED BY THE CHARGE/MORTGAGE WHICH MAY BE REQUIRED FOR PUBLIC OR QUASI PUBLIC PUPOSES.

I UNDERSTAND AND AGREE TO PROVIDE PARTIAL DISCHARGES OF THE SECURITY FOR SALES OF ALL CONDOMINIUM UNITS OR THE OFFICE/RETAIL/PARKING COMPONENTS, WITHOUT CHARGE, PROVIDED THE PROCEEDS OF THE SALE ARE USED TO PAY OFF THE FIRST-RANKING AND SECOND-RANKING CONSTRCUTION LOAN SECURITY AND/OR TRADE CREDITORS.

I UNDERSTAND THAT SAVE AND EXCEPT AS OUTLINED HEREIN, THERE SHALL BE NO OTHER POSTPONEMENTS OR ENCUMBRANCES WHICH AFFECT THE POSITION OR SECURITY AFFORDED BY THE CURRENT SECOND CHARGE/MORTGAGE.

I agree to provide partial discharges of the Loan Documents in respect of all Project condominium unit sales to third parties and in respect of all Project office/retail/parking component sales to third parties, without compensation, provided that the full proceeds thereof shall be used immediately to first pay down the First-Ranking Construction Loan Security and then to pay down other Project trade creditors

*



Initials

22. Particulars of disbursements made for legal, brokerage or other fees or commissions in connection with the placement of the loan, including the names of recipients and amounts paid by the borrower, are:

Legal Fees: \$100.00 per client per year's in the term plus HST (plus on initial registration fee of \$3,000.00 plus HST (paid by Borrower)

Mortgage Broker Fee: \$3% payable to Centro Mortgage Inc.

Branch Broker Fee: \$2,500 payable to CTMI (FMP)

Sales Commission Fee: \$2,500 payable to CTMI (FMP-Stevenson)

Referral Fee:

1. *(Instructions: Clauses (a) and (b) below refer to information which each investor may require from the lawyer. If you require the information referred to in a clause, initial the clause.)*

The information which I require from you as my lawyer before the lawyer for the trustee completes the transaction and makes the advance is as follows:

- (a) If my investment will be in a position other than a first mortgage or charge, details, including amounts, of all existing encumbrances outstanding:

1st Ranking Mortgage Charge registered with Cameron Stephens with a current balance of \$2,792,400.00 that is up to date and in good standing; subject to future postponements as per paragraph 21, above.

- (b) If the mortgage or charge is a syndicated mortgage, and is prospectus exempt:

We have acknowledged and accept that you as my lawyer express no opinion as to the necessity for a validity of a prospectus.


2. *(Instructions: Each investor to complete and initial clause (a) and, if clause (a) is answered in the affirmative, to complete (if necessary) and initial clause (b) and to initial clause (c).)*

(a) I instruct you to obtain a current and independent appraisal of the subject property and provide it to me before you complete this mortgage transaction. **No.**


Initials

(b) The appraisal is to be paid by me or. **Not Applicable**

(c) I have been advised and accept that you as my lawyer do not express an opinion as to the validity of the appraisal/valuation/letter of opinion.


Initials

C. Disclosure:

1. I acknowledge being advised by you as the Lender's lawyer, or as an independent lawyer to the transaction, that to the best of our knowledge Derek Sorrenti does not have any direct or indirect interest in the Borrower. *(Specify yes or no and indicate the date on which the lawyer advised you that he or she has no direct or indirect in the borrower or borrowers.)*

Neither Derek Sorrenti nor Vanguard Law Group has a direct or indirect interest in the Borrower.

OCTOBER 11/13
* Investor to insert current date here

(If the lawyer has an interest in the borrower or borrowers, he or she is unable to act for you on this loan (Rule 2.06 of the Rules of Professional Conduct).

WARNINGS:

1. You are cautioned that the responsibility for assessing the financial merits of the mortgage investment rests with YOU the investor or investors at all times. The above-named lawyer's responsibility is limited to ensuring the mortgage is legally registered on title in accordance with the investor's or investors' instructions. The lawyer is not permitted to personally guarantee the obligations of the Borrower or Borrowers nor the suitability of the Property as security for the mortgage investment.

2. Any loss you may suffer on this mortgage investment will not be insured under the lawyer's professional liability policy if the lawyer has acted as a mortgage broker or has helped to arrange it.)*

Investor's Signature: *

[Redacted Signature]

I hereby acknowledge receipt of a copy of this form prior to the advance of funds to or on behalf of the Borrower. I further acknowledge having read and understood the above warnings.

[Redacted Signature]

Signature

Name:

[Redacted Name]

Address:

[Redacted Address]

I, JOHN ROYER, did witness
WITNESS NAME

[Redacted Name] on the 11 day of OCTOBER
INVESTOR NAME (day) (month)

2013, in the Town/City of [Redacted], in the Province of ONTARIO
(town/city) (province)

sign the document entitled "Investment Authority – Form 9D".

[Handwritten Signature]

Signature/Seal of Notary Public/Commissioner

Date: OCT 11 / 13

Name:

Address:

Phone:

Fax:

Email:

JOHN PAUL ROYER
A Commissioner etc., Province of
Ontario, for Vanguard Law Group
LLP, Barristers and Solicitors.
Expiry Date: APRIL 15, 2014

John P. Royer
1290 Central Parkway W.
Suite 305
Mississauga, ON L5C 4R3
1-866-420-4714

Appendix 10:

**Sutton 2014 Mortgage Charge (without schedules),
2014 Form 9D (with personal information redacted)
and Sutton 2104 Fact Sheet**

Properties

<i>PIN</i>	07184 – 0021 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 3 , CON 1 SOUTH OF DUNDAS STREET , AS IN 480433; CITY OF BURLINGTON		
<i>Address</i>	5226 DUNDAS ST BURLINGTON		
<i>PIN</i>	07184 – 0022 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 3 , CON 1 SOUTH OF DUNDAS STREET , AS IN 831307; CITY OF BURLINGTON		
<i>Address</i>	5218 DUNDAS ST BURLINGTON		
<i>PIN</i>	07184 – 0023 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 4 , CON 1 SOUTH OF DUNDAS STREET , AS IN 846141; CITY OF BURLINGTON		
<i>Address</i>	5210 DUNDAS ST BURLINGTON		
<i>PIN</i>	07184 – 2197 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 38, PLAN 20M822; CITY OF BURLINGTON		
<i>Address</i>	2500 BURLOAK DRIVE BURLINGTON		
<i>PIN</i>	07184 – 0020 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 3 , CON 1 SOUTH OF DUNDAS STREET , AS IN 569766 ; BURLINGTON/NELSON TWP		
<i>Address</i>	5236 DUNDAS ST BURLINGTON		

Chargor(s)

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

<i>Name</i>	ADI DEVELOPMENTS (LINK) INC.
<i>Address for Service</i>	4411 Millcroft Park Drive Burlington, ON L7M 4Y7

I, Tariq Adi, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

<i>Name</i>	SORRENTI LAW PROFESSIONAL CORPORATION
<i>Address for Service</i>	3300 Highway 7, Suite 310 Vaughan, Ontario L4K 4M3

Statements

Schedule: Sorrenti Law Professional Corporation holds this mortgage in trust, as bare trustee.

Provisions

<i>Principal</i>	\$3,500,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	annually, not in advance		
<i>Balance Due Date</i>	2016/04/04		
<i>Interest Rate</i>	8.0%		
<i>Payments</i>	\$70,000.00		
<i>Interest Adjustment Date</i>	2014 04 04		
<i>Payment Date</i>	interest only payments, quarterly on the 4th day of every third month		
<i>First Payment Date</i>	2014 07 04		
<i>Last Payment Date</i>	2016 04 04		
<i>Standard Charge Terms</i>	200033		
<i>Insurance Amount</i>	full insurable value		

Provisions

Guarantor ADI Development Group Inc.

Additional Provisions

See Schedules

Signed By

Derek Francesco Sorrenti 3300 Highway 7 , Suite 310 acting for Chargor Signed 2014 04 08
Vaughan (s)
L4K 4M3

Tel 905-264-6414

Fax 905-264-6413

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

Submitted By

Sorrenti Law Professional Corporation 3300 Highway 7 , Suite 310 2014 04 10
Vaughan
L4K 4M3

Tel 905-264-6414

Fax 905-264-6413

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Chargor Client File Number : 140019-1

Chargee Client File Number : 140019-1

Investment Authority – Form 9D

To: **Sorrenti Law Professional Corporation**
3300 Highway #7 Suite #310
Vaughan, Ontario, L4K 4M3
Attention: Derek Sorrenti, Barrister & Solicitor
(905) 264-6414
derek.sorrenti@sorrentilaw.com

I, [REDACTED], hereby instruct you to act on my behalf, on my mortgage investment of \$ [REDACTED], the details, conditions and disclosures of which are set below.

A. Details about the investment:

1. Name and Address of the Borrower: ADI Developments (LINK) Inc.
4411 Millcroft Park Drive
Burlington ON

Name and Address of the Guarantor: Adi Development Group Inc.
4411 Millcroft Park Drive
Burlington, ON

2. Municipal Address and Legal
Description of real property (ies)
Against which my investment will
Be secured:

5236, 5226, 5218, 5210 Dundas Street, 2500
Burloak Drive, Burlington, Ontario.

5236 Dundas St. W. –PT LT 3, Con 1 south
of Dundas Street, As in 569766;
Burlington/Nelson TWP

5226 Dundas St. W. – PT LT 3, Con 1 South
of Dundas Street, AS in 480433;
Burlington/Nelson TWP

5218 Dundas St. W. – PT LT 3, Con 1 South
of Dundas Street, As in 831307;
Burlington/Nelson TW

5210 Dundas St. W. – PT LT 4, Con 1 South
of Dundas Street, As in 846141;
Burlington/Nelson TWP

2500 Burloak Drive – Block 38, Plan 20M-
822, Burlington, Ontario.

3. Type of property: 3 six-storey and 1 four-storey mixed use condominium buildings. Total units equals 311 (283 are condominium units and 28 are townhouses).
4. Principal amount of mortgage or charge: **\$8,000,000.00** – (increasing to a Maximum of \$17,600,000.00). See Paragraph 20.
5. Amount of loan to be advanced: \$ [REDACTED].
6. Rank of mortgage or charge: **Third-Ranking Charge/Mortgage (third-ranking mortgage moving to a second-ranking mortgage upon the acceptance and agreement of current mortgage position investors) – subject to paragraph 21, below.**
7. Encumbrances: **A First and Second-Ranking Charge/Mortgage will be registered in priority of this mortgage investment.**

Cameron Stephens

Balance 1st mortgage \$3,827,000.00

Derek Sorrenti, in Trust

Balance 2nd mortgage \$11,600,000

Please refer to paragraph 21, below for details on future postponements to construction financing and development agreements.

8. My investment of \$ [REDACTED] represents [REDACTED] % of the total loan to the borrower.
9. I am satisfied that the approximate and current market value of the property against which my investment has been secured is **\$25,500,000.00**. The means taken to determine said value was a letter of opinion completed by Kevin Ferguson and Jeff Cheong from Legacy Global Mercantile Partners Ltd., dated January 13, 2015.
10. Including my investment and mortgage amount of **50,000.00**, the percentage of the value of the property including this mortgage and all prior ranking charges is currently: **92%**.
11. The term of the loan is 24 months **with the option of the BORROWER to extend the term for SIX (6) months**. The loan is fully open with no penalty for early repayment. **THE LENDER ACKNOWLEDGES INTEREST CALCULATIONS AND PAYMENT DATES ARE TO BE BASED ON THE ACTUAL DATE OF THE FIRST ADVANCE OF FUNDS TO BORROWER UNLESS OTHERWISE PROVIDED IN ANY LOAN AGREEMENTS OR DOCUMENTS THERETO.**
12. The due date of the loan is **April 4th, 2016. (October 4, 2016)** **THE LENDER ACKNOWLEDGES INTEREST CALCULATIONS AND PAYMENT DATES ARE TO BE BASED ON THE ACTUAL DATE OF THE FIRST ADVANCE OF FUNDS TO BORROWER UNLESS OTHERWISE PROVIDED IN ANY LOAN AGREEMENTS OR DOCUMENTS THERETO.**

13. The loan is amortized over **0 years**- the mortgage is an interest only mortgage.
14. The interest rate is **8.00%** calculated annually, not in advance.
15. Particulars of amounts and due dates (monthly, quarterly, etc.) of payments of interest only: Payments are made **QUARTERLY**, in the amount of **\$1000.00**, payments commencing on **July 4th 2014**, the initial payment being pro rata from the date of advance up to the date of the predetermined initial payment.
16. Particulars and amounts of any bonus or holdback or any other special terms: N/A
17. The mortgage is to be registered in the name of: **“SORRENTI LAW PROFESSIONAL CORPORATION, IN TRUST” (the “TRUSTEE”) FOR “Michael Mussche”**
18. After completion of the mortgage transaction, a collection or administration fee of per instalment is payable by the borrower: N/A
19. If the mortgage is held in trust, the dates on which payments are made by the trustee to me are: **QUARTERLY**, commencing on **July 4th 2014**. Interest payments cannot be disbursed to the Lender by the Trustee until funds are received by the Trustee from the Borrower (on behalf of non-registered investors), or by the Trustee trust company from the Borrower (on behalf of registered investors.)
20. I understand that the mortgage shall be initially registered indicating a face value of \$8,000,000.00 and that from time to time the loan amount will increase upon the completion of certain development and construction milestones on the Property by the Borrower. It is anticipated that the loan amount shall be amended during the term of the loan to a **MAXIMUM OF \$17,600,000.00**.
21. I understand that the Charge/Mortgage in which I have an interest is currently a **Third-Ranking** Charge/Mortgage against the Property (third-ranking mortgage moving to a second-ranking mortgage upon the acceptance and agreement of current mortgage position investors).

I understand that a first-ranking Charge/Mortgage against the Property in favour of Cameron Stephens in the principal amount of \$3,827,000.00 currently exists and Cameron Stephens will postpone its position to construction financing.

I understand that a second-ranking Charge/Mortgage against the Property in favour of Derek Sorrenti, in Trust in the principal amount of \$11,600,000 currently exists and Derek Sorrenti, in Trust will postpone its position to construction financing.

I understand that during the course of this investment the Borrower anticipates obtaining additional construction financing for the Property which is expected to take priority to the existing second and third Charge/Mortgage, changing their position to postpone to construction financing.

I HEREBY UNDERSTAND, CONSENT AND AGREE THAT OTHER CHARGES/MORTGAGES AND/OR DEVELOPMENT AGREEMENTS MAY BE REGISTERED IN PRIORITY TO THE THIRD CHARGE/MORTGAGE AGAINST THE PROPERTY DURING THE TERM OF MY INVESTMENT IN THE THIRD CHARGE/MORTGAGE.

I HEREBY CONFIRM THAT I UNDERSTAND AND AGREE THAT THE THIRD CHARGE/MORTGAGE IN WHICH I HAVE INVESTED SHALL BE REQUIRED TO POSTPONE AND STANDSTILL TO PRIOR CHARGES/MORTGAGES TO A MAXIMUM OF \$45,000,000.00, PLUS A 10% CONTINGENCY IF REQUIRED, IN PRIORITY FINANCING. I UNDERSTAND THAT PRIORITY FINANCING IS EXPECTED TO PERIODICALLY INCREASE OVER THE TERM OF THIS THIRD CHARGE/MORTGAGE AND THAT SUCH POSTPONEMENTS SHALL BE PERMITTED AND SHALL OCCUR ON THE BASIS OF COST CONSULTANT REPORTS PREPARED ON BEHALF OF THE BORROWER.

I UNDERSTAND THAT ADDITIONAL PRIORITY FINANCING MAY BE REQUIRED IF THERE IS A SHORTFALL PURSUANT TO THE TERMS OF THE CHARGE/MORTGAGE IN WHICH I AM INVESTING. IN THE EVENT OF A SHORTFALL IN THE FUNDING OF THIS CHARGE/MORTGAGE I UNDERSTAND AND AGREE THAT OTHER CHARGES/MORTGAGES MAY BE REGISTERED AGAINST THE PROPERTY TO FUND AND SECURE ANY SUCH SHORTFALL.

I UNDERSTAND THAT THE TRUSTEES OF THIS CHARGE/MORTGAGE MAY BE REQUESTED TO EXECUTE SUCH DOCUMENTS AS MAY BE REQUIRED TO PERMIT THE REGISTRATION OF CERTAIN AGREEMENTS FOR THE PURPOSE OF FACILITATING THE PLANNED DEVELOPMENT OF THE PROPERTY, EXAMPLES OF SUCH AGREEMENTS INCLUDE, BUT ARE NOT LIMITED TO: SITE PLANS, DEVELOPMENT PLANS, PLANNING ACT REQUIREMENTS, MEZZANINE FINANCING, INSURANCE ON DEPOSITS, OR CONDOMINIUM REGISTRATION DOCUMENTS.

I HEREBY CONFIRM THAT I AM AWARE OF AND UNDERSTAND THAT I HAVE PROVIDED THE TRUSTEE OF MY CHARGE/MORTGAGE WITH MY IRREVOCABLE CONSENT TO EXECUTE ANY REQUIRED DOCUMENTS AS A CONDITION OF MY PARTICIPATION IN THIS CHARGE/MORTGAGE AND

I HEREBY RE-CONFIRM MY CONSENT AND AGREEMENT TO POSTPONE AND STANDSTILL TO ANY REQUIRED FINANCING OR DEVELOPMENT AGREEMENTS, AND TO PARTIALLY DISCHARGE MY CHARGE/MORTGAGE, WITHOUT PAYMENT, WITH RESPECT TO ANY LANDS SECURED BY THE CHARGE/MORTGAGE WHICH MAY BE REQUIRED FOR PUBLIC OR QUASI PUBLIC PURPOSES.

I UNDERSTAND AND AGREE TO PROVIDE PARTIAL DISCHARGES OF THE SECURITY FOR SALES OF ALL CONDOMINIUM UNITS OR THE OFFICE/RETAIL/PARKING COMPONENTS, WITHOUT CHARGE, PROVIDED THE PROCEEDS OF THE SALE ARE USED TO PAY OFF THE FIRST-RANKING AND SECOND-RANKING CONSTRUCTION LOAN

SECURITY AND/OR TRADE CREDITORS.

I UNDERSTAND THAT SAVE AND EXCEPT AS OUTLINED HEREIN, THERE SHALL BE NO OTHER POSTPONEMENTS OR ENCUMBRANCES WHICH AFFECT THE POSITION OR SECURITY AFFORDED BY THE CURRENT THIRD CHARGE/MORTGAGE.

I agree to provide partial discharges of the Loan Documents in respect of all Project condominium unit sales to third parties and in respect of all Project office/retail/parking component sales to third parties, without compensation, provided that the full proceeds thereof shall be used immediately to first pay down the First-Ranking Construction Loan Security and then to pay down other Project trade creditors

* 
Initials

Project Completion – Deferred Lender Fee

In addition to the above and not later than thirty (30) days following substantial completion of the Project, the Borrower shall pay to the Lender a Project completion fee equal to 4% of the Loan principal, subject to increases/decreases relating to Project profit. If Project profit is less than the sum of \$17,699,996, then the percentage of \$17,699,996 by which it is less, shall be deducted from the Project completion fee. If Project profit is more than the sum of \$17,699,996, then the percentage of \$17,699,996 by which it is more, shall be added to the Project completion fee.

22. Particulars of disbursements made for legal, brokerage or other fees or commissions in connection with the placement of the loan, including the names of recipients and amounts paid by the borrower, are:

Legal Fees: \$100.00 per client per year's in the term plus HST (plus on initial registration fee of \$3,000.00 plus HST (paid by Borrower)

Mortgage Broker Fee: \$3% payable to Centro Mortgage Inc.

Branch Broker Fee: \$2500.00 payable to CTMI (FMP-VTMWG)

Sales Commission Fee: \$2500.00 payable to CTMI (FMP-VTMWG)

1. *(Instructions: Clauses (a) and (b) below refer to information which each investor may require from the lawyer. If you require the information referred to in a clause, initial the clause).*

The information which I require from you as my lawyer before the lawyer for the trustee completes the transaction and makes the advance is as follows:

- (a) If my investment will be in a position other than a first mortgage or charge, details, including amounts, of all existing encumbrances outstanding are disclosed below:


1st Ranking Mortgage Charge registered with Cameron Stephens with a current balance of \$3,827,000.00 that is up to date and in good standing; subject to future postponements as per paragraph 21, above.

2nd Ranking Mortgage Charge registered with Derek Sorrenti, in Trust with a current balance of \$11,600,000 that is up to date and in good standing; subject to future postponements as per paragraph 21, above.

(b) If the mortgage or charge is a syndicated mortgage, and is prospectus exempt:

We have acknowledged and accept that you as my lawyer express no opinion as to the necessity for a validity of a prospectus.

2. *(Instructions: Each investor to complete and initial clause (a) and, if clause (a) is answered in the affirmative, to complete (if necessary) and initial clause (b) and to initial clause (c)).*

(a) I instruct you to obtain a current and independent appraisal of the subject property and provide it to me before you complete this mortgage transaction. No. 

*
Initials

(b) The appraisal is to be paid by me. **Not Applicable**

(c) I have been advised and accept that you as my lawyer do not express an opinion as to the validity of the appraisal/valuation/letter of opinion.

*

Initials

C. Disclosure:

1. I acknowledge being advised by you as the Lender's lawyer, or as an independent lawyer to the transaction, that to the best of our knowledge Sorrenti Law Professional Corporation does not have any direct or indirect interest in the Borrower. *(Specify yes or no and indicate the date on which the lawyer advised you that he or she has no direct or indirect in the borrower or borrowers).*

Neither Sorrenti Law Professional Corporation nor Vanguard Law Group has a direct or indirect interest in the Borrower.

MAY 14, 2015

* Investor to insert current date here

(If the lawyer has an interest in the borrower or borrowers, he or she is unable to act for you on this loan (Rule 2.06 of the Rules of Professional Conduct)).

WARNINGS:

1. You are cautioned that the responsibility for assessing the financial merits of the mortgage investment rests with YOU the investor or investors at all times. The above-named lawyer's responsibility is limited to ensuring the mortgage is legally registered on title in accordance with the investor's or investors' instructions. The lawyer is not permitted to personally guarantee the obligations of the Borrower or Borrowers nor the suitability of the Property as security for the mortgage investment.

2. Any loss you may suffer on this mortgage investment will not be insured under the lawyer's professional liability policy if the lawyer has acted as a mortgage broker or has helped to arrange it.

Investor's Signature: * _____

I hereby acknowledge receipt of a copy of this form prior to the advance of funds to or on behalf of the Borrower. I further acknowledge having read and understood the above warnings.

Signature _____

Name: _____

Address: _____

I, M. DELLAMATTIA, did witness
WITNESS NAME

INVESTOR NAME

on the 14 day of

(day)

of MAY

(month)

2015, in the Town/City of _____, in the Province of
ON
(town/city) (province)

sign the document entitled "Investment Authority – Form 9D".

Signature/Seal of Notary Public/Commissioner

Date: MAY 14, 2015

Name: MARK DELLAMATTIA

Address: 20 FLORENCE PARK RD

Phone: 705 812 5266

Fax:

Email: DELLAMATTIAS@EMAIL.COM

MARK DELLAMATTIA,
A Commissioner etc., Province of
Ontario, for Vanguard Law Group
LLP, Barristers and Solicitors.
Expires December 10, 2016.

{L0129663.1}



Project Fact Sheet- Sutton 3rd

Developer Name:

Adi Development Group Inc.

Project Address and details:

5236, 5226, 5218, 5210 Dundas Street, 2500 Burloak Drive, Burlington, Ontario

Borrower Name:

ADI Developments Sutton Inc. is a single purpose company for this specific project. The president of this company is Tariq Adi.

Guarantor Name:

Adi Development Group Inc. The president of this company is Tariq Adi.

Valuation:

Authored by: Kevin Ferguson & Jeff Cheong of Legacy Global Mercantile Partners Ltd.

The value for the parcel is \$25,500,000.00

Dated: February 20, 2014

USE OF FUNDS:

The purposes of the monies raised via this syndicated mortgage is to assist in addressing various funding requirements related to all elements of the project's progress, especially prior to the commencement of construction. These requirements include, however are not limited to: Land Acquisition, Initial hard costs, soft costs for planning & initial marketing expenses, sales center, and project & interest reserves.

Face Value of the Syndicate mortgage:

\$3,500,000.00 is the initial registered face value for the project with an anticipated funding date on or before April 4th, 2014, the face value will increase to a maximum of \$17,600,000.00 over the duration of the project. Please see funding schedule below for a detailed explanation.

Loan to Value:

8% based on a value as above and a face amount as above.

1st Mortgage: \$2,300,000.00 to Cameron Stephens

2nd Mortgage (CTMI): \$11,600,000.00 to Derek Sorrenti, in Trust

3rd Mortgage (CTMI): \$3,500,000.00 to Sorrenti Law Professional Corporation, in Trust

Based on a market value of \$25,500,000.00



Project Fact Sheet- Sutton 3rd

Upon the approval of all second mortgage investors it is anticipated that the 2nd and 3rd mortgages will merge and become one collective 2nd charge with the ability to increase to a maximum of \$17,600,000.

All Future tranches: Advances will continue to be tranche into the project in stages until the face value of \$17,600,000.00 is reached. Updated valuations/appraisals will be provided by the borrower to the administrator over the duration of the term to substantiate increased property value and ensure 100% LTV is not exceeded at anytime.

Construction Financing:

Full Face Amount: \$45,000,000.00 (plus a 10% contingency if required)

Use of Funds: Construction Hard and Soft Costs

Funding Schedule: Monies to fund only as progress is made based on updated appraisals, the project will be monitored by a 3rd party cost consultant monitoring **during the construction financing phase.**

Term:

The term of the loan is 24 months with the option to the borrower to extend 6 months, with 3 months written notice without penalty.

The rate is fixed at 8%, opened for repayment at any time.

Estimated Start Date: April 4th, 2014 (Or Sooner).

End Date: April 4th 2016. (Extended date October 4th 2016)

Project Completion – Deferred Lender Fee:

In addition to the above and not later than thirty (30) days following substantial completion of the Project, the Borrower shall pay to the Lender a Project completion fee equal to 4% of the Loan principal, subject to increases/decreases relating to Project profit. If Project profit is less than the sum of \$17,699,996, then the percentage of \$17,699,996 by which it is less, shall be deducted from the Project completion fee. If Project profit is more than the sum of \$17,699,996, then the percentage of \$17,699,996 by which it is more, shall be added to the Project completion fee.

Maximum Future Increases in the 1st mortgages:

Maximum future financing is permitted to a maximum of \$45,000,000.00, plus a 10% contingency if required, that will be advanced in multiple stages for construction costs over the duration of the term, never exceeding 100% Loan to Value.

Certain provisions in the project require for the postponement of the Mortgage in favour of additional construction and/or mezzanine or related mortgage financing to a maximum of \$45,000,000.00 plus a



Project Fact Sheet- Sutton 3rd

10% contingency if required (the “Maximum Priority Financing Amount” or “MPFA”); and the Lender will be required to postpone his or her interest in the Mortgage in favour of certain development agreements between the Borrower and certain governmental authorities (including but not limited to: city site plan, development plans, Planning Act requirements, mezzanine financing and/or insurance on deposits, and/or Condominium Act registrations), as such requirements are more particularly described in the Loan Agreement, in order to facilitate the development of the Lands

Interest Payments & Interest Reserve:

Interest incurs at 8% annually (interest only) paid by the borrower Quarterly, commencing July 4th, 2014. The first interest payments will be pro-rated and based on actual date of advance.

An interest reserve will be collected for the first year of interest payments.

Material Disclosure:

Fortress Real Development Inc., Centro Mortgage Inc (the Mortgage Brokerage) remuneration.

Principles of Fortress Real Development Inc. and licensed parties registered with Centro Mortgage Inc. will receive further remuneration (than what is listed in section D of the FSCO disclosure) based on the profitability and successful completion of this project.

Major Risk Factors:

Investments in syndicated mortgages are speculative and involve a high degree of risk. Investors should be aware that this investment has not only the usual risks associated with the financial ability of the borrower to make repayments but also risks associated with financing real estate and risk associated with syndication.

No Market for Investments in Syndicated Mortgage.

There is no market for the Syndicated Mortgage nor there any assurance that a market will develop. Investors may not be able to liquidate their investment on a timely basis and investment in the Syndicated Mortgage may not be readily accepted as collateral for a loan. Investment in a syndicated mortgage should only be considered by those Investors who are able to make and bear the economic risks of a long-term investment.

Investors may not be able to liquidate their investment on a timely basis and Participations may not be readily accepted as collateral for a loan. Investment in participations should only be considered by those investors who are able to make a long-term investment and bear the economic risk of a complete loss of the investment.



Project Fact Sheet- Sutton 3rd

Liquidity:

There is no liquidity for the duration of the term for this project.

Reliance upon the Mortgage Broker

In assessing the risks of an investment in a syndicated mortgage, potential Investors should appreciate they are relying on the good faith, experience and judgement of the mortgage broker, which has relied on information supplied by third parties which may not have been independently verified.

Risks of Real Estate Development

The ability of the Borrower to repay the amounts outstanding under the syndicated mortgage, and the payment of the deferred lender fee, in particular, is dependent on the ability of the Borrower to arrange construction financing to develop the project and on the subsequent development and sale of the project. All real estate developments are subject to risk. Such developments are affected by general economic conditions (such as changes in interest rates and the availability of mortgage funds), and local conditions (such as supply and demand for property and competition from other available developments).

Revenue Shortfalls

The development of a project may not generate sales of units as rapidly as anticipated, or for the sale prices anticipated. The redesign of a project may result in a material change which may result in cancellation of some or all of the existing presales. Purchasers to date may elect to terminate their agreements and the sale of their unit may not occur as rapidly as anticipated.

Cost Overruns

There is a risk that cost overruns may occur and decrease anticipated profits of the Borrower.

Interest Rate Fluctuations

The Borrower's debt service obligations may rise with increases in interest rates. In particular, the cost of the construction financing mortgages will increase with any increase in interest rates.

Risk of Delay

The development of a project may not be completed within the anticipated time frame, or at all, which in turn could delay payment to participants or put repayment at risk.



Project Fact Sheet- Sutton 3rd

Bare Trustee

The commitment letter provided outlines Centro Mortgage Inc. (The Mortgage Administrator) as bare trustee only, and its responsibility as the administrator for a participant is limited to ensuring the syndicated mortgage is legally registered on title in accordance with the participant's instructions.

Conflicts of Interest of Management and Others

Potential conflicts of interest may exist or arise in the operation of the project.

About the Developer:

Adi Development Group Inc. comes from a distinguished lineage of builders that spans three generations and which has been worldwide since the 1960's. The company's principals are entrepreneurial visionaries, with a flare for style and an eye for opportunity. As a team, Adi Development Group Inc., is committed to growth and global expansion, developing properties whose potential is waiting to be recognized and unlocked.

Adi Development Group Inc. has recently completed two projects in the area and their team brings four decades of experience to this project.

About the Project:

The Sutton, a 3.2 acre development has achieved bonus density and is now planned as a 3 six-storey and 1 four-storey mixed use condominium buildings. The increased density is being achieved by purchasing an additional piece of adjoining land and brings the total units up to 311 (283 are condominium units and 28 are townhomes).

This contemporary development is located at Dundas and Sutton in Burlington, Ontario with unspoiled views of Bronte Provincial Park and creek on the East side.

The project is unique to the area with modern amenities like a party room with a large rooftop terrace and a glass walkway connecting the two structures.

Appendix 11:

Sutton 2012 Guarantee and Sutton 2014 Guarantee

GUARANTEE

DATED as of November 7 , 2012

WHEREAS Derek Sorrenti in Trust and Olympia Trust Company in Trust (the “**Lender**”) agreed to loan to ADI Developments Sutton Inc. (the “**Borrower**”) the sum of upto \$11,600,000.00 (the “**Loan**”) pursuant to a loan agreement dated the ___ day of September, 2012, as it may be amended, modified, renewed, replaced, extended, supplemented and/or restated from time to time;

AND WHEREAS ADI Development Group Inc. (the “**Guarantor**”) agreed to execute and deliver this Guarantee;

FOR GOOD AND VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged by the Guarantor), the Guarantor hereby agrees as follows:

1. (a) The Guarantor, as principal debtor and not as surety, absolutely and unconditionally guarantees to the Lender, the due payment and performance by the Borrower of the Loan and all related obligations, together with interest thereon (including interest on overdue interest) and all reasonable costs, charges and expenses incurred by the Lender or its agents or by any receiver or receiver and manager appointed by the Lender and/or its agents to recover/enforce the obligations hereunder (all such debts and obligations collectively, the “**Guaranteed Obligations**”).
- (b) As between the Lender and the Guarantor, the Guarantor is and shall continue to be liable as principal debtor hereunder notwithstanding any change in the name, objects, capital stock and/or constitution of the Borrower or the bankruptcy, insolvency or going into liquidation of the Borrower, voluntarily or otherwise, and notwithstanding any transaction which may take place between the Lender and the Borrower or any neglect, waiver or default of the Lender which might otherwise operate as a discharge, whether partial or absolute, of the Guarantor if the Guarantor was a surety only of the Borrower and, without restricting the generality of the foregoing, notwithstanding the releasing in whole or in part of any property or assets mortgaged, pledged, charged, assigned or subjected to a security interest, whether by fixed and specific mortgage, charge, assignment or security interest or otherwise, in favour of the Lender, or the granting of time or other indulgences to the Borrower.
- (c) The Lender, in its sole, absolute and unfettered discretion, and without diminishing the liability of the Guarantor hereunder may grant time or other indulgences to the Borrower and/or any other person or persons now or hereafter liable to the Lender in respect of the payment or performance of the Guaranteed Obligations and may give up, modify, vary, exchange, renew or abstain from taking advantage of any of the security (including, without limitation, any guarantees or indemnities) now or hereafter held by the Lender in respect of the Guaranteed Obligations or any part or parts thereof (such security, as it may be

amended, modified, renewed, replaced, extended, supplemented and/or restated from time to time, collectively the “**Security**”), in whole or in part, and may discharge any part or parts of or accept any composition, compromise or arrangements or realize upon any of the Security when and in such manner as the Lender may think expedient. Any account settled between the Lender and the Borrower or admitted by or on behalf of the Borrower or stated by the Lender may be adduced by the Lender and shall be accepted by the Guarantor as conclusive evidence, subject only to manifest error, that the balance or amount thereof is due and payable by the Borrower to the Lender.

- (d) The Guarantor shall not be released or exonerated by time being given, or any other forbearance whatsoever whether as to time, performance or otherwise or by any release, discharge, loss or alteration in or dealing with all or any part of the Security or other loan document evidencing or relating to the Guaranteed Obligations (the Security and all such loan documents, as they may be amended, modified, renewed, replaced, extended, supplemented and/or restated from time to time, collectively the “**Loan Documents**”) or by any failure or delay in giving any Notice (as hereinafter defined) required under this Guarantee or under any Loan Document or by any variation in or departure from the provisions of any Loan Document (including, without limitation, the waiver by the Lender of compliance with any conditions precedent to any advance of funds), or by any modification or alteration of any Loan Document or the Security, or by anything done, suffered or permitted by the Lender or any invalidity or unenforceability of, or any limitation on the liability of the Borrower, or on the method or terms of payment under any Loan Document or any assignment or other transfer of all or any part of any Loan Document or any interest therein, whether before or after any default under any Loan Document or any defence, compensation, set-off or counterclaim which the Borrower or the Guarantor may have or assert or any other circumstance, whether or not the Guarantor shall have notice or knowledge of any of the foregoing.
- (e) The obligations of the Guarantor hereunder shall be continuing obligations and a fresh cause of action shall be deemed to arise in respect of each default hereunder. The Guarantor covenants and agrees with the Lender that it will, from time to time, deliver to the Lender suitable acknowledgments of its continuing liability hereunder in such form as Lender’s counsel may advise.
- (f) Until the Guaranteed Obligations are fully paid/satisfied, the Guarantor will not at any time claim to be subrogated in any manner to the position of the Lender and will not claim the benefit of any security at any time held by the Lender including, without limitation, the Security.
- (g) The Lender shall be bound to seek or exhaust its recourse against the Borrower and the property of the Borrower or any other person or against any security (which term shall include, without limitation, the Security and any other guarantee or indemnity) it may hold before requiring and being entitled to payment from the Guarantor hereunder and, subject to the foregoing, the Lender may enforce the various remedies available to it and may realize upon the

Security held by it or any part thereof in such order as the Lender may determine, in its sole, absolute and unfettered discretion.

- (h) The Guarantor acknowledges that its liability hereunder is for the whole of the Guaranteed Obligations and expressly waives, to the extent permitted by law, the benefit of any legislation, common law, equitable law or principle requiring the division or proration of liability among the Guarantor and any other person or persons now or hereafter liable to the Lender in respect of all or any part of the Guaranteed Obligations.
 - (i) The release of any other guarantor or guarantors from his, their or its liability pursuant to a guarantee in favour of the Lender shall not affect the liability of the Guarantor hereunder which shall remain unimpaired and still in full force and effect as if the guarantor or guarantors so released had never been a guarantor of all or any part of the Guaranteed Obligations.
 - (j) No lawsuit relating to this Guarantee shall be instituted until written demand for payment has been made by the Lender to the Guarantor and demand shall be deemed to have been effectually made when delivered in the manner contemplated in Section 12 of this Guarantee. Except as stated in this Subsection 1(j), the Lender shall not be required to provide Notice or do any other act or thing to preserve or enforce its rights hereunder including, without limitation, to give any Notice to the Guarantor of any default under, amendment to or indulgence granted in respect of the obligations secured pursuant to the Security.
 - (k) The Guarantor shall forthwith, upon demand therefor being made upon the Guarantor by the Lender in accordance with Subsection 1(j) hereof, pay/satisfy or cause to be paid/satisfied the Guaranteed Obligations.
2. It is understood between the parties hereto that the carrying out by the Guarantor of the covenants and agreements made by it hereunder is not in any way contingent upon the carrying out by the Borrower and/or the Lender or any other person of any of their respective obligations or liabilities in any of the Security or in any other instrument.
 3. Except as expressly contained herein, there are no representations, collateral instruments or conditions with respect to this Guarantee or affecting the liability of the Guarantor hereunder.
 4. The Guarantor hereby waives:
 - (a) presentation for payment of any instrument of the Borrower or any other person, protest thereof and notice of its dishonour to any person thereto and to the Guarantor;

- (b) any defence with respect to this Guarantee arising by the lack of authority, death, disability or loss or diminution of capacity of any person or revocation hereof by any person;
 - (c) any defence with respect to this Guarantee arising from the failure of the Lender to file or enforce a claim of any kind;
 - (d) any defence based upon an election of remedies by the Lender which destroys or otherwise impairs the subrogation rights of the Guarantor other than pursuant to this Guarantee (which subrogation rights are waived pursuant to Subsection 1(f) hereof) or the right of the Guarantor to proceed against the Borrower or others for reimbursement, or both; and
 - (e) any duty on the part of the Lender to disclose to the Guarantor any facts which the Lender may now or hereafter know about the Borrower, regardless of whether the Lender has reason to believe that any such facts may materially increase the risk beyond that which the Guarantor intends to assume or has reason to believe that such facts are or may be unknown to the Guarantor or has a reasonable opportunity to communicate such facts to the Guarantor, it being understood and agreed that the Guarantor is fully responsible for being and keeping informed of the financial condition of the Borrower and of all circumstances bearing on the risk of non-payment of all obligations hereby guaranteed.
5. The Guarantor expressly agrees that recourse may be had against all or any part of its property and assets, for all obligations hereunder, and the Guarantor does further agree that any and all of its property and assets shall be subject to execution from any judgment or other enforcement of this Guarantee by a court of competent jurisdiction.
 6. The Guarantor's obligations hereunder shall terminate at such time as all of the obligations of the Borrower secured under the Loan Documents shall be fully satisfied and in such event and following written request therefor the Lender shall execute and deliver a release of the Guarantor's obligations hereunder.
 7. This Guarantee shall extend to and enure to the benefit of the Lender and its successors and assigns and reference herein to the Guarantor is a reference to and shall be construed as including the successors and permitted assigns of the Guarantor, and this Guarantee shall be binding upon such successors and permitted assigns. The Guarantor shall only be permitted to assign its rights and/or obligations hereunder with the prior written consent of the Lender, which consent may be withheld in the Lender's sole, absolute and unfettered discretion.
 8. This Guarantee shall be governed by and construed in accordance with the laws in effect within the Province of Ontario and, by execution and delivery of this Guarantee, the Guarantor accepts for itself and in respect of its property, generally, and unconditionally, the non-exclusive jurisdiction of the courts having jurisdiction in the said province. The Guarantor hereby waives, and agrees not to assert, by way of motion, as a defence or otherwise, in any action or proceeding, any claim that it is not personally subject to the jurisdiction of the said courts of the Province of Ontario, that the action or proceeding is

brought in an inconvenient forum, that the venue of the action or proceeding is improper or that this Guarantee or the subject-matter hereof may not be enforced in such courts. Nothing herein shall limit the right of any party to serve process in any manner permitted by law or to commence legal proceedings or otherwise proceed against any other party in any other jurisdiction.

9. In this Guarantee, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; words such as “hereunder”, “hereto”, “hereof” and “herein” shall, unless the context clearly indicates to the contrary, refer to the whole of this Guarantee and not to any particular section or subsection hereof.
10. If any provision of this Guarantee or the application thereof to any person or circumstance shall be held invalid or unenforceable, then the remainder of this Guarantee and the application of such provision to persons or circumstances other than those to whom/which it is held invalid or unenforceable, shall not be affected thereby, and each provision contained in this Guarantee shall be separately valid and enforceable to the fullest extent permitted by law.
11. The Guarantor shall, forthwith and from time to time, execute and deliver all documents and take all action requested by the Lender, acting reasonably, to further effect the provisions of this Guarantee, all without receiving any or further consideration therefor.
12. All notices, directions, service, correspondence and other communications (“**Notice**”) between the parties to this Guarantee shall (unless otherwise required under law) be given or made in writing and may be delivered or communicated by telecopier or other electronic communication which results in written or printed Notice being given to the addresses/fax numbers set out below:

- (a) in the case of the Guarantor:

4411 Millcroft Park Drive
Burlington, ON L7M 4Y7

Fax No.:

Attention: ~~Tariq Adi~~

and

- (b) in the case of the Lender:

c/o Sorrenti Law Professional Corporation
#400 – 3800 Steeles Avenue West
Vaughan, ON L4L 4G9

Fax No.: 905-264-6413

Attention: Derek Sorrenti

and any Notice delivered or sent by telecopier or other electronic communication shall be deemed to have been validly and effectively given and received on the business day it

was delivered or given, provided it is delivered or given by 4:00 p.m. (Toronto time), failing which it shall be deemed to have been given and received on the next following business day. Any party may give Notice as aforesaid of a change of that party's address/fax number, in which event this Section shall apply with respect to the new address/fax number.

13. The Guarantor agrees to do the following:
 - (a) to deliver to the Lender not later than 90 days following its fiscal year end, financial statements in respect of the Guarantor, prepared on a notice to reader basis by a firm of chartered accountants, in accordance with generally accepted accounting principles, consistent with prior years, and shall include all appropriate documents, explanatory notes and additional information;
 - (b) to provide to the Lender, from time to time, upon reasonable request, any further financial information pertaining to the Guarantor then still undisclosed;
 - (c) to do all acts necessary to remain duly qualified to do business and own property in each jurisdiction in which such qualification is necessary, in view of its business and operations; and
 - (d) to comply, in all material respects, with all applicable laws, rules, regulations and orders; such compliance shall include, without limitation, paying, withholding and remitting when due all taxes, assessments, withholdings and governmental charges or levies imposed upon it or upon its income or profits or any property belonging to it and maintaining adequate reserves for the due payment of same.

14. The Guarantor hereby represents and warrants, which representations and warranties shall survive the execution and delivery of this Guarantee (such representations and warranties shall be deemed to be repeated on each day while this Guarantee remains in force and effect):
 - (a) that this Guarantee has been duly authorized, executed and delivered by the Guarantor;
 - (b) that neither the execution and delivery of this Guarantee by the Guarantor, nor compliance by the Guarantor with the terms hereof, will conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) any agreement, instrument or arrangement to which the Guarantor is now a party or by which the Guarantor is, or may be, bound, or constitute a default thereunder, or result thereunder in the creation or imposition of any security interest, mortgage, lien, charge or encumbrance of any nature whatsoever upon the property and assets of the Guarantor; and/or
 - (ii) any judgment or order, writ, injunction or decree of any court, relating to the Guarantor; and

- (c) any financial statements of the Guarantor furnished by the Guarantor fairly present the financial condition of the Guarantor as at the date thereof and there has been no material adverse change in the financial condition of the Guarantor since the date of such statements.
15. Unless specifically defined herein or unless the context otherwise requires, all terms utilized herein which are defined in the Loan Documents shall have the respective meanings ascribed to such terms in the Loan Documents. The term "person" when utilized herein shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.
16. The Guarantor acknowledges the Lender's right to disclose to third parties any financial information concerning the Guarantor, provided that such third parties shall be limited to potential assignees of part or all of the Loan, the Lender's auditors, the Lender's solicitors, the Lender's bankers, the Lender's other advisors and persons to whom such information is ordinarily disclosed in a simple mortgage assignment, mortgage securitization or mortgage syndication, and provided said third parties execute a covenant to keep such information confidential.
17. Notwithstanding any other provision hereof, the obligations of the Guarantor under this Guarantee shall survive each of:
- (a) the termination or expiration of the Security;
 - (b) the discharge of the Security and release of the balance of the Loan Documents; and
 - (c) the exercise of any and all remedies available to the Lender pursuant to the Security, the balance of the Loan Documents, at law, in equity or otherwise.
- For greater certainty, apart from then existing liability hereunder, this Guarantee shall be terminated as of the date of full satisfaction of the Guaranteed Obligations.
18. If the Guarantor shall be comprised of more than one person/entity, then such persons/entities shall be jointly and severally liable for all of the obligations of the Guarantor pursuant to this Guarantee.

The Guarantor has executed this Guarantee as of the date first set out above.

ADI DEVELOPMENT GROUP INC.

By: 

Name: Tawiq Adu
Title: President

I have the authority to bind the Corporation

GUARANTEE

The undersigned, in consideration of a loan made by Sorrenti Law Professional Corporation, in Trust. (hereinafter called the "Lender") to ADI Developments (Link) Inc. (hereinafter called the "Borrower"), the initial sum of Three Million Five Hundred Thousand (\$3,500,000.00) Dollars and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), ADI Development Group Inc., (hereinafter called the "Guarantor") hereby irrevocably and unconditionally (on a joint and several basis) guarantees to the Lender due performance by the Borrower of all covenants and obligations on its part contained in a mortgage dated April , 2014, in the initial principal amount of \$3,500,000.00 together with payment of principal, interest and any charges specified therein (the "Mortgage").

The undersigned hereby undertakes and agrees to indemnify and hold harmless the Lender from and against any and all liability, loss, harm, damage or expense, including legal fees on a solicitor and client basis, which it may suffer, incur or sustain by reason of the default of the Borrower under the Mortgage. The undersigned further undertakes to indemnify the Lender from and against all losses, demands, claims, liabilities, costs, actions, penalties obligations imposed upon the Lender arising in connection with the Mortgage, save and except for matters arising and caused by the gross negligence of the lender. Said indemnity shall survive the full payment and discharge of the Mortgage.

As between the undersigned and the Lender, the undersigned is and shall continue to be liable as a principal debtor, notwithstanding the bankruptcy of the Borrower or any act in connection with this guarantee, any agreement between the Lender and the Borrower or any security held by the Lender, whereby the undersigned would otherwise be released or exonerated from his obligations under this guarantee including, without limitation, the granting of time or other indulgences to the Borrower, the giving up, discharging, releasing, abandoning, modification, variation, exchange, renewal, assigning, or abstinence from perfecting or taking advantage of any security given or to be given to the Lender by the Borrower or the undersigned, in whole or in part, the discharge of any part or parts of or acceptance of any composition or arrangement or realization upon any security given or to be given to the Lender by the Borrower or the undersigned, or any neglect or omission with respect to any security given to the Lender by the Borrower or the undersigned.

The undersigned shall continue to remain liable on our guarantee, covenant and agreement notwithstanding:

- (i) Any extension of time or extensions of time from time to time which may be given to the Lender(s) to the Borrower for payment, observance, performance or fulfilment of any liabilities, indebtedness, agreements or obligations hereby guaranteed and the undersigned hereby covenants and agrees with the Lenders that payment shall be made in accordance with such extension or extensions of time and that if payments are not made in accordance with such extension or extensions of time the undersigned shall make or cause to be made the payments in accordance with such extension of time;
- (ii) Realization of any securities now or hereafter held by the Lender; and

(iii) Doing or omitting to do any other act, matter or thing whatsoever with relation to the liabilities, indebtedness, agreements and obligations hereby guaranteed or any security or securities now or hereafter held in respect thereof or any part of same.

Any account settled or stated by or between the Lender and the Borrower or admitted by or on behalf of the Borrower may be adduced by the Lender and shall in that case be accepted by the undersigned as conclusive evidence that the balance or amount thereof thereby appearing is due by the Borrower to the Lender.

The undersigned will not at any time claim to be subrogated in any manner to the position of the Lender and will not claim the benefit of any security at any time held by the Lender; provided, however, that in the event of the undersigned paying to the Lender all of the monies payable to the Lender by the Borrower, the undersigned shall be entitled on written demand to the Lender to the assignment of such of the said security as may remain in the Lender at the time that such notice is received by the Lender.

The Lender shall not be bound to exhaust its recourses against the Borrower before requiring payment from the undersigned and the Lender may enforce all available remedies and realize upon securities held or any part thereof in the order that it may determine.

Any change or changes in the name of the Borrower shall not affect or in any way limit or lessen the liability of the undersigned hereunder.

Should the Lender receive from the undersigned a payment or payments in full or on account of his liability under this guarantee, the undersigned shall not be entitled to claim repayment against the Borrower or the Borrower's estate until the Lender's claims against the Borrower have been paid in full and in case of the liquidation, winding up or bankruptcy of the Borrower (whether voluntary or compulsory) or if the Borrower makes a bulk sale of any of its assets within the provisions of any Bulk Sales Act or any composition with creditors or scheme of arrangements, the Lender shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full, and the undersigned shall continue liable up to the amount guaranteed (less any payments made by the undersigned) for any balance which may be owing to the Lender of any of its securities and/or the retention thereof by the Lender, such valuation and/or retention shall not, as between the Lender and the undersigned, be considered as a purchase of such security or as payment or satisfaction or reduction of the Borrower's liability to the Lender or any part thereof. The undersigned shall make payments to the Lender of the amount of the liability of the undersigned hereunder forthwith after demand therefor made in writing, and such demand shall be deemed to have been effectually made when an envelope containing it addressed to the undersigned at the last address of any of the undersigned known to the Lender is sent by registered mail and the liability of the undersigned shall bear interest at the same rate.

This instrument is in addition to and is supplemental to security held or which may hereafter be held by the Lender.

No action or proceeding brought or instituted under this guarantee and no recovery in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this guarantee by reason of any further default or defaults hereunder and/or in payment of the debts and liabilities of the Borrower referred to herein.

There are no representations, collateral agreements or conditions with respect to this instrument or affecting the liability of the undersigned hereunder, other than as contained herein and no modification of this guarantee shall be effective unless the same be in writing and signed by the undersigned and by the Lender.

This guarantee shall extend to and enure to the benefit of the successors and assigns of the Lender and shall be binding upon the undersigned, his heirs, executors, successors, administrators and assigns, and shall be read with all changes of gender and number required by the context. All indebtedness and liability, present and future, of the Borrower to the undersigned are hereby assigned to the Lender and postponed to the repayment of the Mortgage and all monies received by the undersigned in respect thereof shall be received in trust for the Lender, the whole without limiting or lessening the liabilities of the undersigned under this guarantee and this assignment and postponement is independent of the said guarantee and shall remain in full effect until repayment in full to the Lender of the Mortgage notwithstanding that the liabilities of the undersigned under the said guarantee may have been discharged or terminated, the undersigned acknowledges the assignment to the Lender as set forth herein shall not impose upon the Lender any obligation to do anything to realize on the assigned debts and claims or to ensure that those debts or claims do not become statute barred by the operation of law relating to limitation of actions or otherwise.

Dated this  day of April, 2014.

ADI Development Group Inc.

Per: 

Name: Tariq Adi

Position: A.S.O.

I have the authority to bind the corporation.

Appendix 12: Sutton

Parcel Register

PROPERTY DESCRIPTION: PT LTS 3 & 4, CON 1 NEL SDS, PTS 19,22 20R20913; CITY OF BURLINGTON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2017/02/23. CORRECTION: DOCUMENT HR1507160 ADDED TO 07184-4641 ON 2018/10/12 AT 11:39 BY WENDOVER, TERE.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
DIVISION FROM 07184-4636

PIN CREATION DATE:
2017/11/28

OWNERS' NAMES
ADI DEVELOPMENTS (LINK) INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
119980	1961/01/25	BYLAW				C
197051	1966/01/28	BYLAW REMARKS: SKETCH ATTACHED				C
781235	1992/03/12	BYLAW				C
HR42049	2001/03/28	BYLAW PUB HGHWY REMARKS: TO ASSUME LANDS AS PUBLIC		THE CORPORATION OF THE CITY OF BURLINGTON HIGHWAY - BURLOAK DR, NORTH SHORE BLVD, PINEST, PLAINS RD E., GLEN AFTON DR & TOBYN DR		C
HR108659	2002/03/27	BYLAW PUB HGHWY REMARKS: BY LAW 1-2002		THE CORPORATION OF THE CITY OF BURLINGTON		C
HR374965	2005/05/06	BYLAW REMARKS: STOP UP AND CLOSE PART OF		THE CORPORATION OF THE CITY OF BURLINGTON BURLOAK DRIVE		C
HR1062913	2012/11/08	TRANSFER	\$1,900,000	NEW HORIZON DEVELOPMENT GROUP (SUTTON) INC.	ADI DEVELOPMENTS SUTTON INC.	C
HR1062915	2012/11/08	CHARGE	\$5,600,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI, DEREK	C
HR1063705	2012/11/13	TRANSFER OF CHARGE REMARKS: HR1062915.		SORRENTI, DEREK	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
HR1064962	2012/11/19	TRANSFER OF CHARGE REMARKS: HR1062915.		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

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

LAND
REGISTRY
OFFICE #20

07184-4641 (LT)

PREPARED FOR LStorm01
ON 2022/12/20 AT 18:49:08

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HR1067540	2012/11/30	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1073350	2012/12/27	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1077177	2013/01/18	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1080385	2013/02/05	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1084217	2013/02/28	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1086005	2013/03/07	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915. HR1062915				
HR1090162	2013/03/28	NOTICE	\$8,600,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915				
HR1091140	2013/04/02	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1096832	2013/04/30	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1100868	2013/05/17	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1105388	2013/06/05	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
		REMARKS: HR1062915.				
HR1107310	2013/06/14	TRANSFER	\$733,076	YOULDON, DARLA MARGUERITE	ADI DEVELOPMENTS SUTTON INC.	C
		REMARKS: PLANNING ACT STATEMENTS.				
HR1112454	2013/07/02	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1117045	2013/07/17	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1127000	2013/08/21	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1139110	2013/10/08	NOTICE	\$10,250,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: AMENDING HR1062915				
HR1144948	2013/11/01	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1149455	2013/11/26	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1155329	2013/12/19	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1158234	2014/01/10	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1163232	2014/02/04	CHARGE	\$10,250,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI, DEREK	C
HR1163239	2014/02/04	NOTICE	\$11,600,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915				

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HR1163367	2014/02/05	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
	REMARKS: HR1062915.					
HR1166476	2014/02/25	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
	REMARKS: HR1062915.					
HR1171230	2014/03/26	APL CH NAME OWNER		ADI DEVELOPMENTS SUTTON INC.	ADI DEVELOPMENTS (LINK) INC.	C
HR1171372	2014/03/26	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
	REMARKS: HR1062915.					
HR1174204	2014/04/10	CHARGE	\$3,500,000	ADI DEVELOPMENTS (LINK) INC.	SORRENTI LAW PROFESSIONAL CORPORATION	C
HR1174279	2014/04/10	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204.					
HR1179042	2014/05/02	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204.					
HR1183576	2014/05/27	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204.					
HR1194334	2014/07/04	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204.					
HR1200285	2014/07/28	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
	REMARKS: HR1062915.					
HR1211012	2014/09/04	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
	REMARKS: HR1062915.					
HR1222854	2014/10/24	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204.					

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HR1242083	2015/01/20	NOTICE	\$5,800,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	<i>REMARKS: HR1174204</i>					
HR1242648	2015/01/21	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	<i>REMARKS: HR1174204.</i>					
HR1249904	2015/02/26	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	<i>REMARKS: HR1174204.</i>					
HR1257833	2015/04/08	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	<i>REMARKS: HR1174204.</i>					
HR1262284	2015/04/29	NOTICE	\$8,000,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	<i>REMARKS: HR1174204</i>					
HR1262298	2015/04/29	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	<i>REMARKS: HR1174204.</i>					
HR1271006	2015/06/04	NOTICE		THE CORPORATION OF THE CITY OF BURLINGTON		C
HR1271787	2015/06/08	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	<i>REMARKS: HR1174204.</i>					
HR1280317	2015/07/08	TRANSFER OF CHARGE	\$8,000,000	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	<i>REMARKS: HR1174204. HR1174279, HR1179042, HR1183576, HR1194334, HR1222854, HR1242083, HR1242648, HR1249904, HR1262284, HR1257833, HR1262298</i>					
HR1288302	2015/08/05	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	<i>REMARKS: HR1174204.</i>					
HR1305488	2015/10/06	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	<i>REMARKS: HR1174204.</i>					

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HR1306920	2015/10/14	NOTICE		THE CORPORATION OF THE CITY OF BURLINGTON		C
HR1347525	2016/04/04	TRANSFER	\$2	ADI DEVELOPMENTS (LINK II) INC.	ADI DEVELOPMENTS (LINK) INC.	C
HR1347633	2016/04/05	POSTPONEMENT		SORRENTI, DEREK	MERIDIAN CREDIT UNION LIMITED	C
		REMARKS: HR1163232 TO HR1347625				
HR1347634	2016/04/05	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	MERIDIAN CREDIT UNION LIMITED	C
		REMARKS: HR1174204 TO HR1347625				
HR1347635	2016/04/05	POSTPONEMENT		SORRENTI, DEREK OLYMPIA TRUST COMPANY	MERIDIAN CREDIT UNION LIMITED	C
		REMARKS: HR1062915 TO HR1347625				
HR1355645	2016/05/09	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1373474	2016/07/13	POSTPONEMENT		SORRENTI, DEREK	AVIVA INSURANCE COMPANY OF CANADA	C
		REMARKS: HR1163232 TO HR1311666 & HR1347633				
HR1380709	2016/08/04	NOTICE	\$2	THE REGIONAL MUNICIPALITY OF HALTON		C
HR1380710	2016/08/04	POSTPONEMENT		SORRENTI, DEREK OLYMPIA TRUST COMPANY	THE REGIONAL MUNICIPALITY OF HALTON	C
		REMARKS: HR1062915 TO HR1380709				
HR1380711	2016/08/04	POSTPONEMENT		SORRENTI, DEREK	THE REGIONAL MUNICIPALITY OF HALTON	C
		REMARKS: HR1163232 TO HR1380709				
HR1380712	2016/08/04	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	THE REGIONAL MUNICIPALITY OF HALTON	C
		REMARKS: HR1174204 TO HR1380709				
HR1396222	2016/09/27	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
		REMARKS: HR1174204.				
HR1420119	2016/12/21	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
		REMARKS: HR1174204.				

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
HR1420122	2016/12/21	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
		REMARKS: HR1174204. HR1174204, HR1174279, HR1179042, HR1183576, HR1194334, HR1222854, HR1242083, HR1242648, HR1249904, HR1262284, HR1257833, HR1262298, HR1271787, HR1280317, HR1288302, HR1305488, HR1396222				
HR1420124	2016/12/21	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	DEREK SORRENTI OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1433693	2017/02/17	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	DEREK SORRENTI OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1434454	2017/02/23	APL ABSOLUTE TITLE		ADI DEVELOPMENTS (LINK) INC.		C
HR1473182	2017/07/19	APL CONSOLIDATE		ADI DEVELOPMENTS (LINK) INC.		C
20R20913	2017/10/02	PLAN REFERENCE				C
HR1507160	2017/11/24	CONDO DECLARATION		ADI DEVELOPMENTS (LINK) INC.		C

LAND
REGISTRY
OFFICE #20

07184-4642 (LT)

PREPARED FOR LStorm01
ON 2022/12/20 AT 18:47:40

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

PROPERTY DESCRIPTION: PT LT 4, CON 1 NEL SDS, PTS 18,23 20R20913; CITY OF BURLINGTON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2017/02/23. CORRECTION: DOCUMENT HR1507160 ADDED TO 07184-4642 ON 2018/10/12 AT 11:39 BY WENDOVER, TERE.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
DIVISION FROM 07184-4636

PIN CREATION DATE:
2017/11/28

OWNERS' NAMES
ADI DEVELOPMENTS (LINK) INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
119980	1961/01/25	BYLAW				C
197051	1966/01/28	BYLAW REMARKS: SKETCH ATTACHED				C
781235	1992/03/12	BYLAW				C
HR42049	2001/03/28	BYLAW PUB HGHWY REMARKS: TO ASSUME LANDS AS PUBLIC		THE CORPORATION OF THE CITY OF BURLINGTON HIGHWAY - BURLOAK DR, NORTH SHORE BLVD, PINEST, PLAINS RD E., GLEN AFTON DR & TOBYN DR		C
HR108659	2002/03/27	BYLAW PUB HGHWY REMARKS: BY LAW 1-2002		THE CORPORATION OF THE CITY OF BURLINGTON		C
HR374965	2005/05/06	BYLAW REMARKS: STOP UP AND CLOSE PART OF		THE CORPORATION OF THE CITY OF BURLINGTON BURLOAK DRIVE		C
HR1062913	2012/11/08	TRANSFER	\$1,900,000	NEW HORIZON DEVELOPMENT GROUP (SUTTON) INC.	ADI DEVELOPMENTS SUTTON INC.	C
HR1062915	2012/11/08	CHARGE	\$5,600,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI, DEREK	C
HR1063705	2012/11/13	TRANSFER OF CHARGE REMARKS: HR1062915.		SORRENTI, DEREK	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
HR1064962	2012/11/19	TRANSFER OF CHARGE REMARKS: HR1062915.		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

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

LAND
REGISTRY
OFFICE #20

07184-4642 (LT)

PREPARED FOR LStorm01
ON 2022/12/20 AT 18:47:40

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HR1067540	2012/11/30	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1073350	2012/12/27	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1077177	2013/01/18	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1080385	2013/02/05	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1084217	2013/02/28	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1086005	2013/03/07	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915. HR1062915				
HR1090162	2013/03/28	NOTICE	\$8,600,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915				
HR1091140	2013/04/02	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1096832	2013/04/30	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1100868	2013/05/17	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1105388	2013/06/05	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
		REMARKS: HR1062915.				
HR1107310	2013/06/14	TRANSFER	\$733,076	YOULDON, DARLA MARGUERITE	ADI DEVELOPMENTS SUTTON INC.	C
		REMARKS: PLANNING ACT STATEMENTS.				
HR1112454	2013/07/02	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1117045	2013/07/17	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1127000	2013/08/21	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1139110	2013/10/08	NOTICE	\$10,250,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: AMENDING HR1062915				
HR1144948	2013/11/01	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1149455	2013/11/26	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1155329	2013/12/19	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1158234	2014/01/10	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1163232	2014/02/04	CHARGE	\$10,250,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI, DEREK	C
HR1163239	2014/02/04	NOTICE	\$11,600,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915				

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HR1163367	2014/02/05	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1166476	2014/02/25	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1171230	2014/03/26	APL CH NAME OWNER		ADI DEVELOPMENTS SUTTON INC.	ADI DEVELOPMENTS (LINK) INC.	C
HR1171372	2014/03/26	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1174204	2014/04/10	CHARGE	\$3,500,000	ADI DEVELOPMENTS (LINK) INC.	SORRENTI LAW PROFESSIONAL CORPORATION	C
HR1174279	2014/04/10	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
		REMARKS: HR1174204.				
HR1179042	2014/05/02	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
		REMARKS: HR1174204.				
HR1183576	2014/05/27	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
		REMARKS: HR1174204.				
HR1194334	2014/07/04	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
		REMARKS: HR1174204.				
HR1200285	2014/07/28	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1211012	2014/09/04	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1222854	2014/10/24	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
		REMARKS: HR1174204.				

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HR1242083	2015/01/20	NOTICE	\$5,800,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204					
HR1242648	2015/01/21	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204.					
HR1249904	2015/02/26	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204.					
HR1257833	2015/04/08	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204.					
HR1262284	2015/04/29	NOTICE	\$8,000,000	ADI DEVELOPMENTS SUTTON INC.	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204					
HR1262298	2015/04/29	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204.					
HR1271006	2015/06/04	NOTICE		THE CORPORATION OF THE CITY OF BURLINGTON		C
HR1271787	2015/06/08	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204.					
HR1280317	2015/07/08	TRANSFER OF CHARGE	\$8,000,000	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204. HR1174279, HR1179042, HR1183576, HR1194334, HR1222854, HR1242083, HR1242648, HR1249904, HR1262284, HR1257833, HR1262298					
HR1288302	2015/08/05	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204.					
HR1305488	2015/10/06	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
	REMARKS: HR1174204.					

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HR1306920	2015/10/14	NOTICE		THE CORPORATION OF THE CITY OF BURLINGTON		C
HR1347525	2016/04/04	TRANSFER	\$2	ADI DEVELOPMENTS (LINK II) INC.	ADI DEVELOPMENTS (LINK) INC.	C
HR1347633	2016/04/05	POSTPONEMENT		SORRENTI, DEREK	MERIDIAN CREDIT UNION LIMITED	C
		REMARKS: HR1163232 TO HR1347625				
HR1347634	2016/04/05	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	MERIDIAN CREDIT UNION LIMITED	C
		REMARKS: HR1174204 TO HR1347625				
HR1347635	2016/04/05	POSTPONEMENT		SORRENTI, DEREK OLYMPIA TRUST COMPANY	MERIDIAN CREDIT UNION LIMITED	C
		REMARKS: HR1062915 TO HR1347625				
HR1355645	2016/05/09	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	SORRENTI, DEREK OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1373474	2016/07/13	POSTPONEMENT		SORRENTI, DEREK	AVIVA INSURANCE COMPANY OF CANADA	C
		REMARKS: HR1163232 TO HR1311666 & HR1347633				
HR1380709	2016/08/04	NOTICE	\$2	THE REGIONAL MUNICIPALITY OF HALTON		C
HR1380710	2016/08/04	POSTPONEMENT		SORRENTI, DEREK OLYMPIA TRUST COMPANY	THE REGIONAL MUNICIPALITY OF HALTON	C
		REMARKS: HR1062915 TO HR1380709				
HR1380711	2016/08/04	POSTPONEMENT		SORRENTI, DEREK	THE REGIONAL MUNICIPALITY OF HALTON	C
		REMARKS: HR1163232 TO HR1380709				
HR1380712	2016/08/04	POSTPONEMENT		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	THE REGIONAL MUNICIPALITY OF HALTON	C
		REMARKS: HR1174204 TO HR1380709				
HR1396222	2016/09/27	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
		REMARKS: HR1174204.				
HR1420119	2016/12/21	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
		REMARKS: HR1174204.				

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
HR1420122	2016/12/21	TRANSFER OF CHARGE		SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	SORRENTI LAW PROFESSIONAL CORPORATION OLYMPIA TRUST COMPANY	C
		REMARKS: HR1174204, HR1174204, HR1174279, HR1179042, HR1183576, HR1194334, HR1222854, HR1242083, HR1242648, HR1249904, HR1262284, HR1257833, HR1262298, HR1271787, HR1280317, HR1288302, HR1305488, HR1396222				
HR1420124	2016/12/21	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	DEREK SORRENTI OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1433693	2017/02/17	TRANSFER OF CHARGE		SORRENTI, DEREK OLYMPIA TRUST COMPANY	DEREK SORRENTI OLYMPIA TRUST COMPANY	C
		REMARKS: HR1062915.				
HR1434454	2017/02/23	APL ABSOLUTE TITLE		ADI DEVELOPMENTS (LINK) INC.		C
HR1473182	2017/07/19	APL CONSOLIDATE		ADI DEVELOPMENTS (LINK) INC.		C
20R20913	2017/10/02	PLAN REFERENCE				C
HR1507160	2017/11/24	CONDO DECLARATION		ADI DEVELOPMENTS (LINK) INC.		C

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

Appendix 13: Sutton

Investor Notice

May 4, 2023

Dear Lender:

Re: Syndicated Mortgage Loans made to Adi Developments (Link) Inc. (“Borrower”) pursuant to loan agreements dated September 4, 2012 and April 4, 2014, secured by mortgages (jointly, the “Sutton SMLs”) located at 2477 Sutton Drive Road in Burlington, ON (“Sutton Project”)

As you are aware, on September 30, 2019, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (“**Court**”) (“**Appointment Order**”), FAAN Mortgage Administrators Inc. was appointed as trustee (in such capacity, the “**Trustee**”) of all of the assets, undertakings and properties of Derek Sorrenti or Sorrenti Law Professional Corporation (collectively, “**Sorrenti**”) relating to Sorrenti’s trusteeship and administration of syndicated mortgage loans (“**Sorrenti SMLs**”) in projects affiliated with Fortress Real Developments Inc. and certain related entities. The Trustee’s appointment resulted from an application made by the Law Society of Ontario under Section 49.47 of the *Law Society Act*, R.S.O. 1990. c. L.8, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, each as amended. The Appointment Order also appointed Chaitons LLP as representative counsel (“**Representative Counsel**”) to persons who made loans through the Sorrenti SMLs.

We are writing to you in our capacity as Trustee regarding the syndicated mortgage loan made by you to Sorrenti in respect of the Sutton Project and further to our notice dated February 8, 2022 (“**2022 Notice**”).

Trustee’s Motion

On May 4, 2023, the Trustee served motion materials, including its sixth report to Court (“**Sixth Report**”) seeking orders that, among other things:

- (a) approve the Sutton Settlement Agreement (described below) (“**Sutton Settlement Approval Order**”); and
- (b) authorize the Trustee to distribute the Settlement Payment on a *pari passu* basis (“**Sutton Distribution Order**”) to the syndicated mortgage lenders who advanced funds pursuant to the Sutton SMLs (“**Sutton Investors**”).

The Trustee’s motion is scheduled to be heard via a virtual Court hearing on **June 1, 2023 at 10:00 a.m. (“June Motion”)**. At that hearing, the Trustee will also be seeking the Court’s approval of certain other matters, as detailed in a notice to all investors in Sorrenti SMLs attached hereto as **Appendix “A”**. To the extent that you would like further information on the June Motion, please contact the Trustee directly at the contact number or email address provided below.

The Trustee’s motion materials filed in support of, among other things, the Trustee’s request for the Sutton Settlement Approval Order and the Sutton Distribution Order, including its Sixth Report, are available on the Trustee’s website at <http://faanmortgageadmin.com>.

Sorrenti Loans and the Borrower’s Remaining Assets

The Borrower is indebted to Sorrenti in the total principal amount of approximately \$19.6 million in respect of two separate syndicated mortgage loan facilities made pursuant to: (i) a Loan Agreement between Sorrenti, the Borrower and the Guarantor (defined below) dated September 4, 2012 (“**Sutton 2012 Loan**”); and (ii), a Loan Agreement between Sorrenti, the Borrower and the Guarantor dated April 4, 2014 (“**Sutton 2014 Loan**”).

Adi Development Group Inc. (“**Guarantor**”), an entity related to the Borrower, has provided certain guarantees of the Borrower’s obligations under the Sutton SMLs (“**Guarantees**”).

Details related to each of the loans are provided in the table below:

	Sutton 2012 Loan	Sutton 2014 Loan	Total
Principal Balance (A)	11,600,000	7,991,000	19,591,000
Accrued Interest (at March 15, 2023) (B)	6,676,445 ¹	4,279,625 ²	10,956,069
Total Owing (A+B)	\$18,276,445	\$12,270,625	\$30,547,069
Previously Paid Amounts	\$2,456,492	\$1,014,394	\$3,470,886

The Sutton SMLs were advanced in connection with the construction of four low rise condominiums with approximately 13,300 square feet of ground floor commercial space.

All residential units in the Sutton Project have been sold and have closed and approximately \$2.6 million remained in trust with the Borrower’s counsel (“**Trust Funds**”), which are the net proceeds remaining from the closing of the sales of the final six residential condominium units to third party purchasers in late 2019, shortly after the Trustee’s appointment.

¹ Accrued interest on the Sutton 2012 Loan has continued to accrue at a per diem rate of \$2,557.78.

² Accrued interest on the Sutton 2014 Loan has continued to accrue at a per diem rate of \$1,775.78.

All 12 commercial units in the Sutton Project remain unsold (“**Commercial Units**”). In order to maximize the recoveries from the sale of the Commercial Units, the Borrower has been leasing the units to tenants. The Trustee understands that all but one of the Commercial Units have now been leased.

The Borrower has advised that there will be insufficient proceeds to repay the Sutton SMLs in full based upon the estimated recoveries from the remaining assets of the Sutton Project, being the Trust Funds and the Commercial Units. Given the anticipated shortfall, the Trustee has been engaged in discussions with the Borrower and Guarantor concerning the amount owing by the Borrower to Sorrenti and the Guarantor’s obligations under the Guarantees.

As was detailed in the 2022 Notice, the Trustee also issued demands and related correspondence to the Borrower and the Guarantor and on November 19, 2021, the Trustee served a statement of claim against such parties (“**Trustee Action**”).

As set out below, in an effort to resolve the obligations of the Borrower and the Guarantor and with a view to arriving at a consensual resolution with respect to the amounts owing under the Sutton SMLs that would be in the best interests of the Sutton Investors, the Trustee, its counsel and counsel to the Borrower and Guarantor engaged in extensive negotiations. After consulting with the various other impacted parties, all parties have now agreed to and entered into a settlement agreement (“**Sutton Settlement Agreement**”).

Sutton Settlement Agreement

The Trustee negotiated and consulted extensively with various stakeholders, all of whom are parties to the Sutton Settlement Agreement. These parties are: the ADI Defendant companies (being the Borrower, the Guarantor and 2396674 Ontario Limited, an affiliate of the Borrower that receives rental payments from the tenants of the Commercial Units); ADI Masonry (being an affiliate of the Borrower that is granting the Second Charge discussed and defined below); the Trustee; Olympia Trust Company; Representative Counsel; and counsel to the plaintiffs in a class action related to the Sutton Project (“**Class Counsel**”).

As described below, the Sutton Settlement Agreement provides for an up-front Initial Payment (defined below) to the Trustee and payments over time by the Borrower or Guarantor, with contracted specified due dates for such payments.

The key terms of the Sutton Settlement Agreement include, among other things:

- (i) The Borrower or the Guarantor will pay to the Trustee, on behalf of the Sutton SMLs, payments over time totaling \$18,297,216 plus the Current Net Rent Balance, the Future Rent Stream (each defined below) and any other payments required by the Sutton Settlement Agreement (collectively the “**Settlement Payment**”) which shall be paid as follows:

- a. \$2,564,216 paid by the Borrower (“**Initial Payment**”) from the Trust Funds. The Trustee received the Initial Payment on execution of the Settlement Agreement;
 - b. \$76,632 in respect of amounts remaining after payment of costs for the Sutton Project collected from the tenants of the Commercial Units (“**Current Net Rent Balance**”);
 - c. All rent that has been and continues to be collected from the tenants of the Commercial Units from January 1, 2023 onwards net of actual out-of-pocket expenses will be paid to the Trustee (“**Future Rent Stream**”);
 - d. Not less than \$2 million by no later than June 30, 2023 (ADI Valera Payment Milestone);
 - e. Not less than \$5 million and up to the total proceeds realized from the sale of the Commercial Units, by the earlier of the date of the sale of the Commercial Units or November 15, 2023;
 - f. Not less than \$2 million by no later than June 28, 2024 (ADI Nautique Payment Milestone); and
 - g. \$6,733,000 by no later than December 11, 2026 (ADI Thomas Alton Payment Milestone). To the extent that any of the earlier scheduled payments exceed the minimum contemplated by the Sutton Settlement Agreement, this final payment shall be reduced by the amount of any earlier excess payments.
- (ii) Should any portion of the Settlement Payment not be paid within ten business days of the stated payment deadline, the Guarantor shall pay a payment extension fee of 2% per annum and interest at a rate of prime +2% per annum of the payment amount due;
- (iii) Additional Security for Settlement Payment:

The Trustee will receive additional security (“**Second Charge**”) in respect of all obligations under the Sutton Settlement Agreement by way of a second ranking charge in the principal amount of \$10 million registered on title to property located at 1120 Cooke Blvd., Burlington, Ontario (“**Development Land**”), which Development Land is currently owned by an affiliate of the Borrower. The Second Charge will be subordinate to existing indebtedness in the amount of \$25 million due to a third-party lender. The Guarantor provided the Trustee with an appraisal of the Development Land with an effective date of February 1, 2023, which indicates a property value of more than \$35 million; and

- (iv) The Sutton Settlement Agreement contemplates certain parties requesting four orders from the Court, including the Trustee seeking the Sutton Settlement Approval Order, and includes related termination rights should such orders not be granted. The Sutton Settlement Agreement is not effective without Court approval.

In addition, as detailed in the Sutton Settlement Agreement, the agreement contemplates granting comprehensive releases between the parties. These releases only come into effect after each of the Sutton Settlement Approval Order, the Sutton Class Proceeding Order (which will involve the dismissal of the class action relating to the Sutton Project), the OTC Third Party Dismissal Order, and the Trustee Action Dismissal Order have been granted and become final, and the limited recourse guarantee and the documentation evidencing the Second Charge has been provided to the Trustee and the Second Charge has been registered on title to the Development Land.

The Sutton Settlement Agreement defines “Releasers” broadly and all of the Sutton Investors are providing a release of the ADI Releasees, which include the Borrower, the Guarantor and all related parties, including with respect to the class action relating to the Sutton Project. However, the release does not extend to the released parties’ obligations under the Settlement Agreement.

In addition, on the Closing Date, certain bar orders will come into effect that:

- (i) Preclude the Sutton Investors, Releasers, including the Sutton Plaintiff; the Trustee for itself and for the other Sorrenti Releasers; and OTC for itself and for the other OTC Releasers from suing the ADI Releasees;
- (ii) Preclude the Sutton Investor Releasers, including the Sutton Plaintiff; the Trustee for itself and for the other Sorrenti Releasers; and OTC for itself and for the other OTC Releasers from suing anyone who may claim contribution and indemnity from the ADI Releasees; and
- (iii) Require the Sutton Investor Releasers and the OTC Releasers to limit their claims against any Non-Settling Defendant or other person to exclude claims for damages attributable to their aggregate several liability.

The Trustee, with the support of Representative Counsel, has determined that the Sutton Settlement Agreement is, in the circumstances, in the best interests of the Sutton Investors for the following reasons, among others, as it:

- (a) results in a recovery of approximately 91%³ of the outstanding combined principal balance of the Sutton SMLs or 109% when considering Previously Paid Amounts;
- (b) contains specific debt obligations with clearly specified payment deadlines that are required to be paid by the Guarantor;
- (c) includes a limited recourse guarantee as well as the Second Charge, as security in respect of the Settlement Payment;
- (d) allows the Trustee to monetize the investments of the Sutton Investors who have endured a significant delay in the recovery of their loans given that almost seven years have passed since the maturity dates of the Sutton SMLs; and
- (e) absent a settlement, there is no immediate prospect of a recovery without incurring further significant professional fees, and there is a risk that the recovery to the Sutton Investors from further litigation and/or seeking the appointment of a receiver over the Borrower could be much lower and materially delayed.

Distribution Alternatives

As described in further detail in paragraphs 109 to 122 of the Sixth Report, the Trustee has considered and reviewed the relative priorities between the Sutton 2012 Loan and the Sutton 2014 Loan and the respective potential priority entitlements to the Settlement Payment.

Specifically, the Trustee considered two possible approaches to distribute the Settlement Payment:

- (i) distribution in accordance with the priority of the Sutton SMLs as they are registered on title to the Sutton Project, which approach would result in distributions being made first in respect of the Sutton 2012 Loan until it is repaid in full (including accrued interest) resulting in a recovery on the principal outstanding to the Sutton 2012 Loan of approximately 155% and no balance remaining for the Sutton 2014 Loan; or

³ The recoveries referenced above are calculated net of Class Counsel fees of \$500,000, which are contemplated by the Sutton Settlement Agreement. Furthermore, the recoveries do not include any recoveries to be received by the Sutton Investors from the class action commenced by Class Counsel.

- (ii) distribution on a *pari passu* basis to both Sutton SMLs based on the total principal outstanding under the Sutton SMLs (“**Pari Passu Approach**”). Under the Pari Passu Approach the Sutton 2012 Loan and the Sutton 2014 Loan would each recover approximately 91% on the principal outstanding.

It is the view of the Trustee and Representative Counsel that the Pari Passu Approach provides the fairest and most equitable result for all of the Sutton Investors in the circumstances.

Next Steps:

You should review this notice and the associated Court materials carefully, including the Sixth Report available on the Trustee’s website, and, if desired, arrange to obtain independent legal advice regarding these matters. You can also consult Representative Counsel whose contact information is provided below. Should the Court grant the various Orders and the Trustee’s Certificate be filed, the Trustee will distribute the Initial Payment, net of the existing 35% Administrative Holdback, to the Sutton SMLs as soon as practicable.

Should you have any questions at this time, our contact information is shown below (if you contact us, please reference **Sutton Project**).

Email: Info@FAANMortgageAdmin.com
Toll-Free Telephone Number: **1-833-495-3338**

Should you wish to contact Representative Counsel, its contact information is shown below (if you contact Representative Counsel, please reference **Sutton Project**):

Email: Sorrentiinvestors@Chaitons.com
Toll-Free Telephone Number: **1-833-777-0037**

Yours very truly,

Faan Mortgage Administrators Inc.

**FAAN MORTGAGE ADMINISTRATORS INC.,
IN ITS CAPACITY AS COURT-APPOINTED TRUSTEE OF
DEREK SORRENTI AND SORRENTI LAW PROFESSIONAL CORPORATION
IN RESPECT OF THE SYNDICATED MORTGAGE LOAN ADMINISTRATION BUSINESS,
AND NOT IN ITS PERSONAL OR ANY OTHER CAPACITY**



May 4, 2023

Dear Lender:

Re: Derek Sorrenti or Sorrenti Law Professional Corporation relating to Sorrenti's trusteeship and administration of syndicated mortgage loans

As you are aware, on September 30, 2019, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") (the "**Appointment Order**"), FAAN Mortgage Administrators Inc. was appointed as trustee (in such capacity, the "**Trustee**") of all of the assets, undertakings and properties of Derek Sorrenti or Sorrenti Law Professional Corporation (collectively, "**Sorrenti**") relating to Sorrenti's trusteeship and administration of syndicated mortgage loans ("**Sorrenti SMLs**") in projects affiliated with Fortress Real Developments Inc. ("**FRDI**") and all of its direct or indirect affiliates and any entity under common control with FRDI. The Trustee's appointment resulted from an application made by the Law Society of Ontario under Section 49.47 of the *Law Society Act*, R.S.O. 1990. c. L.8, and section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, each as amended. The Appointment Order also appointed Chaitons LLP as representative counsel ("**Representative Counsel**") to persons who made loans through the Sorrenti SMLs.

On May 4, 2023, the Trustee served materials in connection with its motion scheduled to be heard via a virtual Court hearing on **June 1, 2023 at 10:00 a.m.** (the "**June Motion**"). To the extent that you would like further information in respect of the June Motion, please contact the Trustee directly at the telephone number or email address provided below. The Trustee's motion record, including the Trustee's sixth report ("**Sixth Report**") to the Court, are available on the Trustee's website at <http://faanmortgageadmin.com> in a section specifically designated for the Sorrenti proceedings.

All capitalized terms not otherwise defined in this notice have the meanings ascribed to them in the Sixth Report.

At the June Motion, the Trustee is seeking the following Orders that would, among other things:

- approve the Sutton Settlement Agreement ("**Sutton Settlement Approval Order**");
- provided the Sutton Settlement Approval Order is granted, approve:
 - (i) the distribution of the Settlement Payment, to be received in respect of the Sutton Project, on a *pari passu* basis to the syndicated mortgage lenders who advanced funds pursuant to the Sutton 2012 Loan and the Sutton 2014 Loan; and
 - (ii) an amendment to paragraph 3 of the First Omnibus Order, as amended by the Third Omnibus Order, to replace all references to "65%" with "75%", so that the Trustee shall be required to distribute 75% of any Realized Property *pro rata* to the Investors entitled to such funds following the receipt by the Trustee of a further \$10 million of Realized Property (in addition to the Initial Payment received in respect of the Sutton Project), whether received before or after the date of the Fourth Omnibus Order; and



- approve (i) the Sixth Report and activities of the Trustee described therein; and (ii) the Trustee's fees and disbursements, including the fees and disbursements of its counsel, for the period from March 1, 2022 to February 28, 2023.

The Sixth Report provides, among other things, a comprehensive update with respect to the various projects involving the Sorrenti SMLs since the Trustee's fifth report to Court dated March 31, 2022.

To assist in understanding the status of your particular Sorrenti SML, the Trustee has updated a chart setting out specific details regarding the capital structure, development progress, and status of enforcement proceedings, if any, for each of the projects involving Sorrenti SMLs ("Project Analysis Summary"). The Project Analysis Summary is included as an appendix to the Sixth Report and has also been posted separately on the Trustee's website for ease of reference.

Should you have any questions at this time, the Trustee's contact information is shown below (if you contact us, please reference the **June Motion**).

Email: Info@FAANMortgageAdmin.com
Toll-Free Telephone Number: **1-833-495-3338**

Should you wish to contact Representative Counsel, its contact information is shown below (if you contact Representative Counsel, please reference the **June Motion**).

Email: Sorrentiinvestors@chaitons.com
Toll-Free Telephone Number: **1-833-777-0037**

Yours very truly,

Faan Mortgage Administrators Inc.

**FAAN MORTGAGE ADMINISTRATORS INC.,
SOLELY IN ITS CAPACITY AS COURT-APPOINTED TRUSTEE OF
DEREK SORRENTI AND SORRENTI LAW PROFESSIONAL CORPORATION
IN RESPECT OF THE SYNDICATED MORTGAGE LOAN ADMINISTRATION BUSINESS,
AND NOT IN ITS PERSONAL OR ANY OTHER CAPACITY**

Appendix 14:

**Notice to Unionvillas Syndicated Mortgage Loan
Investors dated September 23, 2022**



September 23, 2022

Dear Lender:

Re: Syndicated Mortgage Loan made to Sunrise Acquisitions (Hwy 7) Inc. (“Borrower”) in respect of certain properties located at Highway 7 East in Markham, ON (“Unionvillas Project”)

As you are aware, on September 30, 2019, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (“**Court**”) (“**Appointment Order**”), FAAN Mortgage Administrators Inc. was appointed as trustee (in such capacity, the “**Trustee**”) of all of the assets, undertakings and properties of Derek Sorrenti or Sorrenti Law Professional Corporation (collectively, “**Sorrenti**”) relating to Sorrenti’s trusteeship and administration of syndicated mortgage loans in projects affiliated with Fortress Real Developments Inc. and certain related entities. The Trustee’s appointment resulted from an application made by the Law Society of Ontario under Section 49.47 of the *Law Society Act*, R.S.O. 1990, c. L.8, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, each as amended. The Appointment Order also appointed Chaitons LLP as representative counsel (“**Representative Counsel**”) to persons who made loans through the syndicated mortgage loans administered by Sorrenti.

We are writing to you in our capacity as Trustee regarding the syndicated mortgage loan (“**Sorrenti Loan**”) made by you and other syndicated mortgage lenders (collectively, “**Unionvillas SMLs**”) through Sorrenti in respect of the Unionvillas Project and further to our notice dated March 18, 2022 (“**Notice**”).

As was advised in the Notice, on June 9, 2021, the Court issued an order (“**Receivership Order**”) appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (“**Receiver**”) of the Borrower and its property and assets.

The purpose of this notice is to provide an update regarding the Receiver’s ongoing investigation into: (i) the Borrower, (ii) the principals of the Borrower (“**Principals**”), (iii) the spouses of the Principals (“**Spouses**”), and (iv) the circumstances surrounding the Unionvillas Project, which was initially outlined in the Receiver’s third report to Court dated October 20, 2021 (“**Receiver’s Third Report**”). This notice also advises of additional steps taken by the Trustee in respect of the Borrower since the issuance of the Notice.

Actions taken by the Receiver

On August 5, 2022, the Receiver served motion materials, including a second supplemental report to the Receiver’s Third Report (“**Second Supplemental Report**”), in support of its motion recommending that the Court grant an Order that, among other things, directs the



Principals, the Spouses, the Related Sunrise Parties (as defined below), and the shareholders of the Dissolved Related Sunrise Parties (as defined below) to immediately pay to the Receiver all funds improperly diverted from and/or owing to the Borrower. The Receiver's Second Supplemental Report is available on the Receiver's website at: <https://www.ksvadvisory.com/insolvency-cases/case/sunrise-acquisitions>.

The Receiver's key findings are described in detail in the Receiver's Second Supplemental Report and include, among other things, the following:

1. **Payments to Sunrise Parties**

Based on the information provided to the Receiver by the Borrower's financial institution ("**Bank Information**"), the Receiver identified several material discrepancies between the Bank Information and the information recorded in the Borrower's general ledger ("**General Ledger**"). These discrepancies primarily relate to amounts recorded in the General Ledger as having been paid to suppliers, which is contrary to the Bank Information which indicates that these amounts were actually paid to related companies and persons (collectively, the "**Related Sunrise Parties**") and the Principals (together with the Related Sunrise Parties, the "**Sunrise Parties**"). The Receiver noted that on a net basis, approximately \$11.4 million was paid to the Sunrise Parties, of which more than 90% was not recorded in the General Ledger.

The Receiver also noted, among other things, the following with respect to the Payments to the Sunrise Parties:

- i. Of the net amount of \$11.4 million paid to the Sunrise Parties, approximately half was paid directly to the Principals and the balance was paid to the Related Sunrise Parties;
- ii. Most of the funds advanced to the Related Sunrise Parties were advanced to other Sunrise single purpose entities involved in the construction of other Sunrise projects and not the Unionvillas Project, at least one of which has been voluntarily dissolved (collectively with any other dissolved Related Sunrise Parties, the "**Dissolved Related Sunrise Parties**");
- iii. In addition to the funds that the Principals received directly, the Receiver is of the view that the Principals were also the indirect beneficiaries of the funds advanced to the Related Sunrise Parties. Each of the Related Sunrise Parties (with the exception of one party) are a part of the Sunrise Homes Real Property Development Group, and the Principals are directors and officers of each of these corporate parties;

- iv. The funds advanced by the Unionvillas SMLs to the Borrower appear to have been largely advanced to the Sunrise Parties, without any apparent basis for the advances and in contravention of, among other things, the Sorrenti Loan, which stipulates that the Sorrenti Loan was to be used to provide funding in respect of development costs for the Unionvillas Project; and
- v. The Borrower is unable to repay the Unionvillas SMLs as a result of, among other things, the diversion of these funds from the Borrower to the Sunrise Parties.

2. Unpaid Occupancy Fees

The Spouses appear to have breached the terms of their purchase and sale agreements for the townhouse units they purchased by not paying the required monthly occupancy fees due to the Borrower in the amount of approximately \$175,000.

3. Conveyances and/or Encumbrances of the Principals' and Spouses' Properties

The Principals and Spouses personally appear to own several real estate properties in Ontario. The Second Supplemental Report identifies and details transactions with respect to the transfer of two properties from the Principals to the Spouses or vice versa for the sum of \$1.00 and the withdrawal of equity from a further five properties by placing mortgages on each of those properties during or within one year prior to the commencement of the Receivership Proceedings.

On September 16, 2022, the Principals, Spouses and Related Sunrise Parties served a Responding Motion Record responding in part to the Receiver's motion. These parties advised that they intend to file a supplementary affidavit on October 21, 2022, following receipt of an external accounting report.

Actions taken by the Trustee

In addition to the actions taken by the Receiver, the Trustee served materials in connection with its application for a bankruptcy order in respect of the Borrower, which is scheduled to be heard in writing by the bankruptcy court on October 25, 2022. KSV has consented to act as bankruptcy trustee and the Trustee has been advised that the Borrower does not intend to object to the Trustee's application. The Trustee's materials related to this application are posted on the Trustee's website at <http://faanmortgageadmin.com/>.

The Trustee is of the view that if the bankruptcy order is granted, the broad investigatory and other powers given to trustees-in-bankruptcy may further assist in recovering funds that appear to have been diverted by and from the Borrower to the Sunrise Parties. These



powers would supplement the powers the Receiver currently has pursuant to the Receivership Order.

Next Steps

The Trustee will keep you informed of material developments related to each of these matters.

Should you have any questions at this time, our contact information is shown below (if you contact us, please reference **Unionvillas Project**).

Email: Info@FAANMortgageAdmin.com
Toll-Free Telephone Number: **1-833-495-3338**

Should you wish to contact Representative Counsel, its contact information is shown below (if you contact Representative Counsel, please reference **Unionvillas Project**):

Email: Sorrentiinvestors@Chaitons.com
Toll-Free Telephone Number: **1-833-777-0037**

Yours very truly,

Faan Mortgage Administrators Inc.

**FAAN MORTGAGE ADMINISTRATORS INC.
IN ITS CAPACITY AS COURT-APPOINTED TRUSTEE
OF DEREK SORRENTI OR SORRENTI LAW PROFESSIONAL CORPORATION
IN RESPECT OF THE SYNDICATED MORTGAGE LOAN ADMINISTRATION BUSINESS,
AND NOT IN ITS PERSONAL OR ANY OTHER CAPACITY**

Appendix 15:

Consent Sunrise Parties Full Repayment Order



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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE
JUSTICE OSBORNE

)
)
)

TUESDAY, THE 20TH
DAY OF DECEMBER, 2022

B E T W E E N:

KINGSETT MORTGAGE CORPORATION

Applicant

- and -

SUNRISE ACQUISITIONS (HWY 7) INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

ORDER
(Repayment of Amounts Owing)

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Sunrise Acquisitions (Hwy 7) Inc. (the "**Company**") acquired for or used in relation to a business carried on by the Company and the proceeds therefrom, for an Order, *inter alia*, directing payment of certain amounts due and owing to the Company, was heard this day at 330 University Avenue, Toronto, Ontario.

-2-

ON READING the Motion Record of the Receiver dated August 5, 2022, the Responding Motion Record of the responding parties dated September 16, 2022, the Supplementary Responding Motion Record of the responding parties dated October 18, 2022, the Further Supplementary Responding Motion Record of the responding parties dated November 23, 2022, the Reply Motion Record of the Receiver dated November 30, 2022, the Brief of Transcripts dated November 30, 2022, the Factum and Authorities of the Receiver dated December 2, 2022, the Responding Factum of the responding parties dated December 12, 2022, and the Reply Factum and Authorities of the Receiver dated December 16, 2022, and on hearing the submissions of counsel for the Receiver and counsel for the responding parties, and such other counsel that were present, with Nayyar Shabbar not appearing although properly served,

AND UPON BEING ADVISED that each of Muzammil Kodwavi, Sajjad Hussain, SH & MK Management Inc., Sunrise Homes Ltd., Sunrise Acquisitions (Bronte) Inc., Sunrise Acquisitions (Unionville) Inc., Sunrise Acquisitions (Keswick) Inc., Sunrise Acquisitions (Keswick II) Inc., Sunrise Acquisitions (Tisdale) Inc., Sunrise Acquisitions (Tisdale II) Inc., Sunrise Acquisitions Inc., Sunrise Acquisitions (Burlington) Inc., IKH Holdings Inc., Amal Financial Inc., and 2303484 Ontario Inc. (collectively, the "**Acknowledged Debtors**") and the Receiver consent to this Order,

AND UPON BEING FURTHER ADVISED that the balance of the relief sought on the Receiver's motion, including, without limitation, with respect to the issues of joint and several liability and the Receiver's entitlement to Occupancy Fees (as defined in the Receiver's Notice of Motion dated July 6, 2022), costs and interest are to be adjourned to January 31ST, 2023, with the Acknowledged Debtors being at liberty to file a supplementary factum of no longer than 10-pages (but no additional evidence) provided at least CAD\$500,000 is paid to the Receiver by the



-3-

Acknowledged Debtors by no later than December 29, 2022, and the Receiver being at liberty to file a further reply factum of no longer than 10-pages (but no additional evidence),

REPLACEMENT OF THE EXISTING REPAYMENT ORDER

1. **THIS COURT ORDERS** that the Order of the Honourable Justice Kimmel in these proceedings dated November 2, 2022 is hereby vacated and replaced with this Order.

JUDGMENT ON ACKNOWLEDGED DEBT AND THE DEBT OF NAYYAR SHABBAR

2. **THIS COURT ORDERS** that the amount of CAD\$14,359,012 is due and payable to the Receiver forthwith, with liability of the Acknowledged Debtors as noted below:

- (a) CAD\$2,701,966 payable forthwith by Muzammil Kodwavi,
- (b) CAD\$2,475,423 payable forthwith by Sajjad Hussain,
- (c) CAD\$1,803,154 payable forthwith by SH & MK Management Inc.,
- (d) CAD\$613,650 payable forthwith by Sunrise Homes Ltd.,
- (e) CAD\$2,490,550 payable forthwith by Sunrise Acquisitions (Bronte) Inc.,
- (f) CAD\$1,528,100 payable forthwith by Sunrise Acquisitions (Unionville) Inc.,
- (g) CAD\$1,247,475 payable forthwith by Sunrise Acquisitions (Keswick) Inc.,
- (h) CAD\$282,200 payable forthwith by Sunrise Acquisitions (Keswick II) Inc.,
- (i) CAD\$281,300 payable forthwith by Sunrise Acquisitions (Tisdale) Inc.,

-4-

- (j) CAD\$80,650 payable forthwith by Sunrise Acquisitions (Tisdale II) Inc.,
- (k) CAD\$57,040 payable forthwith by Sunrise Acquisitions Inc.,
- (l) CAD\$300 payable forthwith by Sunrise Acquisitions (Burlington) Inc.,
- (m) CAD\$63,432 payable forthwith by IKH Holdings Inc.,
- (n) CAD\$9,079 payable forthwith by Amal Financial Inc., and
- (o) CAD\$250 payable forthwith by 2303484 Ontario Inc.

3. **THIS COURT ORDERS** that the amount of CAD\$724,443 is due and payable to the Receiver forthwith by Nayyar Shabbar.

4. **THIS COURT ORDERS** that all amounts due and payable under this Order bear interest at the rate of 4% percent per year commencing from the date of this Order.

PROHIBITION ON DISSIPATION OF ASSETS

5. **THIS COURT ORDERS** that the Acknowledged Debtors, including, as applicable, their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this Order, are hereby prohibited and enjoined from selling, transferring, conveying, alienating, dissipating, pledging or similarly dealing with any assets outside the ordinary course.

6. **THIS COURT ORDERS** that paragraph 5 of this Order applies to all of the Acknowledged Debtors' assets whether or not they are in their own name and whether they are solely or jointly owned. For the purpose of this order, the Acknowledged Debtors' assets include

-5-

any asset which they have the power, directly or indirectly, to dispose of or deal with as if it were their own. The Acknowledged Debtors are to be regarded as having such power if a third party holds or controls the assets in accordance with their direct or indirect instructions.

SURVIVAL

7. **THIS COURT ORDERS AND DECLARES** that, as against Muzammil Kodwavi and Sajjad Hussain, this Order survives any personal bankruptcy pursuant to and in accordance with subsection 178(1)(d) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA").

RECEIVER'S AND TRUSTEE'S RIGHTS AND REMEDIES

8. **THIS COURT ORDERS AND DECLARES** that this Order is made without prejudice to any and all of the Receiver's rights and remedies at law and in equity with respect to any matters not addressed directly in this Order, including with respect to the balance of the outstanding issues on the Receiver's motion (such as the joint and several liability of the Acknowledged Debtors, and the Receiver's entitlement to Occupancy Fees, costs and interest), as well as those of the Company's Licensed Insolvency Trustee in Bankruptcy, including, without limitation, under sections 95-96 of the BIA and under the *Fraudulent Conveyances Act*, R.S.O. 1990, c. F.29 and *Assignments and Preferences Act*, R.S.O. 1990, c. A.33.

9. **THIS COURT ORDERS** that the portions of the Receiver's motion not addressed in this Order, including, without limitation, with respect to the issues of joint and several liability and the Receiver's entitlement to Occupancy Fees, costs and interests, shall be adjourned to January 31, 2023. Provided that the Acknowledged Debtors pay to the Receiver at least CAD\$500,000 by no



later than December 29, 2022, the Acknowledged Debtors shall be permitted to file a supplementary factum of no longer than 10-pages on or before January 10, 2023. The Receiver may file a reply factum of no longer than 10-pages on or before January 19, 2023.

RD
RW

GENERAL

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

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date of this Order, and this Order is enforceable without the need for entry or filing.



The Honourable Justice Osborne

KINGSETT MORTGAGE CORPORATION

Applicant

-and-

SUNRISE ACQUISITIONS (HWY 7) I

Respon

Court File No. CV-21-00663051-00

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

Proceeding commenced at Toronto

**ORDER
(Repayment of Amounts Owing)**

BENNETT JONES LLP
100 King Street West
Suite 3400
Toronto, ON M5X 1A4

Sean H. Zweig
Tel: 416.777.6254

Joseph N. Blinick
Tel: 416.777.4828

Joshua Foster
Tel: 416.777.7906

Lawyers for KSV Restructuring Inc.,
the Court-appointed Receiver

Appendix 16:

Unionvillas Consent Payment Order and Endorsement

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) FRIDAY, THE 14TH
)
JUSTICE OSBORNE) DAY OF APRIL, 2023

B E T W E E N:

KINGSETT MORTGAGE CORPORATION

Applicant

- and -

SUNRISE ACQUISITIONS (HWY 7) INC.

Respondent

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

AMENDED AND RESTATED ORDER
(Amending Order for Repayment of Amounts Owing Dated December 20, 2022)

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Sunrise Acquisitions (Hwy 7) Inc. (the "**Company**") acquired for or used in relation to a business carried on by the Company and the proceeds therefrom, for an Order, *inter alia*, directing payment of certain amounts due and owing to the Company, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Receiver dated August 5, 2022, the Responding Motion Record of the responding parties dated September 16, 2022, the Supplementary Responding Motion Record of the responding parties dated October 18, 2022, the Further Supplementary Responding Motion Record of the responding parties dated November 23, 2022, the Reply Motion Record of the Receiver dated November 30, 2022, the Brief of Transcripts dated November 30, 2022, the Factum and Authorities of the Receiver dated December 2, 2022, the Responding Factum of the responding parties dated December 12, 2022, the Reply Factum and Authorities of the Receiver dated December 16, 2022, the Order of the Honourable Justice Osborne dated December 20, 2022 (the "**December 20 Order**"), and the endorsement of the Honourable Justice Osborne issued in connection with the December 20 Order, and on hearing the submissions of counsel for the Receiver and counsel for the responding parties, and such other counsel that were present, no one else appearing although duly served as appears from the Affidavits of Service, filed;

AND UPON BEING ADVISED that each of Muzammil Kodwavi, Safana Kodwavi, Sajjad Hussain, Mahvesh Hussain, SH & MK Management Inc., Sunrise Homes Ltd., Sunrise Acquisitions (Bronte) Inc., Sunrise Acquisitions (Unionville) Inc., Sunrise Acquisitions (Keswick) Inc., Sunrise Acquisitions (Keswick II) Inc., Sunrise Acquisitions (Tisdale) Inc., Sunrise Acquisitions (Tisdale II) Inc., Sunrise Acquisitions Inc., Sunrise Acquisitions (Burlington) Inc.,

IKH Holdings Inc., Amal Financial Inc., and 2303484 Ontario Inc. (collectively, the "**Acknowledged Debtors**") and the Receiver consent to this Order,

REPLACEMENT OF THE EXISTING REPAYMENT ORDER

1. **THIS COURT ORDERS** that the Order of the Honourable Justice Kimmel in these proceedings dated November 2, 2022 is hereby vacated and replaced with this Order.

JUDGMENT ON ACKNOWLEDGED DEBT AND THE DEBT OF NAYYAR SHABBAR

2. **THIS COURT ORDERS** that the amount of CAD\$14,510,545.24 (the "**Repayment Amount**") is due and payable to the Receiver forthwith, with liability of the applicable parties as noted below:

- (a) CAD\$14,334,012 payable forthwith by Sajjad Hussain, Muzammil Kodwavi (together, the "**Principals**"), SH & MK Management Inc., Sunrise Homes Ltd., Sunrise Acquisitions (Bronte) Inc., Sunrise Acquisitions (Unionville) Inc., Sunrise Acquisitions (Keswick) Inc., Sunrise Acquisitions (Keswick II) Inc., Sunrise Acquisitions (Tisdale) Inc., Sunrise Acquisitions (Tisdale II) Inc., Sunrise Acquisitions Inc., Sunrise Acquisitions (Burlington) Inc., IKH Holdings Inc., Amal Financial Inc. and 2303484 Ontario Inc. on a joint and several basis;
- (b) CAD\$724,443 payable forthwith by Nayyar Shabbar; and
- (c) CAD\$132,353.35 and CAD\$44,179.89 (together, the "**Unpaid Occupancy Fees**") payable forthwith by Safana Kodwavi ("**Ms. Kodwavi**") and Mahvesh Hussain

("Ms. Hussain"), respectively, with the Principals being jointly and severally liable with Ms. Kodwavi and Ms. Hussain for these amounts.

3. **THIS COURT ORDERS** that (i) the Repayment Amount, exclusive of the Unpaid Occupancy Fees, bears interest at the rate of 4% per year commencing from December 20, 2022 (being the date of the December 20 Order), and (ii) the Unpaid Occupancy Fees bear interest at the rate of 4% per year commencing from the date of this Order.

COSTS

4. **THIS COURT ORDERS** that the Receiver's costs relating to this Order are to be awarded as against the Acknowledged Debtors in the amount of CAD\$500,000.00.

PROHIBITION ON DISSIPATION OF ASSETS

5. **THIS COURT ORDERS** that, without the prior written consent of the Receiver, the Acknowledged Debtors, including, as applicable, their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this Order, are hereby prohibited, restrained and enjoined from directly or indirectly, by any means whatsoever (i) selling, removing, transferring, conveying, alienating, dissipating, pledging, encumbering or similarly dealing with any assets of the Acknowledged Debtors, wherever situate, outside the ordinary course, (ii) instructing, counselling, demanding or encouraging any other person to do so, and (iii) facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so, until the Repayment Amount is repaid in full.

6. **THIS COURT ORDERS** that paragraph 5 of this Order applies to all of the Acknowledged Debtors' assets whether or not they are in their own name and whether they are solely or jointly owned. For the purpose of this order, the Acknowledged Debtors' assets include any asset which they have the power, directly or indirectly, to dispose of or deal with as if it were their own. The Acknowledged Debtors are to be regarded as having such power if a third party holds or controls the assets in accordance with their direct or indirect instructions.

SURVIVAL

7. **THIS COURT ORDERS AND DECLARES** that, as against the Principals, this Order survives any personal bankruptcy pursuant to and in accordance with subsection 178(1)(d) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), as a debt or liability arising out of fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity.

RECEIVER'S AND TRUSTEE'S RIGHTS AND REMEDIES

8. **THIS COURT ORDERS AND DECLARES** that this Order is made without prejudice to any of the Receiver's rights and remedies at law and in equity with respect to any matters not addressed directly in this Order, including, without limitation, with respect to the Receiver's entitlement to costs and interest as against parties other than the Acknowledged Debtors, and those of the Company's Licensed Insolvency Trustee in Bankruptcy, including, without limitation, under sections 95-96 of the BIA and under the *Fraudulent Conveyances Act*, R.S.O. 1990, c. F.29 and *Assignments and Preferences Act*, R.S.O. 1990, c. A.33.

GENERAL

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

10. **THIS COURT ORDERS** that the December 20 Order is hereby amended and restated pursuant to this Order, and this Order and all of its provisions are effective from the date of this Order, and this Order is enforceable without the need for entry or filing.

The Honourable Justice Osborne

KINGSETT MORTGAGE CORPORATION

-and-

SUNRISE ACQUISITIONS (HWY 7) INC.

Applicant

Respondent

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

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

Proceeding commenced at Toronto

**AMENDED AND RESTATED ORDER
(Amending Order for Repayment of Amounts Owing Dated December 20, 2022)**

BENNETT JONES LLP
100 King Street West
Suite 3400
Toronto, ON M5X 1A4

Sean H. Zweig
Tel: 416.777.6254
zweigs@bennettjones.com

Joseph N. Blinick
Tel: 416.777.4828
blinickj@bennettjones.com

Joshua Foster
Tel: 416.777.7906
fosterj@bennettjones.com

Lawyers for KSV Restructuring Inc.,
the Court-appointed Receiver



SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

COUNSEL SLIP / ENDORSEMENT

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

DATE: 14 April 2023

NO. ON LIST: 3

TITLE OF PROCEEDING: **KINGSETT MORTGAGE CORPORATION v. SUNRISE
ACQUISITIONS (HWY 7) INC.**

BEFORE JUSTICE: **OSBORNE**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Joseph Blinick	KSV Restructuring Inc.	blinickj@bennettjones.com fosterj@bennettjones.com
	Nayyar Shabbar	

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Sara Mosadeq	Sunrise Acquisitions Hwy 7 Inc., Sunrise Homes Ltd. Sunrise Acquisitions Unionville Inc. Sunrise Acquisitions Bronte inc, Sunrise Acquisitions Keswick Inc, Sunrise Acquisitions Tidale Inc. SH & MK Management Inc, Sunrise Acquisitions Keswick II, Sajjad Hussain, Muzammil Kodwavi, Safana Kodwavi and Mahvesh Hussain	sara@rarlitigation.com
Mary Paterson	Fan Mortgage Administrators as Court appointed Trustee	mpaterson@osler.com

Laura Culleton	Syndicated Mortgage Investors	laurac@chaitons.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Amandeep Sidhu	Nayyar Shabbar	asidhu@kmbllaw.com

ENDORSEMENT OF JUSTICE OSBORNE:

1. This motion came on for hearing on the merits today. At the outset of submissions, counsel advised that the parties had reached a settlement late yesterday.
2. That settlement resolves all issues save and except the entitlement to Mr. Shabbar, now appearing in represented today, to the sum of \$724,443 and related issues. Ms. Mosadeq confirmed that her consent was in respect of all issues except for those directly affecting Mr. Shabbat are, who of course has his own counsel.
3. The Receiver will file a formal Report to the court which will include the Minutes of Settlement.
4. The parties presented a draft amended and restated order today, which has the consent of all parties. As noted, it is made as against the settlement reached yesterday and reflects the consent resolution of all issues except as noted above.
5. Order to go in the form signed by me today which is effective immediately and without the necessity of issuing and entering.
6. I commend counsel on their comprehensive settlement of these complicated issues.
7. Counsel for the Receiver and counsel for Mr. Shabbat are will work out among themselves a schedule to deal with that motion and then time can be booked through the Commercial List office if the matter proceeds on a contested basis.

Osborne, J.

Appendix 17:

Unionvillas Investor Notice



May 4, 2023

Dear Lender:

Re: Syndicated Mortgage Loan made to Sunrise Acquisitions (Hwy 7) Inc. (“Borrower”) in respect of certain properties located at Highway 7 East in Markham, ON (“Unionvillas Project”)

As you are aware, on September 30, 2019, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (“**Court**”) (“**Appointment Order**”), FAAN Mortgage Administrators Inc. was appointed as trustee (in such capacity, the “**Trustee**”) of all of the assets, undertakings and properties of Derek Sorrenti or Sorrenti Law Professional Corporation (collectively, “**Sorrenti**”) relating to Sorrenti’s trusteeship and administration of syndicated mortgage loans in projects affiliated with Fortress Real Developments Inc. and certain related entities. The Trustee’s appointment resulted from an application made by the Law Society of Ontario under Section 49.47 of the *Law Society Act*, R.S.O. 1990. c. L.8, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, each as amended. The Appointment Order also appointed Chaitons LLP as representative counsel (“**Representative Counsel**”) to persons who made loans through the syndicated mortgage loans administered by Sorrenti.

We are writing to you in our capacity as Trustee regarding the syndicated mortgage loan (“**Unionvillas Loan**”) made by you and other syndicated mortgage lenders (collectively, “**Unionvillas SMLs**”) through Sorrenti in respect of the Unionvillas Project and further to our notice dated September 23, 2022 (“**September Notice**”).

As you are aware, on June 9, 2021, the Court issued an order appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (“**Receiver**”) of the Borrower and its property and assets.

The purpose of this notice, among other things, is to: (i) provide an update regarding the motion filed by the Receiver, seeking an Order, among other things, directing the principals of the Borrower (“**Principals**”), the spouses of the Principals (“**Spouses**”) and other related companies and persons (collectively, the “**Sunrise Parties**”) to immediately pay to the Receiver all funds improperly diverted from and/owing to the Borrower (“**Motion for Repayment of Amounts Owning**”); and (ii), advise of the \$10.5 million settlement agreement entered into between the Receiver and the Sunrise Parties (“**Settlement Agreement**”).

Actions taken by the Receiver

As was previously advised, the Receiver's key findings which are detailed in its various reports, include, among other things, that the Borrower appears to have: (i) paid material amounts to the Sunrise Parties in contravention of the Borrower's various loan agreements; (ii) paid certain amounts to a purported individual lender ("**Individual Lender**"); and (iii), deliberately attempted to mislead the Receiver by providing inaccurate and incomplete information, including by making it appear in its general ledger that the Sunrise Parties were paid significantly less money by the Borrower than was actually paid.

Since the issuance of the September Notice, various materials have been filed by the affected parties and certain Court orders have been granted by the Court, certain of which are highlighted herein.

On September 16, 2022, counsel to the Sunrise Parties served a Responding Motion Record advising, among other things, that they intended to file additional material on October 18, 2022, and that they had retained MNP LLP ("**MNP**") for the purpose of responding to the Receiver's findings with respect to amounts paid to the Sunrise Parties.

On October 18, 2022, the Sunrise Parties served a supplementary Responding Motion Record, which included: (i) an affidavit from one of the Principals, Mr. Kodwavi ("**Affidavit**"); and (ii), the report from MNP ("**MNP Report**").

The MNP Report indicated that based on MNP's review, the Borrower paid approximately \$12.7 million, on a net basis, to the Sunrise Parties and the Individual Lender. In the Affidavit, Mr. Kodwavi, among other things, conceded that (of the amounts paid) \$5.5 million paid to the Sunrise Parties ("**Undisputed Amount**") "ought to be repaid to Sunrise" and swore that he "will make repayment [to the Borrower] in the amount of approximately \$5,549,605".

In light of Mr. Kodwavi's concession as to the Undisputed Amount owing to the Borrower, the Receiver sought and, on November 2, 2022, obtained an order ("**Undisputed Amount Payment Order**") from the Court requiring certain of the Sunrise Parties to pay certain specified portions of the Undisputed Amount to the Receiver forthwith. As of the date of this notice, the payments required to be paid pursuant to the Undisputed Amount Payment Order have not been made. Accordingly, the Receiver has taken initial steps to enforce the Undisputed Amount Payment Order, including registering writs on title to certain properties owned by certain Sunrise Parties.

On December 20, 2022, on consent of the parties, an Order was granted ordering, among other things: (i) the Sunrise Parties and the Individual Lender to forthwith pay to the Receiver approximately \$14.3 million; and (ii), the adjournment of the remaining issues,



including the Sunrise Parties' joint and several liability, to a hearing originally scheduled for January 31, 2023 and ultimately adjourned to April 14, 2023.

Actions taken by the Trustee

As you are aware, in addition to the actions taken by the Receiver, the Trustee served materials in connection with its application for a bankruptcy order in respect of the Borrower. On October 25, 2022, a bankruptcy order was granted and KSV was appointed as the bankruptcy trustee, which appointment was affirmed at the first meeting of creditors ("**Meeting**"). At the Meeting, the Trustee was appointed as the sole inspector in the bankrupt estate of the Borrower.

In light of the various Court orders granted and the then-upcoming motion on April 14, 2023, the bankruptcy trustee (KSV) and the Trustee decided to delay taking steps in the bankruptcy until the Motion for Repayment of Amounts Owing is resolved.

The Settlement Agreement

On April 14, 2023, in lieu of proceeding with the contested motion with respect to the Sunrise Parties' joint and several liability, the parties entered into a Settlement Agreement. The Settlement Agreement contemplates, among other things, that the Sunrise Parties will pay a cumulative amount of \$10.5 million to the Receiver, in \$2 million installments, which payments shall be paid every 60 days. The first installment will be due and owing on the later of: (i) 60 days after the execution of the Settlement Agreement; and (ii), 30 days after the Court grants an order approving the Settlement Agreement. The Receiver has advised the Trustee that a motion seeking Court approval of the Settlement Agreement is scheduled for May 8, 2023.

The Settlement Agreement also contemplated that the parties would obtain from the Court a consent order requiring them to pay approximately \$14.5 million on a joint and several basis. The Settlement Agreement includes a clause that should the Sunrise Parties fail to comply with the payment terms under the Settlement Agreement or breach certain other terms of the Settlement agreement, the Receiver can immediately enforce this consent order. The Court granted this consent order. As a result, the remaining issue in the Motion for Repayment of Amounts Owing relates to the net amount of approximately \$720,000 paid by the Borrower to the Individual Lender. Counsel for the Receiver and counsel for the Individual Lender are negotiating a timetable to resolve this outstanding aspect of the Motion for Repayment of Amounts Owing.

During the motion on May 8, 2023, the Receiver will also seek an order allowing it to pay to the Trustee on behalf of the Unionvillas SMLs any monies received through the Settlement



Agreement or otherwise up to the full amount owed to Unionvillas SMLs in respect of the Unionvillas Loan.

Next Steps

At this time, the outcome regarding the quantum of any future recovery in respect of the Unionvillas Loan continues to remain uncertain as the Settlement Agreement has not yet been approved by the Court and the payments pursuant to the agreement have not yet been made.

The Trustee will keep you informed of material developments related to these matters.

Should you have any questions at this time, our contact information is shown below (if you contact us, please reference **Unionvillas Project**).

Email: Info@FAANMortgageAdmin.com
Toll-Free Telephone Number: **1-833-495-3338**

Should you wish to contact Representative Counsel, its contact information is shown below (if you contact Representative Counsel, please reference **Unionvillas Project**):

Email: Sorrentiinvestors@Chaitons.com
Toll-Free Telephone Number: **1-833-777-0037**

Yours very truly,

Faan Mortgage Administrators Inc.

**FAAN MORTGAGE ADMINISTRATORS INC.
IN ITS CAPACITY AS COURT-APPOINTED TRUSTEE OF
DEREK SORRENTI AND SORRENTI LAW PROFESSIONAL CORPORATION
IN RESPECT OF THE SYNDICATED MORTGAGE LOAN
ADMINISTRATION BUSINESS, AND NOT
IN ITS PERSONAL OR ANY OTHER CAPACITY**

Appendix 18:

Cash Flow Variance Analysis

Sorrenti Law Professional Corporation or Derek Sorrenti - Syndicated Mortgage Loan Administration Business

Variance Analysis for the Period March 12, 2022 to September 30, 2022

(Unaudited; \$C)

	Note	Projected	Actual	Variance
Administrative Holdback		700,000	700,000	-
Collections and other receipts		6,722	10,996	4,274
Total receipts		<u>706,722</u>	<u>710,996</u>	<u>4,274</u>
Personnel		73,689	55,809	17,880
IT costs		9,730	-	9,730
Office expenses		10,500	-	10,500
Bank charges		3,500	1,305	2,196
Appraisals		12,000	5,085	6,915
Professional fees	1	1,638,135	1,326,920	311,215
Total disbursements		<u>1,747,554</u>	<u>1,389,118</u>	<u>358,436</u>
Net cash flow		<u>(1,040,832)</u>	<u>(678,122)</u>	<u>362,709</u>

Notes

1. The positive variance in professional fees is a timing difference, which was reversed between October 2022 and February 2023.

Appendix 19:

Manzoor Affidavit

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

BETWEEN

THE LAW SOCIETY OF ONTARIO

Applicant

- and -

DEREK SORRENTI AND SORRENTI LAW PROFESSIONAL CORPORATION

Respondents

**APPLICATION UNDER
SECTION 49.47 OF THE *LAW SOCIETY ACT*, R.S.O. 1990. C. L.8
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C. 43**

**AFFIDAVIT OF NAVEED MANZOOR
(sworn May 2, 2023)**

I, Naveed Manzoor, of the Town of Oakville, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a managing director of FAAN Mortgage Administrators Inc., the Court-Appointed Trustee (the “**Trustee**”), without security, of all of the assets, undertakings and properties of the Respondent in these proceedings and as such have knowledge of the matters hereinafter deposed. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.¹

¹ Capitalized terms used and not otherwise defined in this affidavit have the meanings given to them in the Sixth Report to Court of the Trustee.

2. I make this affidavit in support of a motion by the Trustee for, among other things, approval of the fees and disbursements of the Trustee.

3. Attached hereto as Exhibit “A” is a copy of each invoice issued by the Trustee for the period between March 1, 2022 and February 28, 2023 (the “**Approval Period**”) setting out the Trustee’s fees, reimbursable expenses and applicable taxes for the relevant period, along with a summary of the activities undertaken by the Trustee in connection with such invoice. I confirm that these accounts accurately reflect the services provided by the Trustee in this matter for the Approval Period and the fees and disbursements claimed by it for the Approval Period.

4. Attached hereto as Exhibit “B” is a schedule of the accounts rendered by the Trustee for the fees and disbursements incurred in connection with the activities summarized in Exhibit “A” undertaken in these proceedings during the Approval Period.

5. Attached hereto as Exhibit “C” is a schedule summarizing the individuals who have worked on this matter, including their roles, hours and rates during the Approval Period.

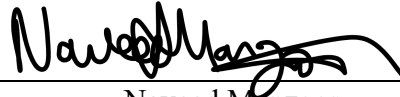
6. Confidential Exhibit “D” (the “**Confidential Manzoor Exhibit**”) hereto contains true copies of the dockets rendered by the Trustee for activities undertaken during the Approval Period. The Trustee is seeking a sealing order with respect to the Confidential Manzoor Exhibit due to the fact that the information contained in the Trustee’s detailed dockets includes privileged and commercially sensitive information regarding the projects and the Respondents generally, and the disclosure of that privileged and/or commercially sensitive information could have a material adverse effect on the recoveries that may ultimately be available to Investors in these proceedings.

7. To the best of my knowledge, the total hours, fees and disbursements incurred by the Trustee for the period between March 1, 2022 and February 28, 2023 are reasonable and appropriate in the circumstances.

SWORN BEFORE ME over video teleconference this 2nd day of May, 2023. The affiant was located in the Town of Oakville in the Province of Ontario and the commissioner was located in the City of Ottawa in the Province of Ontario. The affidavit was commissioned remotely as a result of COVID-19.



Commissioner for Taking Affidavits



Naveed Manzoor

THIS IS EXHIBIT "A" REFERRED TO IN
THE AFFIDAVIT OF NAVEED MANZOOR
SWORN BEFORE ME ON THIS 2nd DAY OF MAY, 2023



A Commissioner for Taking Affidavits

Exhibit A



Invoice 1025

March 31, 2022

Re: **FAAN Mortgage Administrators Inc. in its capacity as Court appointed Trustee (“Trustee”) of Sorrenti Law Professional Corporation and Derek Sorrenti (“Sorrenti”)**

Invoice for the period March 1 to 31, 2022

The Trustee’s activities for the period March 1 to 31, 2022 (“**Period**”), include, but are not limited to the following:

Project Matters

- Throughout the Period the Trustee dealt with numerous project specific matters and corresponded with Osler Hoskin & Harcourt LLP (“**Osler**”), the Trustee’s counsel, and Chaitons LLP (“**Chaitons**”), representative counsel, as necessary regarding same, including, but not limited to, the following:
 - Sutton Project
 - Ongoing internal review and discussions with respect to a potential resolution of amounts owed to the Sutton investors. Discuss the same with Osler.
 - Residence of Bayview/Lotus Project
 - Internal discussions and ongoing analysis regarding information received from the borrower’s counsel with respect to the cash distribution waterfall. Cross referencing cash distribution waterfall to correspondence in Sorrenti’s email records regarding same; and
 - Finalizing letter to the borrower and the borrower’s counsel regarding a resolution of amounts owing to the Bayview investors.
 - 1088 Progress Project
 - Ongoing discussions with the borrower with respect to the remaining letters of credit provided to the City of Toronto and review of agreements in respect of same;



- Ongoing correspondence with the purchaser and its counsel and the borrower regarding closing of the sale transaction. Discussions internally and with Osler regarding same; and
- Drafting and finalizing notice to Progress investors with respect to the sale and closing of the property.
- Unionvillas/Uptowns of Unionville Project
 - Corresponding with the Unionvillas Project receiver (“**Receiver**”) regarding the Court order sought by the Receiver with respect to related party transactions involving certain remaining townhouse units; and
 - Drafting and finalizing notice to the Unionvillas Investors regarding same.
- Soba Project
 - Following up with Borrower to obtain a status update on the project.
- Providing project specific updates to the investors upon request.

General Matters

- Drafting, reviewing and finalizing the Trustee’s Fifth Report to Court dated March 31, 2022, in respect of the motion returnable April 12, 2022 (“**April 12th Motion**”) and corresponding with Osler and Chaitons regarding same;
- Reviewing and commenting on the draft notice of motion and the draft Court order in respect of the April 12th Motion;
- Drafting investor notice in respect of the April 12th Motion;
- Responding to and logging numerous investor calls and emails during the Period;
- Corresponding with Olympia Trust on a periodic basis regarding various matters related to the Sorrenti SMLs;
- Corresponding with Chaitons on a periodic basis regarding the proceedings; and
- Paying administrative expenses.

Total fees per attached time summary	\$	114,224.55
HST		14,849.19
Total	\$	<u>129,073.74</u>



FAAN Mortgage Administrators Inc.
Derek Sorrenti and Sorrenti Law Professional Corporation

Time Summary

For the period March 1 to 31, 2022

Name	Rate	Hours	Amount
Naveed Manzoor	\$ 595	25.00	\$ 14,875.00
Daniel Sobel	\$ 545	88.00	\$ 47,960.00
Lana Bezner	\$ 545	7.69	\$ 4,191.05
Naomi Lieberman	\$ 495	75.80	\$ 37,521.00
Nick Niktikakis	\$ 350	27.65	\$ 9,677.50
Total		224.14	\$114,224.55

Average hourly rate \$ 509.61



Invoice 1026

April 30, 2022

Re: **FAAN Mortgage Administrators Inc. in its capacity as Court appointed Trustee (“Trustee”) of Sorrenti Law Professional Corporation and Derek Sorrenti (“Sorrenti”)**

Invoice for the period April 1 to 30, 2022

The Trustee’s activities for the period April 1 to 30, 2022 (“**Period**”), include, but are not limited to the following:

Project Matters

- Throughout the Period the Trustee dealt with numerous project specific matters and corresponded with Osler Hoskin & Harcourt LLP (“**Osler**”), the Trustee’s counsel, and Chaitons LLP (“**Chaitons**”), representative counsel, as necessary regarding same, including, but not limited to, the following:
 - Sutton Project
 - Internal review and discussions with Osler with respect to draft settlement offer received from the project borrower. Review of appraisal of certain development land owned by a company related to the borrower which is being offered as security for future settlement payment installments.
 - Residence of Bayview/Lotus Project
 - Ongoing correspondence and discussions with the borrower’s counsel regarding next steps; and
 - Preparing and reviewing individual investor distribution notices in respect of a payout on account of the decrease in the quantum of the administrative holdback.
 - 1088 Progress Project
 - Ongoing discussions with the borrower with respect to the remaining letters of credit provided to the City of Toronto and review of agreements in respect of same;



- Ongoing correspondence with the purchaser and the borrower regarding post closing payments and other matters. Discussions internally and with Osler regarding same; and
- Preparing, reviewing and finalizing individual investor distribution notices following receipt of residual proceeds from sale transaction. Completing investor distributions.
- Unionvillas/Uptowns of Unionville Project
 - Ongoing correspondence with the Unionvillas Project receiver (“Receiver”) with respect to next steps. Internal discussions and correspondence with the City with respect to the letters of credits.
 - Internal discussions with Osler and Chaitons with respect to an analysis prepared by Receiver as to its potential next steps and the costs thereof; and
 - Preparing, reviewing and finalizing individual investor distribution notices following receipt of preliminary distribution from Receiver. Completing investor distributions.
- Soba Project
 - Attending to partial discharge matters.
- Providing project specific updates to the investors upon request;

General Matters

- Reviewing and finalizing a notice advising of the service of the Trustee’s Fifth Report to Court dated March 31, 2022;
- Attending at Court for Omnibus motion;
- Responding to and logging numerous investor calls and emails during the Period;
- Corresponding with Chaitons on a periodic basis regarding the proceedings; and
- Paying administrative expenses.

Total fees per attached time summary	\$	64,130.20
HST		8,336.93
Total	\$	<u>72,467.13</u>



FAAN Mortgage Administrators Inc.
Derek Sorrenti and Sorrenti Law Professional Corporation
Time Summary
For the period April 1 to 30, 2022

Name	Rate	Hours	Amount
Naveed Manzoor	\$ 595	22.00	\$ 13,090.00
Daniel Sobel	\$ 545	50.70	\$ 27,631.50
Lana Bezner	\$ 545	1.05	\$ 572.25
Naomi Lieberman	\$ 495	24.71	\$ 12,231.45
Nick Niktikakis	\$ 350	30.30	\$ 10,605.00
Total		128.76	\$ 64,130.20

Average hourly rate \$ 498.06



Invoice 1027

May 31, 2022

Re: **FAAN Mortgage Administrators Inc. in its capacity as Court appointed Trustee (“Trustee”) of Sorrenti Law Professional Corporation and Derek Sorrenti (“Sorrenti”)**

Invoice for the period May 1 to 31, 2022

The Trustee’s activities for the period May 1 to 31, 2022 (“**Period**”), include, but are not limited to the following:

Project Matters

- Throughout the Period the Trustee dealt with numerous project specific matters and corresponded with Osler Hoskin & Harcourt LLP (“**Osler**”), the Trustee’s counsel, and Chaitons LLP (“**Chaitons**”), representative counsel, as necessary regarding same, including, but not limited to, the following:
 - Sutton Project
 - Ongoing internal review and discussions with Osler with respect to a draft settlement agreement including information provided by Guarantor with respect to certain other real estate development projects in its portfolio of projects.
 - Residence of Bayview/Lotus Project
 - Finalizing individual investor distribution notices for the Bayview investors in respect of a payout on account of the decrease in quantum of the administrative holdback and completing distribution thereof.
 - 1088 Progress Project
 - Ongoing discussions with the borrower with respect to the remaining letters of credit provided to the City of Toronto and review of agreements in respect of same.
 - Unionvillas/Uptowns of Unionville Project
 - Preparing for and attending small investor group call and
 - Ongoing correspondence with the Unionvillas Project receiver (“**Receiver**”) with respect to next steps.



- Soba Project
 - Coordinating, reviewing and discussing appraisal obtained by the Trustee for the commercial space.
- Victoria Park (Solotex) Project
 - Drafting individual investor distribution notices for the Victoria Park investors in respect of the payout on account of the decrease in the quantum of the administrative holdback.
- Harmony Village Sheppard (“HVS”) Project
 - Drafting individual investor distribution notices for the HVS investors in respect of the payout on account of the decrease in the quantum of the administrative holdback.
- Gotham Project
 - Drafting individual investor distribution notices for the Gotham investors in respect of the payout on account of the decrease in the quantum of the administrative holdback.
- Providing project specific updates to the investors upon request.

General Matters

- Responding to and logging numerous investor calls and emails during the Period;
- Corresponding with Olympia Trust on a periodic basis regarding various matters related to the Sorrenti SMLs;
- Corresponding with Chaitons on a periodic basis regarding the proceedings;
- Paying administrative expenses;
- Attending meetings, calls and exchanging numerous emails with Osler regarding these proceedings; and
- Dealing with all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	68,876.10
HST		8,953.89
Total	\$	<u>77,829.99</u>



FAAN Mortgage Administrators Inc.
Derek Sorrenti and Sorrenti Law Professional Corporation
Time Summary
For the period May 1 to 31, 2022

Name	Rate	Hours	Amount
Naveed Manzoor	\$ 595	19.00	\$ 11,305.00
Daniel Sobel	\$ 545	50.00	\$ 27,250.00
Lana Bezner	\$ 545	3.65	\$ 1,989.25
Naomi Lieberman	\$ 495	36.13	\$ 17,884.35
Nick Niktikakis	\$ 350	29.85	\$ 10,447.50
Total		138.63	\$ 68,876.10

Average hourly rate \$ 496.83



Invoice 1028

June 30, 2022

Re: **FAAN Mortgage Administrators Inc. in its capacity as Court appointed Trustee (“Trustee”) of Sorrenti Law Professional Corporation and Derek Sorrenti (“Sorrenti”)**

Invoice for the period June 1 to 30, 2022

The Trustee’s activities for the period June 1 to 30, 2022 (“**Period**”), include, but are not limited to the following:

Project Matters

- Throughout the Period the Trustee dealt with numerous project specific matters and corresponded with Osler Hoskin & Harcourt LLP (“**Osler**”), the Trustee’s counsel, and Chaitons LLP (“**Chaitons**”), representative counsel, as necessary regarding same, including, but not limited to, the following:
 - Sutton Project
 - Internal review and discussions with Osler with respect to a revised draft settlement agreement received from the Sutton Project guarantor;
 - Preparing for and attending call with Borrower regarding outstanding matters related to draft settlement agreement; and
 - Reviewing additional information provided by Guarantor with respect to certain other real estate development projects in its portfolio of projects.
 - Unionvillas/Uptowns of Unionville Project
 - Ongoing correspondence with KSV Restructuring Inc., the Unionvillas Project receiver (“**KSV**”) with respect to next steps; and
 - Reviewing draft bankruptcy application material prepared by Osler. Corresponding with Osler and KSV, in its capacity as proposed bankruptcy trustee, re same.
 - Victoria Park (Solotex) Project



- Finalizing individual investor distribution notices for the Victoria Park investors in respect of the payout on account of the decrease in the quantum of the administrative holdback and completing distribution thereof.
- Harmony Village Sheppard Project
 - Finalizing individual investor distribution notices for the Harmony Village Sheppard investors in respect of the payout on account of the decrease in the administrative holdback and completing distribution thereof.
- Gotham Project
 - Finalizing individual investor distribution notices for the Gotham investors in respect of the payout on account of the decrease in the administrative holdback and completing distribution thereof.
- Providing project specific updates to the investors upon request;

General Matters

- Responding to and logging numerous investor calls and emails during the Period;
- Corresponding with Olympia Trust on a periodic basis regarding various matters related to the Sorrenti SMLs;
- Corresponding with Chaitons on a periodic basis regarding the proceedings;
- Paying administrative expenses;
- Attending meetings, calls and exchanging numerous emails with Osler regarding these proceedings; and
- Dealing with all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	66,959.75
HST		8,704.77
Total	\$	<u>75,664.52</u>



FAAN Mortgage Administrators Inc.
Derek Sorrenti and Sorrenti Law Professional Corporation
Time Summary
For the period Jun 1 to 30, 2022

Name	Rate	Hours	Amount
Naveed Manzoor	\$ 595	18.00	\$ 10,710.00
Daniel Sobel	\$ 545	49.00	\$ 26,705.00
Lana Bezner	\$ 545	0.85	\$ 463.25
Shelby Draper	\$ 495	0.50	\$ 247.50
Naomi Lieberman	\$ 495	35.20	\$ 17,424.00
Nick Niktikakis	\$ 350	32.60	\$ 11,410.00
Total		136.15	\$ 66,959.75

Average hourly rate \$ 491.81



Invoice 1029

July 31, 2022

Re: **FAAN Mortgage Administrators Inc. in its capacity as Court appointed Trustee (“Trustee”) of Sorrenti Law Professional Corporation and Derek Sorrenti (“Sorrenti”)**

Invoice for the period July 1 to 31, 2022

The Trustee’s activities for the period July 1 to 31, 2022 (“**Period**”), include, but are not limited to the following:

Project Matters

- Throughout the Period the Trustee dealt with project specific matters and corresponded with Osler Hoskin & Harcourt LLP (“**Osler**”), the Trustee’s counsel, and Chaitons LLP (“**Chaitons**”), representative counsel, as necessary regarding same, including, but not limited to, the following:
 - Sutton Project
 - Ongoing internal review and discussions with Osler with respect to draft settlement agreement and preparing summary of same for purposes of discussion with Osler.
 - Review of updated information provided by the Sutton Project guarantor with respect to property being offered as security for future settlement installments.
 - Unionvillas/Uptowns of Unionville Project
 - Ongoing correspondence with the Unionvillas Project receiver (“**Receiver**”) with respect to next steps and the Receiver’s activities in the receivership proceedings involving this project.
- Providing project specific updates to the investors upon request;



General Matters

- Responding to and logging numerous investor calls and emails during the Period;
- Corresponding with Chaitons on a periodic basis regarding the proceedings;
- Paying administrative expenses;
- Attending meetings, calls and exchanging numerous emails with Osler regarding these proceedings; and
- Dealing with all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	29,274.70
HST		3,805.71
Total	\$	<u>33,080.41</u>



FAAN Mortgage Administrators Inc.
Derek Sorrenti and Sorrenti Law Professional Corporation
Time Summary
For the period Jul 1 to 31, 2022

Name	Rate	Hours	Amount
Naveed Manzoor	\$ 595	12.60	\$ 7,497.00
Daniel Sobel	\$ 545	15.15	\$ 8,256.75
Lana Bezner	\$ 545	0.31	\$ 168.95
Naomi Lieberman	\$ 495	5.50	\$ 2,722.50
Nick Niktikakis	\$ 350	30.37	\$ 10,629.50
Total		63.93	\$ 29,274.70

Average hourly rate \$ 457.92



Invoice 1030

August 31, 2022

Re: **FAAN Mortgage Administrators Inc. in its capacity as Court appointed Trustee (“Trustee”) of Sorrenti Law Professional Corporation and Derek Sorrenti (“Sorrenti”)**

Invoice for the period August 1 to 31, 2022

The Trustee’s activities for the period August 1 to 31, 2022 (“**Period**”), include, but are not limited to the following:

Project Matters

- Throughout the Period the Trustee dealt with numerous project specific matters and corresponded with Osler Hoskin & Harcourt LLP (“**Osler**”), the Trustee’s counsel, and Chaitons LLP (“**Chaitons**”), representative counsel, as necessary regarding same, including, but not limited to, the following:
 - Sutton Project
 - Internal review and discussions with Osler with respect to a revised draft settlement agreement received from the Sutton Project guarantor;
 - Unionvillas/Uptowns of Unionville Project
 - Review of update regarding letters of credit outstanding and related security;
 - Drafting a notice to investors in respect of the Receiver’s ongoing investigation into the borrower and the circumstances surrounding the project; and
 - Review of Court materials to be filed by the Unionvillas Project receiver with respect to its ongoing litigation with the borrower.
 - Providing project specific updates to the investors upon request.



General Matters

- Responding to and logging numerous investor calls and emails during the Period;
- Corresponding with Chaitons on a periodic basis regarding the proceedings;
- Paying administrative expenses;
- Attending meetings, calls and exchanging numerous emails with Osler regarding these proceedings; and
- Dealing with all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	23,655.50
HST		3,075.22
Total	\$	<u>26,730.72</u>



FAAN Mortgage Administrators Inc.
Derek Sorrenti and Sorrenti Law Professional Corporation
Time Summary
For the period Aug 1 to 31, 2022

Name	Rate	Hours	Amount
Naveed Manzoor	\$ 595	11.25	\$ 6,693.75
Daniel Sobel	\$ 545	15.25	\$ 8,311.25
Naomi Lieberman	\$ 495	7.40	\$ 3,663.00
Nick Niktikakis	\$ 350	14.25	\$ 4,987.50
Total		48.15	\$ 23,655.50

Average hourly rate \$ 491.29



Invoice 1031

September 30, 2022

Re: **FAAN Mortgage Administrators Inc. in its capacity as Court appointed Trustee (“Trustee”) of Sorrenti Law Professional Corporation and Derek Sorrenti (“Sorrenti”)**

Invoice for the period September 1 to 30, 2022

The Trustee’s activities for the period September 1 to 30, 2022 (“**Period**”), include, but are not limited to the following:

Project Matters

- Throughout the Period the Trustee dealt with numerous project specific matters and corresponded with Osler Hoskin & Harcourt LLP (“**Osler**”), the Trustee’s counsel, and Chaitons LLP (“**Chaitons**”), representative counsel, as necessary regarding same, including, but not limited to, the following:
 - Sutton Project
 - Ongoing internal review and discussions with respect to revised settlement agreement provided by the Sutton Project guarantor (“**Guarantor**”); and
 - Reviewing orders and other correspondence issued in respect of the Guarantor and certain of its subsidiaries by the Home Construction Regulatory Authority to understand its impact, if any, for the Sutton Investors and the ongoing settlement negotiations with the Sutton Borrower and Guarantor.
 - Unionvillas/Uptowns of Unionville Project
 - Attending calls regarding next steps in the Receiver’s efforts to obtain the release of certain of the outstanding letters of credit; and
 - Drafting, reviewing and finalizing an investor notice dated September 23, 2022.
 - Soba Project
 - Attending to partial discharge matters;



- Providing project specific updates to the investors upon request.

General Matters

- Responding to and logging numerous investor calls and emails during the Period;
- Corresponding with Chaitons on a periodic basis regarding the proceedings;
- Paying administrative expenses;
- Attending meetings, calls and exchanging numerous emails with Osler regarding these proceedings; and
- Dealing with all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	21,332.90
HST		2,773.28
Total	\$	<u>24,106.18</u>



FAAN Mortgage Administrators Inc.
Derek Sorrenti and Sorrenti Law Professional Corporation
Time Summary
For the period Sep 1 to 30, 2022

Name	Rate	Hours	Amount
Naveed Manzoor	\$ 595	8.50	\$ 5,057.50
Daniel Sobel	\$ 545	10.05	\$ 5,477.25
Lana Bezner	\$ 545	2.09	\$ 1,139.05
Naomi Lieberman	\$ 495	12.98	\$ 6,425.10
Nick Niktikakis	\$ 350	9.24	\$ 3,234.00
Total		42.86	\$ 21,332.90

Average hourly rate \$ 497.73



Invoice 1032

October 31, 2022

Re: **FAAN Mortgage Administrators Inc. in its capacity as Court appointed Trustee (“Trustee”) of Sorrenti Law Professional Corporation and Derek Sorrenti (“Sorrenti”)**

Invoice for the period October 1 to 31, 2022

The Trustee’s activities for the period October 1 to 31, 2022 (“**Period**”), include, but are not limited to the following:

Project Matters

- Throughout the Period the Trustee dealt with numerous project specific matters and corresponded with Osler Hoskin & Harcourt LLP (“**Osler**”), the Trustee’s counsel, and Chaitons LLP (“**Chaitons**”), representative counsel, as necessary regarding same, including, but not limited to, the following:
 - Sutton Project
 - Ongoing internal review and discussions with respect to a potential settlement of amounts owed to the Sutton investors; and
 - Attending a call with an appraiser regarding the impact, if any, on certain development land, which is being offered as security for future settlement payment installments, in light of the notices issued by Home Construction Regulatory Authority.
 - Unionvillas/Uptowns of Unionville Project
 - Ongoing correspondence with the Unionvillas Project receiver (“**Receiver**”) with respect to next steps; and
 - Review of Affidavit filed by one of the principals of the borrower in response to the Receiver’s ongoing litigation with the borrower and related parties and related correspondence regarding same.
 - Providing project specific updates to the investors upon request.



General Matters

- Responding to and logging numerous investor calls and emails during the Period;
- Dealing with insurance reporting of potential claims in respect of the SML administration business;
- Corresponding with Chaitons on a periodic basis regarding the proceedings;
- Paying administrative expenses;
- Attending meetings, calls and exchanging numerous emails with Osler regarding these proceedings; and
- Dealing with all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	11,354.05
HST		1,476.03
Total	\$	<u>12,830.08</u>



FAAN Mortgage Administrators Inc.
Derek Sorrenti and Sorrenti Law Professional Corporation
Time Summary
For the period Oct 1 to 31, 2022

Name	Rate	Hours	Amount
Naveed Manzoor	\$ 595	3.75	\$ 2,231.25
Daniel Sobel	\$ 545	8.75	\$ 4,768.75
Lana Bezner	\$ 545	0.20	\$ 109.00
Naomi Lieberman	\$ 495	3.69	\$ 1,826.55
Nick Niktikakis	\$ 350	6.91	\$ 2,418.50
Total		23.30	\$ 11,354.05

Average hourly rate \$ 487.30



Invoice 1033

November 30, 2022

Re: **FAAN Mortgage Administrators Inc. in its capacity as Court appointed Trustee (“Trustee”) of Sorrenti Law Professional Corporation and Derek Sorrenti (“Sorrenti”)**

Invoice for the period November 1 to 30, 2022

The Trustee’s activities for the period November 1 to 30, 2022 (“**Period**”), include, but are not limited to the following:

Project Matters

- Throughout the Period the Trustee dealt with numerous project specific matters and corresponded with Osler Hoskin & Harcourt LLP (“**Osler**”), the Trustee’s counsel, and Chaitons LLP (“**Chaitons**”), representative counsel, as necessary regarding same, including, but not limited to, the following:
 - Sutton Project
 - Ongoing internal review and discussions with respect to draft settlement offer received from the project borrower.
 - Unionvillas/Uptowns of Unionville Project
 - Ongoing correspondence with the Unionvillas Project receiver (“**Receiver**”);
 - Review of Receiver’s draft Court Report;
 - Internal discussions, preparation and correspondence with Osler in advance of the First Meeting of Creditor’s in the borrower’s bankruptcy proceedings; and
 - Attending at First Meeting of Creditors.
 - Providing project specific updates to the investors upon request.



General Matters

- Responding to and logging numerous investor calls and emails during the Period;
- Drafting the Trustee's sixth report to Court;
- Corresponding with Chaitons on a periodic basis regarding the proceedings;
- Paying administrative expenses;
- Attending meetings, calls and exchanging numerous emails with Osler regarding these proceedings; and
- Dealing with all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	24,761.00
HST		3,218.93
Total	\$	<u>27,979.93</u>



FAAN Mortgage Administrators Inc.
Derek Sorrenti and Sorrenti Law Professional Corporation
Time Summary
For the period Nov 1 to 30, 2022

Name	Rate	Hours	Amount
Naveed Manzoor	\$ 595	10.50	\$ 6,247.50
Daniel Sobel	\$ 545	25.05	\$ 13,652.25
Lana Bezner	\$ 545	0.00	\$ -
Naomi Lieberman	\$ 495	6.25	\$ 3,093.75
Nick Niktikakis	\$ 350	5.05	\$ 1,767.50
Total		46.85	\$ 24,761.00

Average hourly rate \$ 528.52



Invoice 1034

December 31, 2022

Re: **FAAN Mortgage Administrators Inc. in its capacity as Court appointed Trustee (“Trustee”) of Sorrenti Law Professional Corporation and Derek Sorrenti (“Sorrenti”)**

Invoice for the period December 1 to 31, 2022

The Trustee’s activities for the period December 1 to 31, 2022 (“**Period**”), include, but are not limited to the following:

Project Matters

- Throughout the Period the Trustee dealt with numerous project specific matters and corresponded with Osler Hoskin & Harcourt LLP (“**Osler**”), the Trustee’s counsel, and Chaitons LLP (“**Chaitons**”), representative counsel, as necessary regarding same, including, but not limited to, the following:
 - 1088 Progress Project
 - Discussions with the borrower with respect to the outstanding remaining letters of credit provided to the City of Toronto, potential HST refunds, status of remaining parking spaces and internal discussions in respect of same;
 - Sutton Project
 - Preparation for and attending an in-person meeting with representatives of the borrower, its counsel and Osler with a view to reaching a potential resolution on certain outstanding issues with respect to the draft settlement agreement;
 - Gathering information on each of the Sutton Loans in order to review the priority among the loans and internal discussion re same; and
 - Review of settlement reached by the Sutton Project guarantor and the Home Construction Regulatory Authority to understand its impact, if any, for the payments contemplated by the draft settlement agreement.



- Unionvillas/Uptowns of Unionville Project
 - Attending calls and review of correspondence with the Unionvillas Project receiver (“Receiver”) with respect to its ongoing litigation with the borrower and other related parties;
 - Review of Receiver’s Court Report and correspondence with Osler in respect of same;
- Providing project specific updates to the investors upon request;

General Matters

- Responding to and logging numerous investor calls and emails during the Period;
- Drafting and reviewing the Trustee’s Sixth Report to Court;
- Corresponding with Chaitons on a periodic basis regarding the proceedings;
- Paying administrative expenses;
- Attending meetings, calls and exchanging numerous emails with Osler regarding these proceedings; and
- Dealing with all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	42,887.85
HST		5,575.42
Total	\$	<u>48,463.27</u>



FAAN Mortgage Administrators Inc.
Derek Sorrenti and Sorrenti Law Professional Corporation
Time Summary
For the period Dec 1 to 31, 2022

Name	Rate	Hours	Amount
Naveed Manzoor	\$ 595	18.50	\$ 11,007.50
Daniel Sobel	\$ 545	22.55	\$ 12,289.75
Lana Bezner	\$ 545	2.13	\$ 1,160.85
Naomi Lieberman	\$ 495	35.45	\$ 17,547.75
Nick Niktikakis	\$ 350	2.52	\$ 882.00
Total		81.15	\$ 42,887.85

Average hourly rate	<u>\$ 528.50</u>
---------------------	------------------



Invoice 1035

January 31, 2023

Re: **FAAN Mortgage Administrators Inc. in its capacity as Court appointed Trustee (“Trustee”) of Sorrenti Law Professional Corporation and Derek Sorrenti (“Sorrenti”)**

Invoice for the period January 1 to 31, 2023

The Trustee’s activities for the period January 1 to 31, 2023 (“**Period**”), include, but are not limited to the following:

Project Matters

- Throughout the Period the Trustee dealt with numerous project specific matters and corresponded with Osler Hoskin & Harcourt LLP (“**Osler**”), the Trustee’s counsel, and Chaitons LLP (“**Chaitons**”), representative counsel, as necessary regarding same, including, but not limited to, the following:
 - Sutton Project
 - Ongoing internal review and discussions with respect to the draft settlement agreement including changes proposed by the borrower’s counsel;
 - Reviewing additional information provided by the project guarantor with respect to, among other things, the unsold commercial units and the rental income being generated; and
 - Preparation for and attending an in-person meeting with representatives of the borrower, its counsel and Osler with a view to reaching a potential resolution on certain outstanding issues with respect to the draft settlement agreement;
 - Providing project specific updates to the investors upon request;

General Matters

- Preparing and reviewing an analysis with respect to a potential reduction to the quantum of the administrative holdback required by the Trustee to maintain the administration of the estate. Discussions with Osler re same;



- Preparing and reviewing the cash flow forecast for the trusteeship;
- Responding to and logging numerous investor calls and emails during the Period;
- Responding to investor queries related to Class Action lawsuits;
- Drafting and reviewing the Trustee's Sixth Report to Court.
- Corresponding with Chaitons on a periodic basis regarding the proceedings;
- Paying administrative expenses;
- Attending meetings, calls and exchanging numerous emails with Osler regarding these proceedings; and
- Dealing with all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	48,103.55
HST		6,253.46
Total	\$	<u>54,357.01</u>



FAAN Mortgage Administrators Inc.
Derek Sorrenti and Sorrenti Law Professional Corporation
Time Summary
For the period Jan 1 to 31, 2023

Name	Rate	Hours	Amount
Naveed Manzoor	\$ 645	12.25	\$ 7,901.25
Daniel Sobel	\$ 595	14.25	\$ 8,478.75
Lana Bezner	\$ 595	2.13	\$ 1,267.35
Naomi Lieberman	\$ 545	47.11	\$ 25,674.95
Nick Niktikakis	\$ 375	12.75	\$ 4,781.25
Total		88.49	\$ 48,103.55



Invoice 1036

February 28, 2023

Re: **FAAN Mortgage Administrators Inc. in its capacity as Court appointed Trustee (“Trustee”) of Sorrenti Law Professional Corporation and Derek Sorrenti (“Sorrenti”)**

Invoice for the period February 1 to 28, 2023

The Trustee’s activities for the period February 1 to 28, 2023 (“**Period**”), include, but are not limited to the following:

Project Matters

- Throughout the Period the Trustee dealt with numerous project specific matters and corresponded with Osler Hoskin & Harcourt LLP (“**Osler**”), the Trustee’s counsel, and Chaitons LLP (“**Chaitons**”), representative counsel, as necessary regarding same, including, but not limited to, the following:
 - Sutton Project
 - Ongoing internal review and discussions with respect to the draft settlement agreement including changes proposed by the borrower’s counsel; and
 - Reviewing additional information provided by the project guarantor;
 - Providing project specific updates to the investors upon request;

General Matters

- Ongoing review and analysis with respect to a potential reduction to the quantum of the administrative holdback required by the Trustee to maintain the administration of the estate. Discussions with Osler re same;
- Responding to and logging numerous investor calls and emails during the Period;
- Drafting and reviewing the Trustee’s Sixth Report to Court;
- Corresponding with Olympia Trust on a periodic basis regarding various matters related to the Sorrenti SMLs;



- Corresponding with Chaitons on a periodic basis regarding the proceedings;
- Paying administrative expenses;
- Attending meetings, calls and exchanging numerous emails with Osler regarding these proceedings; and
- Dealing with all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	23,852.20
HST		3,100.79
Total	\$	<u>26,952.99</u>



FAAN Mortgage Administrators Inc.
Derek Sorrenti and Sorrenti Law Professional Corporation
Time Summary
For the period Feb 1 to 28, 2023

Name	Rate	Hours	Amount
Naveed Manzoor	\$ 645	10.50	\$ 6,772.50
Daniel Sobel	\$ 595	9.70	\$ 5,771.50
Lana Bezner	\$ 595	0.18	\$ 107.10
Shelby Draper	\$ 545	0.00	\$ -
Naomi Lieberman	\$ 545	16.08	\$ 8,763.60
Nick Niktikakis	\$ 375	6.50	\$ 2,437.50
Total		42.96	\$ 23,852.20

Average hourly rate \$ 555.22

THIS IS EXHIBIT "B" REFERRED TO IN
THE AFFIDAVIT OF NAVEED MANZOOR
SWORN BEFORE ME ON THIS 2nd DAY OF MAY, 2023



A Commissioner for Taking Affidavits

EXHIBIT B

FAAN Mortgage Administrators Inc.
Sorrenti Law Professional Corporation and Derek Sorrenti

Invoice Summary
(Unaudited; \$C)

Invoice No.	Date	Billing Period	Fees	HST	Total
1025	31-Mar-22	March 1 to 31, 2022	114,224.55	14,849.19	129,073.74
1026	30-Apr-22	April 1 to 30, 2022	64,130.20	8,336.93	72,467.13
1027	31-May-22	May 1 to 31, 2022	68,876.10	8,953.89	77,829.99
1028	30-Jun-22	June 1 to 30, 2022	66,959.75	8,704.77	75,664.52
1029	31-Jul-22	July 1 to 31, 2022	29,274.70	3,805.71	33,080.41
1030	31-Aug-22	August 1 to 31, 2022	23,655.50	3,075.22	26,730.72
1031	30-Sep-22	September 1 to 30, 2022	21,332.90	2,773.28	24,106.18
1032	31-Oct-22	October 1 to 31, 2022	11,354.05	1,476.03	12,830.08
1033	30-Nov-22	November 1 to 30, 2022	24,761.00	3,218.93	27,979.93
1034	31-Dec-22	December 1 to 31, 2022	42,887.85	5,575.42	48,463.27
1035	31-Jan-23	January 1 to January 31, 2023	48,103.55	6,253.46	54,357.01
1036	28-Feb-23	February 1 to February 28, 2023	23,852.20	3,100.79	26,952.99
Total			539,412.35	70,123.61	609,535.96

FAAN Mortgage Administrators Inc.
Sorrenti Law Professional Corporation and Derek Sorrenti
Summary of Hours and Fees by Staff Member
(Unaudited; \$C)

Professional	Role	Rate (\$)	Hours	Amount (\$)
Naveed Manzoor	Managing Director	\$595 - \$645	171.85	103,388.25
Daniel Sobel	Managing Director	\$545 - \$595	358.45	196,552.75
Lana Bezner	Managing Director	\$545 - \$595	20.28	11,168.10
Naomi Lieberman	Manager	\$495 - \$545	306.80	155,025.50
Nick Niktikakis	Manager	\$350 - \$375	207.99	73,277.75
Total			1,065.37	539,412.35
Average Hourly Rate				<u>506.31</u>

THIS IS EXHIBIT "C" REFERRED TO IN
THE AFFIDAVIT OF NAVEED MANZOOR
SWORN BEFORE ME ON THIS 2nd DAY OF MAY, 2023



A Commissioner for Taking Affidavits

EXHIBIT C

FAAN Mortgage Administrators Inc.
Sorrenti Law Professional Corporation and Derek Sorrenti

Invoice Summary
(Unaudited; \$C)

Invoice No.	Date	Billing Period	Fees	HST	Total
1025	31-Mar-22	March 1 to 31, 2022	114,224.55	14,849.19	129,073.74
1026	30-Apr-22	April 1 to 30, 2022	64,130.20	8,336.93	72,467.13
1027	31-May-22	May 1 to 31, 2022	68,876.10	8,953.89	77,829.99
1028	30-Jun-22	June 1 to 30, 2022	66,959.75	8,704.77	75,664.52
1029	31-Jul-22	July 1 to 31, 2022	29,274.70	3,805.71	33,080.41
1030	31-Aug-22	August 1 to 31, 2022	23,655.50	3,075.22	26,730.72
1031	30-Sep-22	September 1 to 30, 2022	21,332.90	2,773.28	24,106.18
1032	31-Oct-22	October 1 to 31, 2022	11,354.05	1,476.03	12,830.08
1033	30-Nov-22	November 1 to 30, 2022	24,761.00	3,218.93	27,979.93
1034	31-Dec-22	December 1 to 31, 2022	42,887.85	5,575.42	48,463.27
1035	31-Jan-23	January 1 to January 31, 2023	48,103.55	6,253.46	54,357.01
1036	28-Feb-23	February 1 to February 28, 2023	23,852.20	3,100.79	26,952.99
Total			539,412.35	70,123.61	609,535.96

FAAN Mortgage Administrators Inc.
Sorrenti Law Professional Corporation and Derek Sorrenti
Summary of Hours and Fees by Staff Member
(Unaudited; \$C)

Professional	Role	Rate (\$)	Hours	Amount (\$)
Naveed Manzoor	Managing Director	\$595 - \$645	171.85	103,388.25
Daniel Sobel	Managing Director	\$545 - \$595	358.45	196,552.75
Lana Bezner	Managing Director	\$545 - \$595	20.28	11,168.10
Naomi Lieberman	Manager	\$495 - \$545	306.80	155,025.50
Nick Niktikakis	Manager	\$350 - \$375	207.99	73,277.75
Total			1,065.37	539,412.35
Average Hourly Rate				<u>506.31</u>

THIS IS CONFIDENTIAL EXHIBIT "D" REFERRED TO IN
THE AFFIDAVIT OF NAVEED MANZOOR
SWORN BEFORE ME ON THIS 2nd DAY OF MAY, 2023



A Commissioner for Taking Affidavits

Exhibit D

LAW SOCIETY OF ONTARIO

- and -

DEREK SORRENTI AND SORRENTI LAW PROFESSIONAL CORPORATION

Applicant

Respondent

Court file No. CV-19-628258-00CL

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

Proceeding commenced at Toronto

**AFFIDAVIT OF NAVEED MANZOOR
(sworn May 2, 2023)**

OSLER, HOSKIN & HARCOURT LLP

1 First Canadian Place, P.O. Box 50

Toronto, ON M5X 1B8

Phone: 416-362-2111

Fax: 416-862-6666

Michael De Lellis (LSO# 48038U)

Jeremy Dacks (LSO# 41851R)

**Lawyers for FAAN Mortgage Administrators
Inc., in its capacity as Court-Appointed Trustee**

Appendix 20:

De Lellis Affidavit

Court File No. CV-19-628258-00CL

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

BETWEEN

THE LAW SOCIETY OF ONTARIO

Applicant

- and -

DEREK SORRENTI AND SORRENTI LAW PROFESSIONAL CORPORATION

Respondents

APPLICATION UNDER
SECTION 49.47 OF THE *LAW SOCIETY ACT*, R.S.O. 1990, C. L.8
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C. 43

**AFFIDAVIT OF MICHAEL DE LELLIS
(sworn April 26, 2023)**

I, Michael De Lellis, of the Town of Oakville, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a barrister and solicitor qualified to practice law in the Province of Ontario and am a partner with Osler, Hoskin & Harcourt LLP (“**Osler**”), counsel for FAAN Mortgage Administrators Inc., in its capacity as Court-Appointed Trustee (the “**Trustee**”), without security, of all of the assets, undertakings and properties in the possession, power or control of Derek Sorrenti or Sorrenti Law Professional Corporation (collectively, “**Sorrenti**”) relating to Sorrenti’s trusteeship and administration of syndicated mortgage loans in projects affiliated with Fortress Real Developments Inc. (“**FRDI**”) and all of FRDI’s direct or indirect affiliates, and any entity

under common control with FRDI, in these proceedings and as such have knowledge of the matters hereinafter deposed. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.¹

2. I make this affidavit in support of a motion by the Trustee for approval of the fees and disbursements of the Trustee and its counsel.

3. Attached hereto as Exhibit “A” is a copy of each invoice issued by Osler for the period between March 1, 2022 and February 28, 2023 (the “**Approval Period**”) setting out Osler’s fees, reimbursable expenses and applicable taxes for the relevant period, along with a summary of the activities undertaken by Osler in connection with such invoice. I confirm that these accounts accurately reflect the services provided by Osler in this matter for the Approval Period and the fees and disbursements claimed by it for the Approval Period.

4. Attached hereto as Exhibit “B” is a schedule of the accounts rendered by Osler to the Trustee for the fees and disbursements incurred by Osler in connection with the activities summarized in Exhibit “A” undertaken in these proceedings during the Approval Period.

5. Attached hereto as Exhibit “C” is a schedule summarizing the respective years of call and billing rates of each of the professionals at Osler that rendered services to the Trustee, the hours worked by each such individual and a blended hourly rate for fees incurred during the Approval Period.

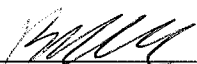
6. Confidential Exhibit “D” (the “**Confidential De Lellis Exhibit**”) hereto contains true copies of the full accounts rendered by Osler to the Trustee for activities undertaken during

¹ Capitalized terms used and not otherwise defined in this affidavit have the meanings given to them in the Sixth Report to Court of the Trustee.

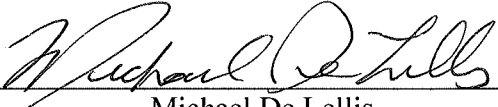
the Approval Period. The Trustee is seeking a sealing order with respect to the Confidential De Lellis Exhibit due to the fact that the information contained in Osler’s detailed invoices includes privileged and commercially sensitive information regarding the projects and the Respondents generally, and the disclosure of that privileged and/or commercially sensitive information could have a material adverse effect on the recoveries that may ultimately be available to Investors in these proceedings.

7. To the best of my knowledge, the rates charged by Osler throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services. I believe that the total hours, fees and disbursements incurred by Osler for the Approval Period are reasonable and appropriate in the circumstances.

SWORN BEFORE ME this 26th day of April, 2023 at the City of Toronto in the Province of Ontario.



BLAIR MCRADU (LSO No. 85586M)
Commissioner for Taking Affidavits



Michael De Lellis

THIS IS EXHIBIT "A" REFERRED TO IN
THE AFFIDAVIT OF MICHAEL DE LELLIS
SWORN BEFORE ME ON THIS 26th DAY OF APRIL 2023



BLAIR MCRADU (LSO No. 85586M)
A Commissioner for Taking Affidavits

Exhibit A

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place
PO BOX 50
Toronto ON M5X 1B8
CANADA
416.362.2111 main
416.862.6666 facsimile

OSLER

FAAN Mortgage Administrators Inc.
20 Adelaide Street East
Suite 920
Toronto, ON M5C 2T9
CANADA

Invoice No.: 12622634
Date: April 26, 2022
Client No.: 232833
GST/HST No.: 121983217 RT0001

Attention: Naveed Manzoor

Contact: Michael De Lellis
Direct Dial: (416) 862-5997
E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	113,480.00
REIMBURSABLE EXPENSES	399.40
HST @ 13%	14,804.32
TOTAL (CAD):	128,683.72

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollar EFT and Wire Payments:

TD Canada Trust
751 3rd Street S.W.
Calgary, Alberta T2P 4K8
Transit No: 80629-0004
Account No: 5219313
SWIFT Code: TDOMCATTOR

Cheque Payments:

Osler, Hoskin & Harcourt LLP
FINANCE & ACCOUNTING
(RECEIPTS)
1 First Canadian Place
PO BOX 50
Toronto, Ontario M5X 1B8
Canada

Invoice No.: 12622634
Client No.: 232833
Amount: 128,683.72 CAD

Email payment details to payments@osler.com, referencing invoice number(s) being paid.

Please return remittance advice(s) with cheque.

Invoice dated April 26, 2022

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court-appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between March 1, 2022 to March 31, 2022:

- Bayview: Reviewing correspondence and materials; preparing for and participating in meeting with the Trustee to discuss issues and next steps; conducting land registry searches; attending to correspondence with borrower, discussing same and reviewing background information regarding same;
- Sutton: Attending to correspondence with class action counsel; preparing for and participating in meeting with class action counsel; considering issues that may be raised in proceedings; considering next steps in stakeholder negotiations; corresponding with Trustee regarding status of project and stakeholder negotiations;
- Soba: Attending on correspondence regarding closing;
- Progress: Attending to matters concerning closing arrangements and correspondence regarding and participating in internal discussions regarding same; attending to matters regarding letters of credit; reviewing and commenting on correspondence to borrower's counsel; reviewing document registration agreement and attending on correspondence regarding same; considering extension request and corresponding regarding same; participating in meetings regarding closing arrangements and corresponding regarding same; considering remaining outstanding real estate issues and corresponding regarding same; attending on discussions with Trustee;
- Unionvillas: Attending on correspondence with counsel to the Receiver; reviewing court materials and preparing submissions for court hearing; attending court hearing; attending to correspondence regarding same; reviewing and providing comments on notice to investors;
- General: Attending to matters related to the draft Omnibus Report; engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as Representative Counsel; attending on various diligence matters; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing.

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place
PO BOX 50
Toronto ON M5X 1B8
CANADA
416.362.2111 main
416.862.6666 facsimile

6

OSLER

FAAN Mortgage Administrators Inc.
20 Adelaide Street East
Suite 920
Toronto, ON M5C 2T9
CANADA

Invoice No.: 12636055
Date: May 19, 2022
Client No.: 232833

GST/HST No.: 121983217 RT0001

Attention: Naveed Manzoor

Contact: Michael De Lellis
Direct Dial: (416) 862-5997
E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	58,866.50
REIMBURSABLE EXPENSES *	512.05
HST @ 13%	7,676.06
TOTAL (CAD):	67,054.61

* Includes non-taxable expenses of 332.00 CAD

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollar EFT and Wire Payments:

TD Canada Trust
751 3rd Street S.W.
Calgary, Alberta T2P 4K8
Transit No: 80629-0004
Account No: 5219313
SWIFT Code: TDOMCATTOR

Email payment details to payments@osler.com,
referencing invoice number(s) being paid.

Cheque Payments:

Osler, Hoskin & Harcourt LLP
FINANCE & ACCOUNTING
(RECEIPTS)
1 First Canadian Place
PO BOX 50
Toronto, Ontario M5X 1B8
Canada

Please return remittance advice(s) with
cheque.

Invoice No.: 12636055
Client No.: 232833
Amount: 67,054.61 CAD

osler.com

Invoice dated May 19, 2022

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court-appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between April 1, 2022 to April 30, 2022:

- Progress: Preparing for and attending conference call with Trustee to discuss next steps; attending to correspondence on various project issues and Trustee inquiries; reviewing agreements and orders to attend to distribution inquiries from Trustee and corresponding with Trustee regarding same; attending to correspondence with borrower's counsel and discussing same internally and with Trustee; discussing issues raised by borrower and resulting next steps;
- Soba: Reviewing documentation and attending on correspondence regarding closing;
- Sutton: Attending to correspondence; participating in a conference call with Trustee to discuss borrower issues; attending to correspondence with counsel to the borrower; attending to matters related to same;
- Unionvillas: Reviewing correspondence; reviewing responses provided by the Trustee to inquiries from Representative Counsel; participating in multiple conference calls regarding potential alternative next steps; reviewing litigation options and participating in further discussions with Trustee and Representative Counsel regarding same;
- General: Attending to matters related to filing the Omnibus Motion; preparing for, corresponding on matters related to, and attending court hearing in respect of the Omnibus Motion; engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as class action counsel and Representative Counsel; attending on various diligence matters; attending on litigation matters and related correspondence; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing.

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place
PO BOX 50
Toronto ON M5X 1B8
CANADA
416.362.2111 main
416.862.6666 facsimile

8

OSLER

FAAN Mortgage Administrators Inc.
20 Adelaide Street East
Suite 920
Toronto, ON M5C 2T9
CANADA

Attention: Naveed Manzoor

Invoice No.: 12646032
Date: June 23, 2022
Client No.: 232833

GST/HST No.: 121983217 RT0001

Contact: Michael De Lellis
Direct Dial: (416) 862-5997
E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	72,790.50
REIMBURSABLE EXPENSES *	567.20
HST @ 13%	9,531.83
TOTAL (CAD):	82,889.53

* Includes non-taxable expenses of 36.00 CAD

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollar EFT and Wire Payments:

TD Canada Trust
751 3rd Street S.W.
Calgary, Alberta T2P 4K8
Transit No: 80629-0004
Account No: 5219313
SWIFT Code: TDOMCATTTOR

Email payment details to payments@osler.com,
referencing invoice number(s) being paid.

Cheque Payments:

Osler, Hoskin & Harcourt LLP
FINANCE & ACCOUNTING
(RECEIPTS)
1 First Canadian Place
PO BOX 50
Toronto, Ontario M5X 1B8
Canada

Please return remittance advice(s) with
cheque.

Invoice No.: 12646032
Client No.: 232833
Amount: 82,889.53 CAD

osler.com

Invoice dated June 23, 2022

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court-appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between May 1, 2022 to May 31, 2022:

- Progress: Reviewing correspondence; corresponding with Trustee; attending to issues related to multiple distributions to investors and corresponding with borrower's counsel and Trustee regarding same;
- Sutton: Reviewing correspondence; corresponding with class action counsel; participating in conference calls with the Trustee to discuss negotiation status and next steps; reviewing and considering requests from borrower's counsel, discussing same with Trustee and drafting response regarding same; preparing for and participating in conference call with Trustee regarding status of negotiations and next steps;
- Unionvillas: Reviewing correspondence; reviewing and discussing litigation options under consideration; considering bankruptcy application issues and participating in further discussions regarding same; drafting bankruptcy materials, including factum, and reviewing and revising same; reviewing and revising court materials and corresponding regarding same; reviewing and revising draft investor memo; researching issues related to the bankruptcy application;
- General: Engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as class action counsel and Representative Counsel; attending on various diligence matters; attending on litigation matters and related correspondence; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing.

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place
PO BOX 50
Toronto ON M5X 1B8
CANADA
416.362.2111 main
416.862.6666 facsimile

10

OSLER

Invoice Issued in Canadian Dollars

FAAN Mortgage Administrators Inc.
20 Adelaide Street East
Suite 920
Toronto, ON M5C 2T9
CANADA

Invoice No.: 12656088
Date: July 18, 2022
Client No.: 232833

GST/HST No.: 121983217 RT0001

Attention: Naveed Manzoor

Contact: Michael De Lellis
Direct Dial: (416) 862-5997
E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	108,787.00
REIMBURSABLE EXPENSES	73.52
HST @ 13%	14,151.87
TOTAL (CAD):	123,012.39

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollars EFT and Wire Payments:

TD Canada Trust
751 3rd Street S.W.
Calgary, Alberta T2P 4K8
Transit No: 80629-0004
Account No: 5219313
SWIFT Code: TDOMCATTTOR

Cheque Payments:

Osler, Hoskin & Harcourt LLP
FINANCE & ACCOUNTING
(RECEIPTS)
1 First Canadian Place
PO BOX 50
Toronto, Ontario M5X 1B8
Canada

Invoice No.: 12656088
Client No.: 232833
Amount: 123,012.39 CAD

Please provide details of EFT/wire to payments@osler.com, itemizing invoice number(s) being paid. Email money transfers are not accepted.

Please return remittance advice(s) with cheque.

osler.com

Invoice dated July 18, 2022

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court-appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between June 1, 2022 to June 30, 2022:

- Soba: Attending on discussions regarding discharge matters;
- Sutton: Reviewing draft settlement term sheet and discussing same internally and with Trustee; corresponding with Trustee regarding issues raised by proposed settlement agreement, considering Trustee and internal comments on same and attending meetings with Trustee to discuss draft settlement term sheet comments and next steps; discussing strategic issues related to draft settlement term sheet; drafting revised settlement term sheet; corresponding and attending conference call with borrower's counsel to discuss outstanding issues; corresponding with class counsel regarding potential resolution;
- Unionvillas: Drafting, reviewing, commenting on and revising bankruptcy materials, corresponding and meeting internally to discuss same; attending to correspondence regarding bankruptcy issues with Trustee and Receiver; preparing for and participating in call with Trustee to discuss materials in support of bankruptcy application; reviewing motion materials from Receiver and attending to correspondence regarding same; participating in conference call with Receiver, its counsel and Trustee regarding litigation matters;
- General: Engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as class action counsel and Representative Counsel; attending on various diligence matters; attending on litigation matters and related correspondence; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing.

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place
PO BOX 50
Toronto ON M5X 1B8
CANADA
416.362.2111 main
416.862.6666 facsimile

12

OSLER

Invoice Issued in Canadian Dollars

FAAN Mortgage Administrators Inc.
20 Adelaide Street East
Suite 920
Toronto, ON M5C 2T9
CANADA

Attention: Naveed Manzoor

Invoice No.: 12666450
Date: August 22, 2022
Client No.: 232833

GST/HST No.: 121983217 RT0001

Contact: Michael De Lellis
Direct Dial: (416) 862-5997
E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	35,967.50
REIMBURSABLE EXPENSES *	311.99
HST @ 13%	4,696.84
TOTAL (CAD):	40,976.33

* Includes non-taxable expenses of 150.00 CAD

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollars EFT and Wire Payments:

TD Canada Trust
751 3rd Street S.W.
Calgary, Alberta T2P 4K8
Transit No: 80629-0004
Account No: 5219313
SWIFT Code: TDOMCATTOR

Please provide details of EFT/wire to payments@osler.com, itemizing invoice number(s) being paid. Email money transfers are not accepted.

Cheque Payments:

Osler, Hoskin & Harcourt LLP
FINANCE & ACCOUNTING
(RECEIPTS)
1 First Canadian Place
PO BOX 50
Toronto, Ontario M5X 1B8
Canada

Please return remittance advice(s) with cheque.

Invoice No.: 12666450
Client No.: 232833

Amount: 40,976.33 CAD

osler.com

Invoice dated August 22, 2022

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court-appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between July 1, 2022 to July 31, 2022:

- Sutton: Drafting and reviewing correspondence with counsel to the borrower and with the Trustee;
- Unionvillas: Drafting, reviewing and revising bankruptcy application materials; corresponding with counsel to the Receiver regarding general and litigation issues; reviewing Notice of Motion;
- General: Engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as class action counsel and Representative Counsel; attending on various diligence matters; attending on litigation matters and related correspondence; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing.

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place
PO BOX 50
Toronto ON M5X 1B8
CANADA
416.362.2111 main
416.862.6666 facsimile

14

OSLER

Invoice Issued in Canadian Dollars

FAAN Mortgage Administrators Inc.
20 Adelaide Street East
Suite 920
Toronto, ON M5C 2T9
CANADA

Invoice No.: 12676042
Date: September 27, 2022
Client No.: 232833

GST/HST No.: 121983217 RT0001

Attention: Naveed Manzoor

Contact: Michael De Lellis
Direct Dial: (416) 862-5997
E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	82,370.50
REIMBURSABLE EXPENSES	1,302.45
HST @ 13%	10,877.49
TOTAL (CAD):	94,550.44

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollars EFT and Wire Payments:

TD Canada Trust
751 3rd Street S.W.
Calgary, Alberta T2P 4K8
Transit No: 80629-0004
Account No: 5219313
SWIFT Code: TDOMCATTOR

Cheque Payments:

Osler, Hoskin & Harcourt LLP
FINANCE & ACCOUNTING
(RECEIPTS)
1 First Canadian Place
PO BOX 50
Toronto, Ontario M5X 1B8
Canada

Invoice No.: 12676042
Client No.: 232833
Amount: 94,550.44 CAD

Please provide details of EFT/wire to payments@osler.com, itemizing invoice number(s) being paid. Email money transfers are not accepted.

Please return remittance advice(s) with cheque.

osler.com

Invoice dated September 27, 2022

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court-appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between August 1, 2022 to August 31, 2022:

- Soba: Reviewing draft Discharge and Acknowledgment and Direction; correcting draft Discharge; corresponding with vendor's solicitor regarding corrections;
- Sutton: Participating in internal and Trustee discussions regarding status of settlement negotiations, strategic issues and next steps; preparing for and participating in conference calls and correspondence with borrower's counsel; considering response from borrower's counsel regarding various remaining outstanding issues; corresponding with Trustee regarding discussions and potential next steps; attending to correspondence regarding settlement negotiations; corresponding with and attending conference call with class counsel; preparing, reviewing and revising draft orders and revised settlement term sheet, corresponding internally and with Trustee regarding same; attending to settlement negotiations;
- Unionvillas: Drafting, reviewing and revising bankruptcy application materials; reviewing Trustee's comments on draft receivership report; discussing bankruptcy application concerns; reviewing Endorsement;
- General: Engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as class action counsel and Representative Counsel; attending on various diligence matters; attending on litigation matters and related correspondence; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing.

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place
PO BOX 50
Toronto ON M5X 1B8
CANADA
416.362.2111 main
416.862.6666 facsimile

16

OSLER

Invoice Issued in Canadian Dollars

FAAN Mortgage Administrators Inc.
20 Adelaide Street East
Suite 920
Toronto, ON M5C 2T9
CANADA

Invoice No.: 12686543
Date: October 19, 2022
Client No.: 232833

GST/HST No.: 121983217 RT0001

Attention: Naveed Manzoor

Contact: Michael De Lellis
Direct Dial: (416) 862-5997
E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	83,450.50
HST @ 13%	10,848.57
TOTAL (CAD):	94,299.07

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollars EFT and Wire Payments:

TD Canada Trust
751 3rd Street S.W.
Calgary, Alberta T2P 4K8
Transit No: 80629-0004
Account No: 5219313
SWIFT Code: TDOMCATTOR

Cheque Payments:

Osler, Hoskin & Harcourt LLP
FINANCE & ACCOUNTING
(RECEIPTS)
1 First Canadian Place
PO BOX 50
Toronto, Ontario M5X 1B8
Canada

Invoice No.: 12686543
Client No.: 232833
Amount: 94,299.07 CAD

Please provide details of EFT/wire to payments@osler.com, itemizing invoice number(s) being paid. Email money transfers are not accepted.

Please return remittance advice(s) with cheque.

osler.com

Invoice dated October 19, 2022

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court-appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between September 1, 2022 and September 30, 2022:

- Soba: Reviewing draft Discharge and Acknowledgment and Direction; attending to correspondence regarding same;
- Sutton: Participating in conference calls with Trustee and Representative Counsel to discuss potential settlement and participating in further internal discussions regarding same; reviewing draft settlement agreement and discussing same; preparing for settlement negotiations and corresponding regarding same; updating Trustee on next steps; corresponding with borrower's counsel; attending to correspondence with class action counsel; reviewing materials in regulatory proceeding and discussing same internally and with Trustee; preparing for and participating in conference calls with class action counsel, Representative Counsel and Trustee to discuss draft settlement agreement;
- Unionvillas: Drafting, reviewing and revising materials; corresponding with Receiver concerning litigation against the principals and related parties and discussions with counsel to the Receiver regarding same; correspondence to and from the Trustee; considering revisions to investor notice and corresponding regarding same; reviewing and considering motion record of the Principals;
- General: Engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as class action counsel and Representative Counsel; attending on various diligence matters; attending on litigation matters and related correspondence; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing.

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place
PO BOX 50
Toronto ON M5X 1B8
CANADA
416.362.2111 main
416.862.6666 facsimile

18

OSLER

Invoice Issued in Canadian Dollars

FAAN Mortgage Administrators Inc.
20 Adelaide Street East
Suite 920
Toronto, ON M5C 2T9
CANADA

Invoice No.: 12696006
Date: November 8, 2022
Client No.: 232833

GST/HST No.: 121983217 RT0001

Attention: Naveed Manzoor

Contact: Michael De Lellis
Direct Dial: (416) 862-5997
E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	29,785.00
REIMBURSABLE EXPENSES	100.87
HST @ 13%	3,885.16
TOTAL (CAD):	33,771.03

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollars EFT and Wire Payments:

TD Canada Trust
751 3rd Street S.W.
Calgary, Alberta T2P 4K8
Transit No: 80629-0004
Account No: 5219313
SWIFT Code: TDOMCATTOR

Cheque Payments:

Osler, Hoskin & Harcourt LLP
FINANCE & ACCOUNTING
(RECEIPTS)
1 First Canadian Place
PO BOX 50
Toronto, Ontario M5X 1B8
Canada

Invoice No.: 12696006
Client No.: 232833

Amount: 33,771.03 CAD

Please provide details of EFT/wire to payments@osler.com, itemizing invoice number(s) being paid. Email money transfers are not accepted.

Please return remittance advice(s) with cheque.

osler.com

Invoice dated November 8, 2022

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court-appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between October 1, 2022 to October 31, 2022:

- Harmony: Reviewing new litigation materials related to Buck claim; reviewing report to insurer; preparing for and participating in call with Olympia's counsel;
- Sutton: Considering next steps in settlement discussions and discussing same; corresponding with borrower's counsel regarding various issues, including regulatory proceedings and status of settlement negotiations; corresponding with Representative Counsel regarding regulatory proceedings; corresponding with Trustee regarding strategy, next steps and updates from borrower's counsel; reviewing information provided by borrower;
- Unionvillas: Attending to receivership motion; reviewing motion record of Sunrise and attending to correspondence regarding same; discussing receivership motion internally and with the Trustee; preparing for and participating in conference call with Receiver regarding litigation; reviewing, commenting on and discussing Receiver's draft letter to borrower; corresponding internally and with the Trustee regarding same, corresponding with Receiver regarding same and contemplated litigation process; reviewing bankruptcy order; reviewing correspondence concerning litigation and discussing same with counsel to the Receiver; drafting and reviewing correspondence regarding same; reviewing draft Aide Memoire provided by counsel to the Receiver; drafting revisions and comments to same and corresponding regarding same;
- General: Engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as class action counsel and Representative Counsel; attending on various diligence matters; attending on litigation matters and related correspondence; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing.

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place
PO BOX 50
Toronto ON M5X 1B8
CANADA
416.362.2111 main
416.862.6666 facsimile

20

OSLER

Invoice Issued in Canadian Dollars

FAAN Mortgage Administrators Inc.
20 Adelaide Street East
Suite 920
Toronto, ON M5C 2T9
CANADA

Attention: Naveed Manzoor

Invoice No.: 12712494
Date: December 20, 2022
Client No.: 232833

GST/HST No.: 121983217 RT0001

Contact: Michael De Lellis
Direct Dial: (416) 862-5997
E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	64,537.50
REIMBURSABLE EXPENSES	4.80
HST @ 13%	8,390.50
TOTAL (CAD):	72,932.80

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollars EFT and Wire Payments:

TD Canada Trust
751 3rd Street S.W.
Calgary, Alberta T2P 4K8
Transit No: 80629-0004
Account No: 5219313
SWIFT Code: TDOMCATTOR

Please provide details of EFT/wire to payments@osler.com, itemizing invoice number(s) being paid. Email money transfers are not accepted.

Cheque Payments:

Osler, Hoskin & Harcourt LLP
FINANCE & ACCOUNTING
(RECEIPTS)
1 First Canadian Place
PO BOX 50
Toronto, Ontario M5X 1B8
Canada

Please return remittance advice(s) with cheque.

Invoice No.: 12712494
Client No.: 232833
Amount: 72,932.80 CAD

osler.com

Invoice dated December 20, 2022

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court-appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between November 1, 2022 to November 30, 2022:

- Sutton: Reviewing correspondence; corresponding with borrower's counsel; engaging in discussions internally and with Trustee and Representative Counsel with respect to various outstanding issues; including status of regulatory issues and next steps and discussing same with Trustee; reviewing, revising and commenting on revised draft settlement agreement and related orders and corresponding regarding same; attending calls with Trustee to discuss draft settlement agreement and strategic issues; reviewing and considering Minutes of Settlement and Home Construction Regulatory Authorities Order and drafting reporting email to Trustee regarding same;
- Unionvillas: Reviewing correspondence; reviewing and commenting on draft factum and strategy; drafting revisions and comments to the draft factum; reviewing Receiver's supplemental report and corresponding internally regarding same; preparing for hearing; discussing court hearing and attending to correspondence with Trustee regarding same;
- General: Engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as class action counsel and Representative Counsel; attending on various diligence matters; attending on litigation matters and related correspondence; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing; corresponding with Law Society to discuss inquiries; drafting notice of motion, report, omnibus order, and fee affidavit.

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place
PO BOX 50
Toronto ON M5X 1B8
CANADA
416.362.2111 main
416.862.6666 facsimile

22

OSLER

Invoice Issued in Canadian Dollars

FAAN Mortgage Administrators Inc.
20 Adelaide Street East
Suite 920
Toronto, ON M5C 2T9
CANADA

Invoice No.: 12722287
Date: January 20, 2023
Client No.: 232833

GST/HST No.: 121983217 RT0001

Attention: Naveed Manzoor

Contact: Michael De Lellis
Direct Dial: (416) 862-5997
E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	115,057.00
REIMBURSABLE EXPENSES	396.92
HST @ 13%	15,009.01
TOTAL (CAD):	130,462.93

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollars EFT and Wire Payments:

TD Canada Trust
751 3rd Street S.W.
Calgary, Alberta T2P 4K8
Transit No: 80629-0004
Account No: 5219313
SWIFT Code: TDOMCATTOR

Cheque Payments:

Osler, Hoskin & Harcourt LLP
FINANCE & ACCOUNTING
(RECEIPTS)
1 First Canadian Place
PO BOX 50
Toronto, Ontario M5X 1B8
Canada

Invoice No.: 12722287
Client No.: 232833
Amount: 130,462.93 CAD

Please provide details of EFT/wire to payments@osler.com, itemizing invoice number(s) being paid. Email money transfers are not accepted.

Please return remittance advice(s) with cheque.

osler.com

Invoice dated January 20, 2023

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between December 1, 2022 to December 31, 2022:

- Soba: Attending to matters relating to request for postponement; reviewing request for postponement and corresponding regarding same; participating in internal discussions; reviewing terms of loan and postponement agreements; drafting response to request for postponement; reviewing MCAP charge;
- Sutton: Reviewing settlement in regulatory proceedings, considering impact on settlement agreement negotiations and attending to correspondence regarding same; preparing for and participating in meeting with Trustee to discuss outstanding issues on draft settlement agreement and next steps; considering information requests and corresponding with borrower's counsel regarding same; reviewing draft settlement agreement; preparing for and participating in meeting with counsel to borrower and participating in further internal discussions regarding same; drafting and reviewing revised settlement agreement to reflect negotiations and drafting reporting email regarding same and recommended next steps; attending to priority analysis between Sorrenti loans and engaging in discussions and correspondence internally and with Trustee regarding same;
- Unionvillas: Reviewing correspondence; preparing for and attending hearing; engaging in discussions with, and receiving status updates from, Receiver's counsel regarding litigation and engaging in internal discussions regarding same; attending to matters regarding examination of borrower; reviewing and providing comments and revisions on motion materials and other documents concerning receivership litigation and attending to correspondence regarding same;
- General: Drafting Notice of Motion for Fourth Omnibus Order, reviewing and revising same; engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as class action counsel and Representative Counsel; attending on various diligence matters; attending on litigation matters and related correspondence; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing; Preparing for and participating in meeting with Trustee regarding distribution of class action proceeds; attending to matters related to appointment of FAAN Mortgage Administrators Inc. as notice administrator for class actions.

OSLER, HOSKIN & HARCOURT LLP
 1 First Canadian Place
 PO BOX 50
 Toronto ON M5X 1B8
 CANADA
 416.362.2111 main
 416.862.6666 facsimile

OSLER

Invoice Issued in Canadian Dollars

FAAN Mortgage Administrators Inc.
 20 Adelaide Street East
 Suite 920
 Toronto, ON M5C 2T9
 CANADA

Attention: Naveed Manzoor

Invoice No.: 12730152
 Date: January 25, 2023
 Client No.: 232833
 GST/HST No.: 121983217 RT0001
 Contact: Michael De Lellis
 Direct Dial: (416) 862-5997
 E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	134,532.00
HST @ 13%	17,489.16
TOTAL (CAD):	152,021.16

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollars EFT and Wire Payments:

TD Canada Trust
 751 3rd Street S.W.
 Calgary, Alberta T2P 4K8
 Transit No: 80629-0004
 Account No: 5219313
 SWIFT Code: TDOMCATTOR

Please provide details of EFT/wire to payments@osler.com, itemizing invoice number(s) being paid. Email money transfers are not accepted.

Cheque Payments:

Osler, Hoskin & Harcourt LLP
 FINANCE & ACCOUNTING
 (RECEIPTS)
 1 First Canadian Place
 PO BOX 50
 Toronto, Ontario M5X 1B8
 Canada

Please return remittance advice(s) with cheque.

Invoice No.: 12730152
 Client No.: 232833
 Amount: 152,021.16 CAD

osler.com

Invoice dated January 25, 2023

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between January 1, 2023 to January 20, 2023:

- Sutton: Reviewing and revising draft settlement agreement, participating in ongoing internal discussions on same and corresponding with borrower's counsel on same; reviewing demand letters, contractual releases, termination provisions and court order provisions and discussing same; discussing settlement agreement issues, developments and next steps with Trustee; attending meeting with borrower's counsel to discuss multiple issues and potential next steps; updating demand letters; conducting priority analysis and engaging in internal discussions regarding same;
- Unionvillas: Corresponding with counsel to the Receiver;
- General: Drafting motion materials for Fourth Omnibus Report; engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as class action counsel and Representative Counsel; attending on various diligence matters; attending on litigation matters and related correspondence; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing; reviewing draft factum for class action settlement motion and attending to correspondence regarding same.

OSLER, HOSKIN & HARCOURT LLP
 1 First Canadian Place
 PO BOX 50
 Toronto ON M5X 1B8
 CANADA
 416.362.2111 main
 416.862.6666 facsimile

OSLER

Invoice Issued in Canadian Dollars

FAAN Mortgage Administrators Inc.
 20 Adelaide Street East
 Suite 920
 Toronto, ON M5C 2T9
 CANADA

Invoice No.: **12734268**
 Date: **February 10, 2023**
 Client No.: 232833

GST/HST No.: 121983217 RT0001

Attention: Naveed Manzoor

Contact: **Michael De Lellis**
 Direct Dial: (416) 862-5997
 E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	103,538.00
REIMBURSABLE EXPENSES	125.07
HST @ 13%	13,476.20
TOTAL (CAD):	117,139.27

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollars EFT and Wire Payments:

TD Canada Trust
 751 3rd Street S.W.
 Calgary, Alberta T2P 4K8
 Transit No: 80629-0004
 Account No: 5219313
 SWIFT Code: TDOMCATTOR

Cheque Payments:

Osler, Hoskin & Harcourt LLP
 FINANCE & ACCOUNTING
 (RECEIPTS)
 1 First Canadian Place
 PO BOX 50
 Toronto, Ontario M5X 1B8
 Canada

Invoice No.: **12734268**
 Client No.: 232833
 Amount: 117,139.27 CAD

Please provide details of EFT/wire to payments@osler.com, itemizing invoice number(s) being paid. Email money transfers are not accepted.

Please return remittance advice(s) with cheque.

osler.com

Invoice dated February 10, 2023

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between January 19, 2023 to January 31, 2023:

- Sutton: Reviewing and revising draft settlement agreement, reviewing further proposed revisions and drafting and reviewing correspondence regarding same; attending to correspondence with counsel and Trustee; overseeing diligence; corresponding internally to discuss next steps; updating, revising and turning comments on priority analysis of SMLs; corresponding with borrower's counsel; reviewing detailed issues list provided by borrower's counsel, considering issues related to same and corresponding internally regarding same; drafting comments to detailed issues list from borrower's counsel and participating in conference call regarding same;
- Unionvillas: Discussing next steps; reviewing and drafting correspondence; corresponding with Receiver's counsel, discussing litigation timing and corresponding regarding court hearing; discussing cost considerations in conducting examinations in aid of discovery;
- General: Drafting motion materials for Fourth Omnibus Report; engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as class action counsel and Representative Counsel; attending on various diligence matters; attending on litigation matters and related correspondence; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing.

OSLER, HOSKIN & HARCOURT LLP
 1 First Canadian Place
 PO BOX 50
 Toronto ON M5X 1B8
 CANADA
 416.362.2111 main
 416.862.6666 facsimile

OSLER

Invoice Issued in Canadian Dollars

FAAN Mortgage Administrators Inc.
 20 Adelaide Street East
 Suite 920
 Toronto, ON M5C 2T9
 CANADA

Invoice No.: 12743743
 Date: March 7, 2023
 Client No.: 232833

GST/HST No.: 121983217 RT0001

Attention: Naveed Manzoor

Contact: Michael De Lellis
 Direct Dial: (416) 862-5997
 E-mail: MDeLellis@osler.com

For professional services rendered for Sorrenti Law Professional Corporation Syndicated Mortgage Loan Administration (F#1204815).

OUR FEE HEREIN	187,850.00
REIMBURSABLE EXPENSES	75.97
HST @ 13%	24,430.38
TOTAL (CAD):	212,356.35

PAYMENT DUE UPON RECEIPT



We are committed to protecting the environment. Please provide your email address to payments@osler.com to receive invoices and reminder statements electronically.



REMITTANCE ADVICE

Canadian Dollars EFT and Wire Payments:

TD Canada Trust
 751 3rd Street S.W.
 Calgary, Alberta T2P 4K8
 Transit No: 80629-0004
 Account No: 5219313
 SWIFT Code: TDOMCATTOR

Cheque Payments:

Osler, Hoskin & Harcourt LLP
 FINANCE & ACCOUNTING
 (RECEIPTS)
 1 First Canadian Place
 PO BOX 50
 Toronto, Ontario M5X 1B8
 Canada

Invoice No.: 12743743
 Client No.: 232833
 Amount: 212,356.35 CAD

Please provide details of EFT/wire to payments@osler.com, itemizing invoice number(s) being paid. Email money transfers are not accepted.

Please return remittance advice(s) with cheque.

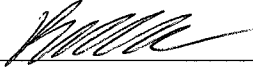
osler.com

Invoice dated March 7, 2023

For services rendered for FAAN Mortgage Administrators Inc. in its capacity as Court-appointed trustee of Derek Sorrenti or Sorrenti Law Professional Corporation relating to the Syndicated Mortgage Loan Administration Business for the period between February 1, 2023 to February 28, 2023:

- Harmony: considering litigation issues;
- Soba: reviewing acknowledgment and direction and draft release and discussing same internally;
- Sutton: Reviewing and revising draft settlement agreement, reviewing further proposed revisions and drafting and reviewing correspondence regarding same; attending to correspondence with counsel and Trustee; overseeing diligence and corresponding with borrower's counsel and Trustee regarding same; corresponding internally to discuss next steps; corresponding with borrower's counsel; corresponding with Olympia's counsel; participating in conference call with borrower's counsel to discuss outstanding issues related to draft settlement agreement and corresponding internally regarding same; reviewing documents and conducting research for factum and corresponding internally to discuss same;
- General: Drafting, reviewing and revising motion materials for Fourth Omnibus Report; engaging with the Trustee extensively regarding multiple matters, including projects not referred to above; engaging with various stakeholders, such as class action counsel and Representative Counsel; attending on various diligence matters; attending on litigation matters and related correspondence; attending on regular status updates, meetings, and conference calls; attending on various matters related to the foregoing.

THIS IS EXHIBIT "B" REFERRED TO IN
THE AFFIDAVIT OF MICHAEL DE LELLIS
SWORN BEFORE ME ON THIS 26th DAY OF APRIL 2023



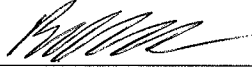
BLAIR MCRADU (LSO No. 85586M)
A Commissioner for Taking Affidavits

EXHIBIT B

Date of Account	For Billing Period Ending	Fees (\$)	Expenses / Disbursements* (\$)	Taxes (\$)	Total (\$)
26-Apr-22	31-Mar-22	113,480.00	399.40	14,804.32	128,683.72
19-May-22	30-Apr-22	58,866.50	512.05	7,676.06	67,054.61
23-Jun-22	31-May-22	72,790.50	567.20	9,531.83	82,889.53
18-Jul-22	30-Jun-22	108,787.00	73.52	14,151.87	123,012.39
22-Aug-22	31-Jul-22	35,967.50	311.99	4,696.84	40,976.33
27-Sep-22	31-Aug-22	82,370.50	1,302.45	10,877.49	94,550.44
19-Oct-22	30-Sep-22	83,450.50	0.00	10,848.57	94,299.07
08-Nov-22	31-Oct-22	29,785.00	100.87	3,885.16	33,771.03
20-Dec-22	30-Nov-22	64,537.50	4.80	8,390.25	72,932.80
20-Jan-23	31-Dec-22	115,057.00	396.92	15,009.01	130,469.93
25-Jan-23	20-Jan-22	134,532.00	0.00	17,489.16	152,021.16
10-Feb-23	31-Jan-22	103,538.00	125.07	13,476.20	117,139.27
07-Mar-23	28-Feb-23	187,850.00	75.97	24,430.38	212,356.35
Total	-	1,191,012	3,870.24	155,267.14	1,350,149.38

*Includes non-taxable expenses

THIS IS EXHIBIT "C" REFERRED TO IN
THE AFFIDAVIT OF MICHAEL DE LELLIS
SWORN BEFORE ME ON THIS 26th DAY OF APRIL 2023



BLAIR MCRADU (LSO No. 85586M)
A Commissioner for Taking Affidavits

EXHIBIT C

<u>Name</u>	<u>Year of Call (if applicable)</u>	<u>Billing Rate (\$/Hour)</u>	<u>Hours Worked</u>
Arya, David	N/A	2022: 325	2.0
Calvaruso, Martino	2009	2022: 875 2023: 960	2022: 0.30 2023: 0.50
Dacks, Jeremy	1999	2022: 1,125 2023: 1225	2022: 167.6 2023: 51.10
Davis, Hannah	N/A (student at time work was done)	2022: 325	2022: 1.8
De Lellis, Michael	2003	2022: 1,075 2023: 1,175	2022: 247.4 2023: 196.0
Duggal, Chloe	N/A	2022: 325 2023: 350	2022: 7.9 2023: 6.7
Evans, Sylvia	N/A	2022: 325	2022: 13.2
Herceg, Suzanne L.	N/A	2022: 515	2022: 0.2
Kanji, Justin	2019 (England & Wales) Ontario Bar anticipated 2023	2022: 615	2022: 97.2
MacEachern, Kevin	N/A	2022: 225	2022: 1.5
McRadu, Blair	2017	2022: 695 2023: 765/725 ²	2022: 28.0 2023: 29.7/41.0
Nanfara, Chloe	2020	2022: 570	2022: 72.0
Nielsen, Ryan H.	2009	2022: 920 2023: 975	2022: 2.7 2023: 1.0
Paterson, Mary	2005	2022: 955 2023: 1050	2022: 162.3 2023: 58.2
Read, Charlene	N/A	2022: 350	2022: 0.7

² Rate for Jan. 20, 2023 Invoice was \$765, rate for Feb. 10, 2023 Invoice was \$725.

<u>Name</u>	<u>Year of Call (if applicable)</u>	<u>Billing Rate (\$/Hour)</u>	<u>Hours Worked</u>
Rowe, Mary Angela	2015	2022: 775 2023: 840.0	2022: 31.3 2023: 3.0
Rosenblat, David	2013	2023: 955	2023: 11.9
Stewart, John	N/A	2022: 275	2022: 12.5
Singh-Cheema, Milan	N/A	2023: 325	2023: 2.4
Storm, Lorna	N/A	2022: 350 2023: 375	2022: 8.0 2023: 0.9
Sun, Tiffany	N/A (student at time work was done)	2022: 325	2022: 0.3
Werner, Sadie-Rae	N/A	2023: 350	2023: 1.9
Yow, Jessica	N/A	2022: 300	2022: 0.8
		Total:	1,108.30

Blended Rate (excluding expenses / disbursements and HST) $\$1,191,012.00^3 \div 1244.90 \text{ hours} =$	\$956.71
--	----------

³ Certain invoices in respect of the Approval Period include fees charged for services provided on a fixed fee basis and, accordingly, there are no hours associated with those fees included in the calculation of the 'Blended Rate'.

THIS IS CONFIDENTIAL EXHIBIT "D" REFERRED TO IN
THE AFFIDAVIT OF MICHAEL DE LELLIS
SWORN BEFORE ME ON THIS 26th DAY OF APRIL 2023



BLAIR MCRADU (LSO No. 85586M)
A Commissioner for Taking Affidavits

Exhibit D

LAW SOCIETY OF ONTARIO
Applicant

- and -

DEREK SORRENTI and SORRENTI LAW PROFESSIONAL CORPORATION
Respondents

Court File No. CV-19-628258-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF MICHAEL DE LELLIS
(sworn April 26, 2023)

OSLER, HOSKIN & HARCOURT LLP

1 First Canadian Place, P.O. Box 50

Toronto, ON M5X 1B8

Phone: 416-362-2111

Fax: 416-862-6666

Michael De Lellis (LSO# 48038U)

Jeremy Dacks (LSO# 41851R)

**Lawyers for FAAN Mortgage Administrators
Inc., in its capacity as Court-Appointed Trustee
of Derek Sorrenti or Sorrenti Law Professional
Corporation in respect of the Syndicated
Mortgage Loan Administration Business**