

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL COURT**

B E T W E E N:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

and

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP.,
DUCA FINANCIAL SERVICES CREDIT UNION LTD.,
LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC.,
1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD.,
1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN,
FRANCISCO CENDANA, ELIZABETH CENDANA, DAVE LALL, CARMEN MANGAL,
JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON,
RICHARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG,
SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN
and JANET LOUISE HILSON

Defendants

**MOTION RECORD
(returnable October 8, 2015)**

Date: September 28, 2015

DEVRY SMITH FRANK LLP
Lawyers and Mediators
95 Barber Greene Road, Suite 100
Toronto, Ontario M3C 3E9
Kelli Preston
LSUC#47467B
Tel: (416) 446-3344
Fax: (416) 449-7071

Lawyers for Pollard & Associates Inc.,
in its capacity as Court-appointed Receiver
of Godstone Co-Ownership Inc.

**TO: THE SERVICE LIST
(see attached)**

SERVICE LIST

September 28, 2015

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Catherine Francis (LSUC# 26900N)
cfrancis@mindengross.com
Tel: 416-369-4137
Fax: 416-864-9223

Lawyers for the Defendant, Duca Financial
Services Credit Union Ltd.

TO: ROSS BARRISTERS
#300- 123 John Street
Toronto, ON M5V 2E2

Mark A. Ross (LSUC #50872U)
MRoss@rossbarristers.com
Tel: 416-593-7107
Fax: 416-551-8808

Lawyers for the Russo Corp., in its capacity as Trustee in Bankruptcy of Lape
Residences Inc.

**AND TO: RUSSO CORP. IN ITS CAPACITY
AS TRUSTEE IN BANKRUPTCY OF MAPLE RIDGE**
78 Wellington Street East
Aurora, ON L4G 1H8

Joanne Russo
russo@russocanhelpp.com
Tel: 905-503-3328
Fax: 905-503-2338
Trustee in bankruptcy of Maple Ridge Real Estate Investments Corp.

AND TO: KATHERINE LEE
Barrister and Solicitor
3190 Steeles Avenue East, Suite 120
Markham, ON L3R 1G9

kiawoffice123@gmail.com
(LSUC#64910N)
Tel: 905-604-5117
Fax: 905-900-1051

Lawyers for Godstone Co-ownership Inc.

AND TO: REININGER BARRISTERS
Barrister and Solicitor
Mississauga Executive Centre
#590 - 2 Robert Speck Parkway
Mississauga, ON L4Z 1H8

Howard Reininger
hr@reiningerbarrister.com
Tel: 905-276-9000
Fax: 905-276-9822

Lawyers for Lydia Luckevich and Janet Louise Hilson

AND TO: SHIBLEY RIGHTON LLP
Barristers and Solicitors
#700 - 250 University Avenue
Toronto, ON M5H 3E5

Thomas McRae (LSUC #32375U)
thomas.mcrae@shibleyrighton.com
Tel: 416-214-5206
Fax: 416-214-5400

Lawyers for RGL Property Services Inc.

AND TO: KESTENBERG SIEGAL LIPKUS LLP
Barristers and Solicitors
65 Granby Street
Toronto, ON M5B 1H8

Michael R. Kestenberg
mrk@ksllaw.com
Tel: 416-342-1111
Fax: 416-597-6567

Lawyers for Marc Lean

AND TO: PAPE BARRISTERS PROFESSIONAL CORPORATION

Barristers and Solicitors
#1910 - One Queen Street East
Box 69
Toronto, ON M5C 2W5

Jonathan L. Rosenstein
irosenstein@papebarristers.com
Tel: 416-364-8716
Fax: 416-364-8855

Lawyers for Peter Zhang, Cui Hua Sun, Francisco Cendana, Elizabeth Cendana,
Dave Lall, Carmen Mangal, Joe Daniel, Jim Milne, Cheryl Forrin, Noel Morrison,
Ricardo Archer, Hyacinth Hines, Wendy Wang, Jian Huang, Saundrea Coburn,
Daniel Johnston, Marjorie Johnston

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL COURT**

B E T W E E N:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

and

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP.,
DUCA FINANCIAL SERVICES CREDIT UNION LTD.,
LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC.,
1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD.,
1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN,
FRANCISCO CENDANA, ELIZABETH CENDANA, DAVE LALL, CARMEN MANGAL,
JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON,
RICHARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG,
SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN
and JANET LOUISE HILSON

Defendants

INDEX

<u>Tab No.</u>	<u>Description</u>
1.	Notice of Motion, returnable October 8, 2015
2.	Second Report of the Receiver, dated September 28, 2015
A.	Interim Receivership Order of Justice Hainey dated July 27, 2015
B.	Certificate of Insurance
C.	Email from Property Manager
D.	Order of Justice Sosna dated July 31, 2012
E.	Emails to Receiver dated August 19 and 26, 2015

- F. Emails from September 17 – 19, 2015
- G. Summary of By-Law
- H. Owner Ledger and the Property Manager Summary
- I. Special Assessment Notice
- J. Godstone Financial Statement for fiscal year ending 2013 & 2014
- K. Summary of amounts reflected in Owner Ledger for Alberta Units and Maple Ridge Units
- L. Estoppel Certificate
- M. Note 8 from the 2013 financial statements
- N. Email from Property Manager dated August 26, 2015
- O. Email dated August 26, 2015 from counsel for Godstone
- P. Email from Ms. Lee
- Q. Schedule of payments received to date
- R. Emails from Ms. Lee to the Receiver
- S. Statements
- T. Email from counsel for Godstone regarding financing to pay outstanding property taxes
- U. Affidavits from tenants regarding their interest in purchasing units
- V. Affidavit of Mike Jiang sworn September 17, 2015
- W. Response to Receiver's request from Godstone counsel
- X. Receiver's Certificate
- Y. Interim Statement of Receipts and Disbursements

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL COURT**

B E T W E E N:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

and

**MAPLE RIDGE REAL ESTATE INVESTMENTS CORP.,
DUCA FINANCIAL SERVICES CREDIT UNION LTD.,
LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC.,
1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD.,
1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN,
FRANCISCO CENDANA, ELIZABETH CENDANA, DAVE LALL, CARMEN MANGAL,
JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON,
RICHARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG,
SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN
and JANET LOUISE HILSON**

Defendants

NOTICE OF MOTION

Pollard & Associates Inc., in its capacity as the Court-appointed Interim Receiver (the "Receiver") of the Plaintiff, Godstone Co-Ownership Inc. (referred to herein as "Godstone") will make a motion to a Judge on Thursday October 8, 2015 at 10:00 a.m. or as soon after that time as the motion can be heard, at the Ontario Superior Court of Justice, 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1(1) because it is made without notice
- in writing as an opposed motion under subrule 37.12.1(4)
- orally

THE MOTION IS FOR AN ORDER:

1. If necessary, abridging the time for service and validating service of the Notice of Motion and Motion Record on the service list, such that the hearing of the motion is properly returnable before the Court on October 8, 2015, and dispensing with further service of the Notice of Motion and Motion Record;
2. Accepting and approving the actions and activities of the Receiver as set out in the First Report dated August 5, 2015;
3. Accepting and approving all of the actions and activities of the Receiver as set out in the Second Report dated September 28, 2015;
4. Declaring Godstone has no legal authority to enter into any lease agreements;
5. Approving the interim statement of receipts and disbursements;
6. Such further and other relief as counsel for the Plaintiff may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. As set out in the First Report of the Receiver dated August 5, 2015;
2. As set out in the Second Report of the Receiver dated September 28, 2015;
3. Section 100 the *Courts of Justice Act*;
4. Rules 1.04, 1.05, 3.02(1), and 3.02(2), 16.04, and 37 of the *Rules of Civil Procedure*; and,
5. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

1. The First Report to Court of the Interim Receiver dated August 5, 2015 and the appendices attached hereto;
2. The Second Report to Court of the Interim Receiver dated September 28, 2015 and the appendices attached hereto; and,
3. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Date: September 28, 2015

DEVRY SMITH FRANK LLP
Lawyers and Mediators
95 Barber Greene Road, Suite 100
Toronto, Ontario M3C 3E9
Kelli Preston
LSUC#47467B
Tel: (416) 446-3344
Fax: (416) 449-7071

Lawyers for Pollard & Associates Inc.,
in its capacity as Court-appointed Receiver
of Godstone Co-Ownership Inc.

TO: THE SERVICE LIST
(see attached)

SERVICE LIST

September 28, 2015

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Catherine Francis (LSUC# 26900N)
cfrancis@mindengross.com
Tel: 416-369-4137
Fax: 416-864-9223

Lawyers for the Defendant, Duca Financial
Services Credit Union Ltd.

TO: **ROSS BARRISTERS**
#300- 123 John Street
Toronto, ON M5V 2E2

Mark A. Ross (LSUC #50872U)
MRoss@rossbarristers.com
Tel: 416-593-7107
Fax: 416-551-8808

Lawyers for the Russo Corp., in its capacity as Trustee in Bankruptcy of Lape
Residences Inc.

AND TO: **RUSSO CORP. IN ITS CAPACITY
AS TRUSTEE IN BANKRUPTCY OF MAPLE RIDGE**
78 Wellington Street East
Aurora, ON L4G 1H8

Joanne Russo
russo@russocanhelp.com
Tel: 905-503-3328
Fax: 905-503-2338

Trustee in bankruptcy of Maple Ridge Real Estate Investments Corp.

AND TO: KATHERINE LEE
Barrister and Solicitor
3190 Steeles Avenue East, Suite 120
Markham, ON L3R 1G9

klawoffice123@gmail.com
(LSUC#64910N)
Tel: 905-604-5117
Fax: 905-900-1051

Lawyers for Godstone Co-ownership Inc.

AND TO: REININGER BARRISTERS
Barrister and Solicitor
Mississauga Executive Centre
#590 - 2 Robert Speck Parkway
Mississauga, ON L4Z 1H8

Howard ReIninger
hr@reiningerbarrister.com
Tel: 905-276-9000
Fax: 905-276-9822

Lawyers for Lydia Luckevich and Janet Louise Hilson

AND TO: SHIBLEY RIGHTON LLP
Barristers and Solicitors
#700 - 250 University Avenue
Toronto, ON M5H 3E5

Thomas McRae (LSUC #32375U)
thomas.mcrae@shiblevrighton.com
Tel: 416-214-5206
Fax: 416-214-5400

Lawyers for RGL Property Services Inc.

AND TO: KESTENBERG SIEGAL LIPKUS LLP
Barristers and Solicitors
65 Granby Street
Toronto, ON M5B 1H8

Michael R. Kestenberg
mrk@ksllaw.com
Tel: 416-342-1111
Fax: 416-597-6567

Lawyers for Marc Lean

AND TO: PAPE BARRISTERS PROFESSIONAL CORPORATION

Barristers and Solicitors
#1910 - One Queen Street East
Box 69
Toronto, ON M5C 2W5

Jonathan L. Rosenstein
irosenstein@papebarristers.com
Tel: 416-364-8716
Fax: 416-364-8855

Lawyers for Peter Zhang, Cui Hua Sun, Francisco Cendana, Elizabeth Cendana,
Dave Lall, Carmen Mangal, Joe Daniel, Jim Milne, Cheryl Forrin, Noel Morrison,
Ricardo Archer, Hyacinth Hines, Wendy Wang, Jian Huang, Saundrea Coburn,
Daniel Johnston, Marjorie Johnston

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

GODSTONE CO-OWNERSHIP INC.

Applicant

and

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., DUCA FINANCIAL SERVICES CREDIT UNION LTD., LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC., 1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD., 1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN, FANCISO CENDANA, ELIZABETH CENDANA, DAVE LALL, CARMAN MANGAL, JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON, RICARDO ARCHER, HYACINTH NINES, WNDY WANG, JIAN HUANG, SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN and JANET LOUISE HILSON

Respondent

**SECOND REPORT OF THE COURT APPOINTED INTERIM RECEIVER
OF GODSTONE CO-OWNERSHIP INC. (“Second Report”)**

September 28, 2015

INTRODUCTION

1. On July 27, 2015, Justice Hainey of the Ontario Superior Court of Justice (Commercial List) issued an order (the “Receivership Order”) appointing Pollard & Associates Inc., as Interim Receiver (“Receiver”) without security, of all of the following co-ownership units located within a 103-unit townhouse development located at 53 to 71 Godstone Road, in the City of Toronto, in the Province of Ontario (the “Godstone Project”):

(a) Units 57-111, 57-119, 59-117, 63-111, 63-115, 63-116 and 71-118 held by Maple Ridge Real Estate Investments Corp. (“Maple Ridge”) (the “Maple Ridge Units”);

(b) Units 67-115, 67-115, 67-120, 67-121, 69-124 held by 1320950 Alberta Ltd;

(e) Units 69-121, 69-123, 69-127 held by 1336364 Alberta Ltd;

(d) Units 6-116, 69-117, 69-120, 69-126 held by 1336365 Alberta Ltd;

(e) Units 69-111, 69-114, 69-115 held by 1336366 Alberta Ltd;

(f) Units 69-110, 69-125 held by 1336367 Alberta Ltd; (collectively, the “Alberta Companies” and the “Alberta Units”) on an interim basis pending the return of this motion on August 12, 2015. A copy of the Interim Receivership order is attached to this report as **Schedule “A”** hereto.

2. The Maple Ridge Units and the Alberta Units are also referred to collectively herein as the Units.

3. On August 12, 2015, the court ordered the continuation of the Interim Receivership.

4. The purpose of this Second Report is to update the Court on the Receiver’s actions and activities, and to provide the Court the Receivers recommendations going forward including:

- (a) Status of the Alberta Units and Maple Ridge Units; (“the Defaulted Units”)
- (b) The financial status of the Godstone Co-Ownership;
- (c) Demand vacant possession for the tenants of the Defaulted Units for arrears of rent and operating rooming houses;
- (d) Offers from tenants to purchase various Defaulted Units;
- (e) Inspection, valuation & repairs and possible ultimate sale of the Defaulted Units;
- (f) Receiver’s Certificate issued on August 22, 2015 in the amount of \$100,000; and
- (g) Approval of the First Report of the Receiver dated August 5, 2015.

TERMS OF REFERENCE

5. The information contained in this Second Report is based on unaudited financial information as well as discussions with representatives of the Applicant, the Respondents and their advisors. The Receiver has reviewed the information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the *Chartered Professional Accountants Canada Handbook* (“CPA Canada Handbook”) and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the information.

6. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

MAPLE RIDGE UNITS AND ALBERTA UNITS

Site Plan

7. The Godstone Project consists of a various size townhomes units ranging from 2 to 4 bedroom units. The units are between 945 square feet plus basements of 460 square feet to 1,315 square feet plus basements of 640 square feet. There is an underground parking facility for use by the tenants.

8. The Godstone Project is just off of Don Mills Road, north of Sheppard Avenue, and close to the Fairview Mall. The Godstone Park is adjacent to the Godstone Project. There is a shopping plaza directly across the street on the west side of Sheppard Avenue which is known as the Peanut Plaza.

Insurance

9. Following the continuation of the receivership the Receiver obtained a copy of the insurance certificate for the Godstone Project and noted that the policy was not in the name of Godstone Co-Ownership Inc. The Receiver requested that Atrens Management (the “Property

Manager”) have the policy corrected. The Property Manager has advised the Receiver that they are in the process of doing so. A copy of the Certificate of Insurance provided by the Property Manager listing the insured as Lape Residences Inc. and Godstone Co-operative Inc. and all registered unit owners from time to time and all registered mortgagees from time to time is attached as **Schedule “B”** hereto.

Condition of the Units

10. The Receiver has been contacted directly by some of the tenants of the Alberta Units and Maple Ridge Units to discuss various matters, which will be discussed later in this report, and to inspect the condition of the units.

11. The Receiver has only been in a small number of the Units to date.

12. One of the units inspected is in extremely bad condition; there is no drywall on the walls (cement brick or stud walls), no doors on rooms (curtains), bathroom in extremely rough shape and kitchen in rough condition. The exterior of the unit has old doors, windows and very weathered paint. The tenant acknowledges that he was aware of the state of the property at the time he moved into the unit and confirms that he knew about the roof leaks and foundation leakage. The tenant states that he wishes to purchase the unit. The tenant advises that he has been making repairs to the unit since 2012.

13. Other units inspected have serious water problems which have been caused by either roof leaks or seepage in the foundation. These units require repair to the drywall within the unit (walls and ceiling) and around the exterior foundation. The tenants advised that the roof repairs were done and the water leaks appeared to have stopped since they no longer required pails to gather the water leaking from the ceiling.

14. The Receiver repaired one of the units kitchen sink. The tenant contacted the Receiver indicating that the pipes under the kitchen sink were broken and when they used the kitchen sink water was pouring out of the pipes. The Receiver arranged for a contractor to attend to repair the pipes on an emergency basis. Upon attendance the contractor advised that the sink had not been in working order for some time and the tenant had buckets under the sink to collect water whenever the sink was used. In addition the tenant pointed out to the contractor that the cold

water did not work in the bathroom on the second floor and other maintenance issues within the unit including water damage from roof leaks.

15. Another unit which was inspected was in pristine condition, granite counter tops, upscale appliances and flooring.

16. A number of units had doors and windows which had not been replaced to match the remainder of the complex. It was apparent that while some unit within the complex had received exterior repairs and replacement of doors, windows, and mailboxes during the last few years others were left in disarray. In general the units which had not had exterior repairs done to them, common elements, appeared to be units which Godstone Board considered to be default units, being the Alberta Units and Maple Ridge Units.

17. The Receiver requested confirmation from the Property Manager as to the work being done and the treatment of all of the unit holders. The Property Manager informed the Receiver verbally and via email dated August 19, 2015 that all 103 unit holders (the "Godstone Complex") are treated the same. The Property Manager provides maintenance, repair and replacement of the common areas however it does not do any work on the interior of the units including the backyard. The email from the Property Manager confirming his engagement is enclosed as **Schedule "C"** hereto.

18. It would appear that preference has been provided in reference to the exterior condition of some of the Units. The exterior condition of some of the Default Units effect the overall appearance of the Godstone Project as well as the value of the Alberta Units and Maple Ridge Units.

19. The Receiver reviewed records pertaining to repairs of the Godstone Complex. Roofing issues were apparent in 2011 as roof leaks were being investigated and repairs were being done to both the exterior and interior of the damaged units. Also during 2011 Godstone engaged consultants to do a roof and garage review in order to determine what repairs were required. During the garage inspection the consultant determined that the sprinkler system had not been activated for many years and services needed to be done in order to have the system correctly working again and up to code.

20. The Receiver will be seeking access to the Units in order that the Receiver can determine the condition of the Units and determine what, if any renovations are required in order for any potential sale to be completed.

LEASE AGREEMENTS

Status

21. The Receiver requested and obtained copies of the Lease Agreements for the Units (“the Leases”) from RGL Property Services Inc., (“RGL”), and the Property Manager. RGL is another management company which had been collecting rents for some of the Units.

22. In most cases the Leases were either month to month or already terminated as per the terms of the lease. Some Leases appear to be “Rent to Own Leases”. The Leases have various terms and vary in the amount of the rent payable for similar units.

23. The Leases entered into with the tenants by Godstone Co-Ownership (“Godstone”) have limited terms and appear to be assignable without the consent of the Board of Directors of Godstone or the Property Manager. As well these leases do not require that the tenant be the party living in the unit, they do not have insurance requirement clause, and contain no entry clause and no default clause.

24. The leases entered into with RGL are generally in a standard form of lease placing restrictions on assignments, requirement for insurance, termination periods, enforceability clause, default clause, access clause and condition of the property.

25. Godstone has advised the Receiver that they have the authority to continue to enter into leases despite the fact that they are not the owners of the units based upon paragraphs 4 & 10 of a Court Order issued by the Honourable Justice Sosna dated July 31, 2012. The Court Order is attached as **Schedule “D”** hereto.

26. Godstone entered into two leases effective August 1, 2015 after the Receivership Order had been issued.

27. RGL advised the Receiver that they had the authority to act as agent for the owners of the Units and have entered into the Leases based upon the agreement with the owners.

28. The Receiver seeks a declaration that pursuant to the Receivership Order Godstone has no legal authority to enter into any lease agreements.

Collection of rents

29. Godstone has been collecting rents in amounts not necessarily reflected in the Leases entered into with tenants and have collected rent from tenants who had entered into Leases with RGL. RGL appears to have not been collecting rents from tenants that they have entered into leases with and/or in the amount reflected in the lease agreement. In addition, the Property Manager advised that he did not have copies of the Leases entered into with the tenants by RGL.

30. The Receiver questioned the practice of Godstone of collecting and accepting rents/lease payments that were not in the amounts outlined in the Leases. The Receiver was advised that the tenants pay what they pay. The Property Manager advised the Receiver that in some cases he was unaware of the amount that the tenant was to pay as the lease agreement was not with Godstone but RGL.

31. RGL advised the Receiver that in some cases tenants refused to pay RGL directly given litigation or potential litigation with reference to the "Rent to Own Leases" and therefore the tenants were either paying Godstone or no one. RGL could not advise the Receiver of the amounts these tenants were paying.

32. In some cases the tenants have not paid any rents to either RGL or Godstone for a significant period of time.

33. During its discussions with some of the tenants the Receiver learned that they had been advised to issue payments for rent to Godstone only in the amount of the maintenance fee. In these cases, these tenants have not been paying the amount as per the rental agreement to either Godstone or RGL.

34. The Receiver will be reviewing its options to provide notice to vacate the units in reference to the Leases with the tenants in arrears of rent.

Rooming houses

35. Not all Units are occupied by the tenants who are listed on the latest lease agreement in the Receivers possession. The Receiver requested clarification as to the persons occupying the Units. Godstone, through its counsel advised the Receiver that “numerous units are NOT tenant occupied. Those tenants are sub-landlords. Sublease is permissible so long as rent is paid” and some of the Units are being used as rooming homes.

36. The Receiver has received a number of emails from counsel for Godstone on the issue of subleasing and rooming houses. Counsel for Godstone comments were that “Again, it is my view that out of humanity as well as the city’s concern for lack of affordable housing to low-income people, rooming is NOT criminal. The best way to terminate rooming is to sell the units to the purchasers at a market price.” “However, as to the issue of rooming, sorry, I don’t want to help you. I am a human being and I deem humanity and generosity more important than the structure of the units at this critical stage when the units are not sold to any individual purchasers.” “If you look from humanity point view, it is ok to rent rooms for \$400-\$500 to students or unemployed single. And also from the environmental point of view, it is better to let a room occupied with a human being than wasted with emptiness”. Copies of the emails to the Receiver dated August 19, 2015, and August 26, 2015 are attached at **Schedule “E”** hereto.

37. Godstone on September 17, 2015 emailed Ms. Francis, counsel for DUCA Financial Services Credit Union Ltd., (“DUCA”) and requested that RGL and the Receiver take immediate action to evict the occupants of a “rooming house unit” or Godstone would start the eviction of the occupants in that unit. It appears that a disturbance occurred between occupants of two Units. Counsel for RGL requested details of the unit in which Godstone had an issue and requested details of legal basis for which RGL would have to take the action in reference to the conduct of a subtenant. Godstone counsel advised that “There is no need for a legal basis to evict the roomers. Operating rooming house is illegal. Roomers are not protected landlord and tenant act.” In addition counsel stated “I thought the major reason all of you agree with receiver to take over the control of the 24 units is to manage and sale those units because Godstone is a mess. Now illegal activities took place in Godstone regarding one the defaulting units, you claim both you and Receiver cannot do anything. Then what’s the point to have a receiver... But

I can advise the board to find a landlord and tenant lawyer to start the eviction if neither you nor the Receiver bothers to handle it.” This correspondence occurred during the period of September 17, 2015 and September 19, 2015, the Receiver has received no further information, no correspondence from either of the tenants in the Units and nothing further from Godstone or RGL. Copies of the emails dated September 17 and September 19, 2015 are attached to this Report as **Schedule “F”** hereto.

38. The Receiver has been advised that at least three of the Units are rooming homes by both Godstone and RGL.

39. The Receiver has investigated the legality of rooming homes in this area and whereby more than three individuals’ not family members living in the property would be a rooming home and determined that such Leases are illegal. A copy of the summary of the bi-law is attached hereto as **Schedule “G”** hereto. Counsel for Godstone has acknowledged that rooming homes are illegal. Godstone has advised that one of the units has a lease agreement with RGL and RGL has advised that at least two other units have lease agreements with Godstone.

40. In general rooming home tenants will not keep the property in the same condition as a single family and therefore the condition of the unit could be affected by the number of individual’s living within the unit.

41. As rooming houses are illegal the Receiver will be proceeding to provide notice to these tenants to vacate the Units the Receiver determines to be rooming houses.

UNIT OWNER LEDGER

42. The Receiver requested copies of unit owner ledger (“Owner Ledger”) for the 24 Units which make up the amounts claimed as owing by Godstone in relation to co-ownership fees and special assessments. The Receiver reviewed these schedules and has noted an issue with the accounting of the debt owed on some of the units. The Owner Ledger provided beginning in April 2009, at the time of the special assessment being levied, reflects interest compounded monthly from 10.9% to 10.2%. Payments made to Godstone are not reflected on the Owner Ledger and therefore interest and monthly co-ownership fees continue to accrue.

43. Since their engagement date on or around June 1, 2013 the Property Manager has kept a separate summary of attornment of rents for each Unit for which Godstone directly collected the rents.

44. As an example unit 59-117 had an opening balance in the amount of \$17,537.28 as at April 21, 2009, as at July 2015 the amount owing as per the ledger is \$75,220.76. From October 2013 the tenant has made payments in the amount of \$1,000 per month pursuant to the Lease with Godstone. The Property Manager summary reflects that rents have been attorned since December 2013. Copies of the Owner Ledger and the Property Manager summary for unit 59-117 are attached as **Schedule "H"** hereto.

45. The Receiver has not been able to review ledgers from the previous property manager which could record additional payments made by the tenants or owners of Maple Ridge Units or Albert Units. In addition, the Receiver did not see any documentation to support the amount of interest being charged, how it was to be charged and what made up the opening balance on the Owner Ledgers.

46. The Receiver is aware that a special assessment was issued on or around April 1, 2009 and a copy of the Special Assessment notice is attached as **Schedule "I"** hereto. The Receiver has been advised by the Property Manager and Godstone Board that the special assessment was paid by all of the unit holders in the Godstone Complex except for the Maple Ridge Units or Alberta Units.

47. Upon the Receiver noting that funds being paid to Godstone directly were not reflected on the Owner Ledger the Receiver requested clarification from the Property Manager. The Property Manager advised the Receiver that the funds collected from the rents were being used to pay for operating costs of Godstone since the Units were not paying the co-ownership fees for common area expenses and were not reflected on the Owner Ledger because instructions had not been provided by previous counsel for Godstone on how these amount should be recorded.

48. The Receiver requested from the Property Manager and received a copy of the current estoppel certificate issued to a recent huyer of a unit as well as copies of the financial statements

of Godstone from fiscal year end 2009 to and including 2014. A copy of Godstone financial statement for fiscal year ending 2013 & 2014 are attached as **Schedule "J"** hereto.

49. The financial statement for fiscal year ending 2014 have not yet been approved by the Board of Directors of Godstone reflect a receivable \$2,177,883 owing by the Units and one unit, 63-114, which unit was sold on July 19, 2013. The financial statements for fiscal year ending 2013 which have been approved by the Board of Directors of Godstone reflect a receivable of \$1,811,621 owing by the Default Units and unit 63-114.

50. The Receiver has reviewed the Owner Ledger prepared by the Property Manager to the amounts reflected in the financial statements for the year ending 2013 & 2014 in reference to the accounts receivable owing by the Default Unit and unit 63-114. It appears that credit has not been given to the Default Units for which payments had been collected by Godstone in the audited financial statements. A summary of the amounts reflected in Owner Ledger for each of the Alberta Units and Maple Ridge Units and unit 63-114 has been attached as **Schedule "K"** hereto.

ESTOPPEL CERTIFICATE

51. The Receiver has reviewed a current estoppel certificate issued on August 19, 2015 which was issued to the current purchaser of a Godstone Unit.

52. The estoppel certificate includes a summary of the litigation under paragraph 20. The appointment of the Interim Receiver is outlined as "In July 2015, the Ontario Superior Court of Justice appointed (on and interim basis) a Receiver of the Maple Ridge Units and the Alberta Units. The Receiver is authorized (for the above units) to manage, operate and carry out the business of the foregoing units (as per the interim order)."

53. Under paragraph 21 of the estoppel certificate a summary of the outstanding litigation is outlined: "As of May 30, 2014, Godstone Co-Ownership Inc. ("Godstone Inc.") has the following claims and counter-claims outstanding". A summary of the claims and counter claims amongst the Maple Ridge, Alberta Companies, DUCA, Lydia Luckevich, Janet Louise Hilson and RGL is outlined however it appears that this section has not been updated as it states the "co-

ownership is pursuing the claims and defending the counter-claims. Motion is returnable on November 19, 2013 to add as a defendant the former solicitor for Godstone Inc.”

54. The budget section of the estoppel certificate in paragraph 17 states “Subject to collection of the unpaid Common Fees (see below), the Corporation anticipates that the Capital Fund will be adequate in the current fiscal year as there are no expected or contemplated costs or major repairs or replacements of the common arrears of the Corporation, except for those as set out in the Corporations Capital Funding Plan which is funded by special assessment set out above. As at July 31, 2015 there is \$2,137,493.05 common element receivable on account of unpaid Special Assessment and monthly common fees. The Corporation has issued Power of Sale notices on these units and expects to collect the amount due.”

55. In addition the estoppel certificate in paragraph 18 states that “The Corporation’s Capital Funds amounts to \$1,467.65 as at June 30, 2015”.

56. Godstone is relying on the capital fund/reserve fund to be funded by collection of the accounts receivable as reflected in the financial statements. There is presently nothing or very little cash in the capital fund. A copy of the estoppel certificate provided to the Receiver from the Property Manager is attached as **Schedule “L”** hereto.

AUDITED FINANCIAL STATEMENTS

57. The 2013 financial statements for Godstone indicates a reserve fund of \$1,016,736 as at December 31, 2013, an operating fund surplus of \$407,811 and \$2,397 cash in the bank.

58. The financial statement also indicated that the Godstone co-ownership has established a reserve fund to finance future major repairs and replacements of common elements of the co-ownership. Note 8 of the financial statements states in part “The Board has used the Reserve Fund Study (the “Study”) without a site inspection prepared by Edison Engineers Inc., dated March 6, 2012, and such other information as was available to them in determining the adequacy of the reserve fund and the current addition to the fund.” The note in the financial statements continues to state “The study recommended an annual reserve fund assessment of \$174,996 for 2013 (\$140,000 for 2012), representing an increase of 25% over the prior year, followed by 19%

annual increases for years 2014 to 2017 ... The Board's Funding Plan indicates that it is their intention to follow the reserve fund contribution levels that were recommended in the Study." A copy of the Note 8 from the 2013 financial statements is attached as **Schedule "M"** hereto.

59. The financial statements indicate that the reserve fund had zero cash in 2013 and had \$357 in 2012.

60. Godstone is relying on the collection of the accounts receivable from the sale of the Alberta Units and the Maple Ridge Units to cover the fund balance as outlined in the financial statements and the funds needed for the reserve fund.

61. The Receiver is of the opinion that the Estoppel Certificate issued by the Godstone could be misleading to the purchaser and therefore it is difficult for the Receiver to contemplate any sale of the Alberta Units and the Maple Ridge Units based upon the estoppel certificate that is presently being issued to purchasers.

CO-OWNERSHIP FEES

62. The Receiver requested details from the Property Manager in reference to the amounts due for the Alberta Units and Maple Ridge Units on a monthly basis and the Receiver has paid to the Co-ownership the monthly co-ownership fees owing for the Units in the amount of \$12,876.08 per month for the month of August and September 2015.

ENGAGEMENT OF PROPERTY MANAGER

63. In order to facilitate an orderly collection of rents the Receiver looked at engaging a property manager for the purpose of collecting rents and dealing with minor repairs, if required for the tenants.

64. The Receiver requested an estimate in order to collect the rents and arrange for minor repairs as required for inside the units from the Property Manager and was provided with an estimate of \$65 per unit per month. A copy of the email from the Property Manager dated August 26, 2015 is attached as **Schedule "N"** hereto.

65. The Receiver had discussed the possibility of RGL assisting the Receiver with collection of the rents and arranging for minor repairs as required.

66. The Receiver also contacted an independent property manager to obtain a quote for doing similar work on behalf of the Receiver. Given the litigation, the nature of co-ownership, the very limited role the property manager and Godstone currently having a Property Manager for all of the common area issues. The property manager contacted by Receiver did not provide a quote to the Receiver.

67. During the process of arranging for a party to assist the Receiver with the collection of the rents, the Receiver advised each and every tenant of the Units that payment of the rents needed to be paid directly to the Receiver commencing September 1, 2015. During the month of August most tenants either gave the rental payment to RGL payable to the Receiver or to Godstone Board payable to Katherine Lee in trust. The Receiver requested that both RGL and Godstone provide the cheques received for August rent to the Receiver forthwith. RGL delivered the cheques received to the Receiver immediately upon receiving the request. The Godstone Board did not provide the cheques to the Receiver and refused to do so until they received confirmation that the Receiver had paid to the property manager the co-ownership fees for the month of August. Even after providing confirmation that the co-ownership fees had been paid by the Receiver a number of days passed before the rents were forwarded to the Receiver.

68. The Receiver received an email from Ms. Lee indicting that Godstone Board would free of charge collect the rents for the Receiver however if the Receiver wished to pay them they would accept payment. This was during the time when the Receiver had requested a quote for providing property management services to the Receiver. A copy of the email dated August 26, 2015 from counsel for Godstone is attached as **Schedule "O"** hereto.

69. As such, the Receiver was contemplating the appropriate approach in dealing with the collection of rents and minor repairs and potentially requesting the services of the Property Manager and Godstone Board to assist the Receiver. However, the Receiver was inadvertently copied on an email from Ms. Lee dated August 25, 2015 which stated as follows: "I will give the funds to the Receiver tomorrow. How about September? I suggest that we withhold the September's funds in my trust until we receive the maintenance from the Receiver or until we

receive a written confirmation from the Receiver that in the future she will give us the maintenance fees on monthly basis". A copy of the email from Ms. Lee copied to the Receiver is attached as **Schedule "P"** hereto.

70. Additionally the Receiver understands that the emails have been sent to counsel on the service list excluding the Receiver and its counsel advising parties that the Receiver did not accept the offer of the Board to collect the rents and decided without reaching out to the Godstone Board to send demands to the tenants of the 24 units to pay the Receiver directly.

71. The Receiver has determined for now it is best to not ask either RGL or the Property Manager to collect rents or assist with minor repairs for the units if required. In any event, it appears that the unit holders are not accustomed to contacting the Property Manager for minor repairs within the unit as the Property Manager did advise the Receiver they do not do any repairs for unit holders as outlined in the email from the Property Manager dated August 19, 2015 which is attached to this report as Schedule "C".

72. Not all of the unit holders have issued payments as required for August and September, 2015 rent and a schedule is attached which reflects payment received to date. The Receiver will continue to issue demands to the unit holders who have not paid as per the lease terms. A copy of the schedule is attached as **Schedule "Q"** hereto.

CASH FLOW OF THE CO-OWNERSHIP

73. At the time of the Receivership Order, Godstone requested confirmation that the Receiver would be paying the co-ownership fees as without payment Godstone would not have sufficient funds to pay the water bill outstanding for the month of August. Copies of emails sent by Ms. Lee to the Receiver are attached as **Schedule "R"** hereto.

74. Details were requested by the Receiver in reference to current hydro invoices, utility bill and property tax account. The hydro invoice in the amount of \$1,102.72 and utility bill from the City of Toronto for water and solid waste in the amount of \$8,934.69 for the month of August were provided to the Receiver the statements indicate that the accounts are current. The property

tax invoice provided to the Receiver indicates that the tax account for the Godstone has a balance due of \$289,356.77. Copies of the statements are attached as **Schedule "S"** hereto.

PROPERTY TAX ARREARS

75. The property tax arrears problems started at the beginning of fiscal year 2012. The Receiver reviewed a tax statement dated May 7, 2013 which indicated that tax arrears for 2011 were \$118.85; 2012 were \$145,175.70; and 2013 were \$132,095.

76. Godstone does not have sufficient cash to pay the tax arrears and has requested that the Receiver obtain funds at a lower interest rate than presently being charged by the city in order to pay the arrears in full.

77. The current property tax arrears are a charge against the Godstone Project as a whole. A copy of the email from counsel for Godstone requesting that the Receiver obtain financing to pay the outstanding property taxes is attached as **Schedule "T"** hereto.

78. The Receiver has contacted DUCA and has discussed the potential funding request to cover the outstanding property taxes.

79. DUCA has advised that they wish to review the request after receipt of the Receiver's report and further investigation.

SALE OF ALBERTA UNITS AND MAPLE RIDGE UNITS

80. The Receiver has received correspondence and affidavit material from a number of tenants indicating their interest to purchase the Units. The affidavits are enclosed as **Schedule "U"** hereto.

81. Additionally Ms. Lee has provided an affidavit of Mike Jiang, a real estate agent sworn on September 17, 2015. A copy of which is attached as **Schedule "V"** hereto.

82. An expression of interest to purchase the following Alberta Units and Maple Ridge Units are:

Potential Purchase Price

- Unit 57- 111 \$240,000
- Unit 57- 119 to be determined
- Unit 59-117 to be determined
- Unit 63-111 \$270,000
- Unit 63-115 \$240,000
- Unit 63-116 to be determined
- Unit 67-115 \$281,000
- Unit 67-116 to be determined
- Unit 69-110 to be determined
- Unit 69-111 \$270,000
- Unit 69-116 to be determined
- Unit 69-124 \$235,000
- Unit 69-125 \$235,000
- Unit 69-127 \$225,000

83. It is apparent that the tenants have an interest in purchasing some of the Alberta Units and Maple Ridge Units. The Receiver has a number of concerns in reference to the sale of these units particularly, the reliance on the Estoppel Certificate by the purchaser and its lender.

84. The Receiver needs to inspect the units in order to determine if the offers are fair and reasonable with an independent appraiser. The Receiver has requested that Godstone assist the Receiver with providing contact information of the tenants in order to arrange the same. The response to the Receiver's request from counsel for Godstone is attached as **Schedule "W"** hereto.

85. Notwithstanding the email outlined in Schedule "W", the Receiver will be contacting each of the unit holders to arrange to attend in each of the units, obtain an estimate of value given the unit in the current condition, costs to renovate the unit, if needed to a reasonable standard and the estimated value of the unit after renovation.

86. Once the Receiver has an estimate of value it will be able to then proceed with a review of the expressions of interest presented to the Receiver. If the expressions of interest are fair and reasonable the Receiver could negotiate offers to purchase with these tenants subject to court approval and vesting order.

RECEIVER'S CERTIFICATES

87. The Receiver has issued Receiver Certificate #1 in the amount of \$100,000 and these funds have been used partially to pay Godstone Co-ownership monthly fees in the amount of \$12,876.08 per month. A copy of the Receiver's Certificate is attached as **Schedule "X"** hereto.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

88. An Interim Statement of Receipts and Disbursements is attached as **Schedule "Y"** hereto.

CONCLUSION

89. It is the Receiver's intention to gain access to all the Units for the purpose of obtaining an estimated value of the unit in its current condition, estimate costs of repairs – to bring the unit to a reasonable standard, if required and an estimated value of the unit if repairs are completed.

90. The Receiver intends to continue to review the records of Godstone in reference to the priority claim being brought forward by Godstone for co-ownership fees and special assessments.

91. There appears to be a market for the Godstone Project, tenants are interested in purchasing the units in their current condition. Godstone has advised the Receiver that the TD Bank is prepared to provide mortgages to the tenants and is content with the estoppel certificate being issued by the Property Manager.

92. The Receiver intends to continue to collect the rents from the current unit holders who are in good standing. The Receiver will deliver notices to vacate possession for the units which the tenants are not paying the proper rent/lease payments in accordance with their Lease. The

Receiver will also deliver notices to vacate possession for those tenants who are operating rooming houses.

93. As mentioned, the Receiver has significant concerns as to the validity of the estoppel certificate and reliance of the same by the purchaser and the lender (if any) given that the receivable outlined therein could be misleading as the amount collected by Godstone or paid directly to Godstone on behalf of the Units has not been offset against the receivable. The receivable is a gross number which continues to increase as funds paid to Godstone are not reflected in the accounting of the amounts owing and interest continues to be charged monthly on the gross receivable.

94. Godstone has very limited or no cash available for general operating expenses.

95. From the review of the limited information received to date in reference to each of the Alberta Units and the Maple Ridge Units, the Receiver has determined that the account for the collection of rents, payments of co-ownership fees and the use of these funds will need to be further addressed by the Receiver in future reports to the court.

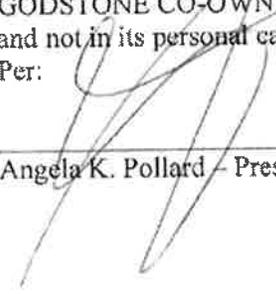
96. For the reasons set out in this Second Report, the Receiver respectfully requests that this Court:

- a) Accept and approve the actions and activities of the Receiver as set out in the First Report dated August 5, 2015;
- b) Accept and approve all of the actions and activities of the Receiver as set out in this Second Report;
- c) Make a declaration that pursuant to the Receivership Order Godstone has no legal authority to enter into any lease agreements;
- d) Approve the interim statement of receipts and disbursements.

All of which is respectively submitted.

Dated September 28, 2015

POLLARD & ASSOCIATES INC.,
in its capacity as the Court Appointed Interim Receiver of
GODSTONE CO-OWNERSHIP INC.
and not in its personal capacity
Per:



Angela K. Pollard - President



Court File No. 12-9934-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE
JUSTICE

HAINES

MONDAY, THE 27TH
DAY OF JULY, 2015

BETWEEN:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

- and -

**MAPLE RIDGE REAL ESTATE INVESTMENTS CORP.,
DUCA FINANCIAL SERVICES CREDIT UNION LTD.,
LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC.,
1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD.,
1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN,
FRANCISCO CENDANA, ELIZABETH CENDANA, DAVE LALL, CARMEN MANGAL,
JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON,
RICARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG,
SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN
and JANET LOUISE HILSON**

Defendants

INTERIM ORDER
(appointing Receiver)

THIS MOTION made by the defendant, **Duca Financial Services Credit Union Ltd.** ("**Duca**") for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Pollard & Associates Inc. as receiver and manager (in such capacities, the "Receiver") without security, of all of the following co-ownership units located within a 103-unit townhouse development located at 53 to 71 Godstone Road in the City of Toronto (the "Godstone Project"):

(a) Units 57-111, 57-119, 59-117, 63-111, 63-115, 63-116 and 71-118 held by Maple Ridge Real Estate Investments Corp. ("Maple Ridge") (the "Maple Ridge Units");

(b) Units 67-115, 67-116, 67-120, 67-121, 69-124 held by 1320950 Alberta Ltd.;

(c) Units 69-121, 69-123, 69-127 held by 1336364 Alberta Ltd.;

(d) Units 69-116, 69-117, 69-120, 69-126 held by 1336365 Alberta Ltd.;

(e) Units 69-111, 69-114, 69-115 held by 1336366 Alberta Ltd.;

(f) Units 69-110, 69-1255 held by 1336367 Alberta Ltd. (collectively, the "Alberta Companies" and the "Alberta Units")

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Senechal sworn July 23, 2015 and the Exhibits thereto and on hearing the submissions of counsel for Duca, Godstone Co-Ownership Inc. ("Godstone"), Lydia Lukevich ("Lukevich"), Janet Louise Hilson ("Hilson"), RGL Property Servicers Inc. ("RGL") and Russo Corp., no one appearing for any other interested parties although duly served as appears from the affidavit of service of Karen Fox sworn July 23, 2015 and on reading the consent of Pollard & Associates Inc. to act as the Receiver,

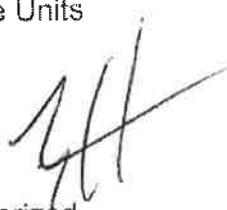
SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 101 of the CJA, Pollard & Associates Inc. is hereby appointed Receiver, without security, of the Maple Ridge Units and the Alberta Units (the "Property") ✓

*on an interim basis pending
the return of this motion
on August 12,
2015*



RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of renting the Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, or cease to perform any contracts of Maple Ridge or the Alberta Companies (collectively, the "Debtors") related to the Property;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to

assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to investigate all rents that have been received to date for the Property;
- (h) to settle, extend or compromise any indebtedness owing to the Debtors;
- (i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts

thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$450,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* and section 31 of the Ontario *Mortgages Act* shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals

thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related

to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such

amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

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

SERVICE AND NOTICE

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

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

GENERAL

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

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

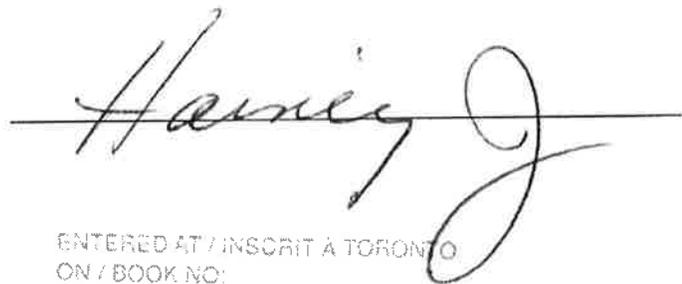
28. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying

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.

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

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

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



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

#2387105 | 4092040

JUL 27 2015



SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Pollard & Associates Inc., the receiver (the "Receiver") of the assets, undertakings and properties [DEBTORS' NAME] acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of July, 2015 (the "Order") made in an action having Court file number 12-9934-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the _____ day of _____, 20__.

POLLARD & ASSOCIATES INC., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____
Name: Angela K. Pollard
Title: President

BETWEEN

GODSTONE CO-OWNERSHIP INC.
Plaintiff

-and-

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., et al.
Defendants

Court File No. 12-9934-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

MINDEN GROSS LLP
Barristers and Solicitors
2200 - 145 King Street West
Toronto, ON M5H 4G2

Catherine Francis (LSUC# 26900N)
cfrancis@mindengross.com

Tel: 416-369-4137
Fax: 416-864-9223

Lawyers for the Moving Party/Defendant,
Duca Financial Services Credit Union Ltd.



Atrens-Counsel
Insurance Brokers Inc.

CERTIFICATE OF INSURANCE

This is to certify that insurance described below has been effected with the Insurer(s) shown, subject to the terms and conditions of the policy applicable.

LAPE RESIDENCES INC. AND GODSTONE COOPERATIVE INC. AND ALL REGISTERED UNIT OWNERS FROM TIME TO TIME AND ALL REGISTERED MORTGAGEES FROM TIME TO TIME

PROPERTY INSURED: 53 - 71 Godstone Road
Toronto, Ontario

TERM: October 4, 2014 TO October 4, 2015

COMMERCIAL PACKAGE POLICY NO. 501167923

PROPERTY: Form: Comprehensive All Risk Policy
Amount of Insurance: \$18,840,733.00
Deductibles: \$ 2,500.00 STANDARD
\$ 5,000.00 SEWER BACKUP & WATER
\$ 10,000.00 FLOOD
\$ 50,000.00 EARTHQUAKE
Company: Novex Insurance Company 50%
Aviva Insurance Company of Canada 50%

COMPREHENSIVE GENERAL LIABILITY:

Limit of Liability: \$5,000,000.00

DIRECTORS AND OFFICERS LIABILITY:

Limit of Liability: \$5,000,000.00

BOILER AND MACHINERY:

Limit per Accident: \$18,840,733.00
Company: Novex Insurance Company
Policy Number: 501167923

This document is furnished as a matter of courtesy and only as information of the fact that Policies have been concurrently prepared. It is not a contract, confers no right upon any person and imposes no liability on the Insuring Companies. A Photocopy of this executed Certificate may be relied upon to the same extent as if it were an original executed certificate.

ATRENS-COUNSEL INSURANCE BROKERS INC.

Authorized Representative

Date: October 15, 2014

Angela Pollard

From: stephen@atrensmgmt.com
Sent: August-19-15 3:02 PM
To: Angela Pollard; Cathy law case godstone
Cc: Kelli Preston; Peter Zhang; Johnny Zhang; Jerry Xue; Linda Wang; Yuan Ye; Eugene Kvache; huang zhiquan
Subject: RE: Godstone
Attachments: Special Asses Ltr-Mar-09.pdf

Hi Angela,

See the answer as below

Q: 1. would you please provide to me a copy of the special assessment which was issued by the co-ownership, details of the amount per unit and the amount paid by the unit holders.

A: see the attachment for the special assessment.
details of the amount per unit are in the attachment.
except 24 default units and unit 63-114(the fund was hold in Duca's trust), all the other 78 units had paid off the special assessment. the amount you can get it from the attachment.

Q: 2. Also could you advise me what work is being done by the property manager

A: The works agreed in management agreement. (ie collecting common areas maintenance fee from unit owner, hiring contractors to provide 103 units garbage picked up, common area landscaping and snow removal <not include exclusive use backyard>, to provide the maintenance, repair. and replacement of the Common Areas; paying bills for 103 units' property tax, water, waste disposal and common area utility; etc.)

Q: and confirm that all units (ie all 103 units) are being provided with the same service by the co-ownership property manager.

A: all the units are being provided with the same services which were agreed in the Co-ownership Agreement by the corporation .

Thanks

Stephen Xu, RCM
Atrens Management Group Inc.
36-100 Bass Pro Mills Drive
Vaughan, ON L4K 5X1
T: 289.577.7701
F: 905.760.7855

----- Original Message -----

Subject: Godstone
From: "Angela Pollard" <akpollard@pollardandassoc.ca>
Oate: Tue, August 18, 2015 9:59 am
To: <stephen@atrensmgmt.com>, "Cathy law case godstone"
<klawoffice123@gmail.com>
Cc: "Kelli Preston" <Kelli.Preston@devrylaw.ca>

Stephen, would you please provide to me a copy of the special assessment which was issued by the co-ownership, details of the amount per unit and the amount paid by the unit holders. Also could you advise me what work is being done by the property manager and confirm that all units (ie all 103 units) are

being provided with the same service by the co-ownership property manager. Angela

Angela K. Pollard, CPA, CMA, FCIRP, CFE
Pollard & Associates Inc.
31 Wright Street
Richmond Hill, Ontario
L4C 4A2
905-884-8191

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE
JUSTICE SOSNA

)
)
)

TUESDAY, the 31st
DAY OF July, 2012

BETWEEN:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

-and-

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP.,
DUCA FINANCIAL SERVICES CREDIT UNION LTD.,
LYDIA LUCKEVICH and RGL PROPERTY SERVICES INC.

Defendants

ORDER

THIS MOTION, made by the Plaintiff was heard this day at 150 Bond Street East,
Oshawa, Ontario.

ON READING the notice of motion herein, and on hearing submissions of counsel for
the Plaintiff and Duca Financial Services Credit Union Ltd., and Joseph Shepherd appearing on
behalf of RGL Property Services Inc.;

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record, herein, be and it is hereby abridged, if necessary, and that the service, including the manner of service of the motion materials, be and it is hereby approved and validated, that this Motion is properly returnable today and that all parties entitled to notice were validly served and that the notice provided in respect of this Motion was adequate for all purposes whatsoever and that the Motion is properly returnable before this Court and that further service thereof upon any interested party other than those served is hereby dispensed with.
2. **THIS COURT ORDERS** that the Plaintiff is hereby granted a Certificate of Pending Litigation against the title to the Suites, and which certificate may be registered against the Property in respect of the Suites as described in paragraphs 2 and 3 of the Statement of Claim.
3. **THIS COURT ORDERS** that the Defendant RGL Property Services Inc. shall not interfere with the possession of the Suites by the Plaintiff.
4. **THIS COURT ORDERS** that any tenants of the Defendant RGL Property Services Inc. or Maple Ridge Real Estate Investments Corp. shall forthwith pay its rent to the Plaintiff, provided that pending the return of this matter, on a without prejudice basis, Duca may continue to receive the rents for the Suites for which it is currently receiving the rent, and any Order subsequently made in favour of the Plaintiff with respect to its priority for payment of rent shall be retroactive to today's date.
5. **THIS COURT ORDERS** that the balance of this motion is hereby adjourned to September 14, 2012 at 9:30 a.m. for a long motion.
6. **THIS COURT ORDERS** that the costs are hereby reserved to the Justice hearing the motion on September 14, 2012.

7. **THIS COURT ORDERS** that this Order shall be served on the Defendant RGL Property Services Inc. by Joseph Shepherd providing the Plaintiff with the name and address of counsel he intends to retain on his behalf no later than August 3, 2012. Thereafter all documents to be served on that counsel. Service on the Defendant Maple Ridge Real Estate Investments Corp. shall be made by ordinary mail at 210 Frye Lane, RR No. 1, Perth Road, Ontario K0H 210.
8. **THIS COURT ORDERS** that this Order shall be served on tenants of any Suites by either personal delivery to the tenant, or by taping a copy of the Order to the door.
9. **THIS COURT ORDERS** that approval of the Order by RGL Property Services Inc. is dispensed with.
10. **THIS COURT ORDERS** that Boken Lin and Yiran Xu shall be permitted to occupy Suite 57-111, provided that the tenants enter into a lease for the Suite directly with the Plaintiff on the standard form lease of the Plaintiff, and on a without prejudice basis the rent shall be paid to the Plaintiff in the amount of \$1,300.00.

ENTERED AT OSHAWA

AUG 02 2012

on _____

by *RL*



009018
810000

GODSTONE CO-OWNERSHIP INC.

AND

MAPLE RIDGE REAL ESTATE INVESTM
CORP. et al

Plaintiff

Defendants

Court File No.: 79290/12

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at:
OSHAWA

ORDER

JOSEPH J. NEAL
Barrister & Solicitor
142 Simcoe Street North
Oshawa, Ontario
L1G 4S7

Tel: (905) 436-9015
Fax: (905) 436-6098
LSUC# 24176F

Solicitor for the Plaintiff

Angela Pollard

From: Katherine Lee <klawoffice123@gmail.com>
Sent: August-26-15 6:25 PM
To: Angela Pollard; <stephen@atrensmgmt.com>; zcj8086; peter zhang
Cc: Kelli Preston
Subject: Re: FW: Godstone

Categories: Godstone report to court

Angela:

The check will be couriered to you office tomorrow. Please note:

1. If Stephen does not want to take care of the rent collecting, the Board members and I will take care of it free of charge. However, if you want to pay us for collecting rents for you from Godstone, we will appreciate it. **AS A RECEIVER, YOU NEED TO ENSURE US THAT THE COMMON EXPENSES WILL BE REIMBURSED TO GODSTONE BEFORE WE GIVE YOU THE FUNDS COLLECTED ON MONTHLY BASIS.**

2. I believe that Stephen does not feel comfortable to answer certain questions you raised for fear of being sued or reported to the court by you and your lawyer. His feelings and concerns are understandable. After all, we **DO NOT** know what's the purpose of your missions in our community: helping the Court to end the litigation? looking troubles from Godstone's Board and management company to benefit DUCA and other defendants? or simply creating billable hours?

3. I also believe whatever questions you raised were answered by my submissions to the court. You and your lawyer have a copy. Those submissions were work product of Godstone Board, the volunteer community members, Stephen and I. Please don't bill your hours by reading those submissions and then raising the same questions over and over. As a courtesy, please write down your questions again, I will answer and he legal responsible.

3. All those tenants that do not pay the full rent were Rent-to-Own Tenants of RGL. They had their stories. However, I believe that the Board of Godstone has no issue in asking them to pay the full rent. If they don't pay, there will be ways to make them pay. Our standard is \$1000 for two bedrooms units and \$1300 for 3 bedroom units. I don't know how much the rent should be for the 4 bedroom units. It is the decision of the Board unless you want to make the decision which, personally, I don't mind. I believe that there are two tenants who had decided to pay you instead of Gostone. You can ask them to pay the full rent. If you don't feel comfortable to do so, then please ask them to call me. I have no problem dealing with them.

4. Yes, numerous units are NOT tenant occupied. Those tenants are sub-landlords. Sublease is permissible so long as the rent is paid. Again, it is my view that out of humanity as well as the city's concern for lack of affordable housing to low-income people, rooming is NOT eriminal. The best way to terminate rooming is to sell the units to the purchasers at a market price. If you think sub-leasing is not acceptable, please raise them out.

5. However, as to the issue of rooming, sorry, I don't want to help you. I am a human being and I deem humanity and generosity more important than the structure of the units at this critical stage when the units are not sold to any individual purchasers.

5. RGL/DUCA do not want Godstone to get involved in their rent collection and management of their tenants/rent-to-own tenants. It is a long history. As to who occupies those units managed by

RGL/DUCA, you can find all the info in my submission to the court. However, you cannot blame Godstone Board and Stephen for whatever issues created by RGL/DUCA. They are our defendants. The entire litigation is to get them paid the maintenance arrears. If we are capable of controlling their units, then, there is no point in litigation for years. If you are impartial and if you do want to perform your duty, then please investigate the accounting of those units from RGL/DUCA and provide us a report of your investigation.

Finally, I am doing all the work for Godstone for free. And I have to run a very busy law office. So please go through the submissions I gave you and your lawyer. Whatever I submitted to the court is pretty accurate. If you cannot find whatever you need there, you can ask me. So far, it is meaningless to repeat. I believe that the Court has been so fed up with the repeated submissions of the same documents over and over for the past few years.

Best regards,

Katherine

On Wed, Aug 26, 2015 at 11:37 AM, Angela Pollard <akpollard@pollardandassoc.ca> wrote:

Ms. Lee, please have a trust cheque forward via courier to my office in my firm name for the funds deposited into your trust account, with copies of the cheques provided to you. As counsel of record for Godstone, you of course will be provided with the Receiver's report when proceeding to court on October 8th, 2015.

Please ensure that all future rent cheques are forwarded directly to my office. My meeting with the Property Manager answered some of my questions however not all of them. I have asked the property manager for certain information and I am sure you will advise him to provide me with the same. He will be seeking your instruction.

It appears that a number of units are not tenant occupied as well they are only paying partial rental/lease payments or none at all. I understand from the Property Manager that he does not manage or collect rents and all payments are directed to him from Godstone Co-ownership. In addition he is unaware of why some tenants pay limited funds except that repairs are needed.

Also he has advised that he has no knowledge of the tenants that occupy the units for which RGL collects rents and cannot comment on who is occupying the units and that no funds have been forwarded to him in reference to these units.

The Property Manager also commented that he was unaware of new leases being entered into on August 1, 2015 by Godstone Co-ownership and he did comment that these units previously paid significantly less rents – similar to the common area expenses. He will be asking for copies of the leases for his records from Godstone.

In addition I have asked the property manager for a quote to collect the rents for the 24 units as this is not part of his current duties to the Co-ownership. Angela Pollard

Angela K. Pollard, CPA, CMA, FCIRP, CFE

Pollard & Associates Inc.

31 Wright Street

Richmond Hill, Ontario

L4C 4A2

905-884-8191

From: Katherine Lee [<mailto:klawoffice123@gmail.com>]
Sent: August-25-15 8:05 PM
To: Angela Pollard; <stephen@atrensmgmt.com>; zcj8086; peter zhang
Cc: Kelli Preston
Subject: Re: Godstone

Angela:

I just heard from our Board that you borrowed funds and gave Stephen the August's maintenance fee of the 24 defaulted unit. Therefore, I give you the funds I collected. Please give me your void trust account check, I will directly deposit the funds into your trust account. Otherwise, I will mail the check to you. Please tell me who is the payee.

If you want to report me to the court, it is ok with me. My defense is that you never bother to answer my question of whether you will pay the 24 units' maintenance fees to Godstone. And you did not give the funds to Godstone until today.

Anyway, all I need is a written confirmation regarding the monthly maintenance fees. We are equal with respect to our responsibilities and loyalties.

Best regards,

Katherine

On Tue, Aug 25, 2015 at 4:18 PM, Angela Pollard <akpollard@pollardandassoc.ca> wrote:

Ms. Lee, please see enclosed our letter to Godstone dated August 25, 2015. Angela Pollard

Angela K. Pollard, CPA, CMA, FCIRP, CFE

Pollard & Associates Inc.

31 Wright Street

Richmond Hill, Ontario

L4C 4A2

905-884-8191

--

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

--

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

Angela Pollard

From: Katherine Lee <klawoffice123@gmail.com>
Sent: August-19-15 12:28 AM
To: Angela Pollard; Kelli Preston
Subject: Re: Godstone

Angela:

1. The special assessment was issued back in 2008. The records were boxed by Canlight Hall. Please give Stephen time to dig them out from the storage. Stephen and his company did not come to Godstone until the summer of 2013. What you are asking are documents dated back 7 years ago.
2. Levying special assessment was the decision of the Board of Godstone back in 2008. Challenging whether the special assessment was reasonable is the duty of the lawyers of DUCA and the 24 defaulted units. I don't see how it relates to your duty of "manage, rent and sale" the defaulted units which are all rented to ready buyers.
3. Stephen is a licensed property manager, he and his company provide the 103 units (including the defaulted units) **professional services** of what a licensed professional should do despite the fact that DUCA/RGL has not yet paid Godstone the common expenses for years. It seems that you have been targeting/challenging Stephen and Godstone. We are not the villains. We are just low income people who can only afford places like Godstone. So far, other than Joe Neal, we have no complaints towards Stephen and his company.
4. If only Mr. Joe Neal could come down from that loft, listen to our voices and care about our concerns, the outcome will be completely different. It is the same with you. You can save our community or eat us alive.
5. It is the same with rooming house issues. If you look from humanity point view, it is ok to rent rooms for \$400 - \$500 to students or unemployed single. And also from the environmental point of view, it is better to let a room occupied with a human being than wasted with emptiness. It was an issue back in 2012 in Godstone. We paid Mr. Joe Neal several thousand dollars for his opinion. He never issued one. So I presumed that he is ok with it like the city of Toronto.
6. Godstone is not perfect. But people who live there love it. So please be human !!!!

Goodnight and good sleep.

On Tue, Aug 18, 2015 at 12:59 PM, Angela Pollard <akpollard@pollardandassoc.ca> wrote:

Stephen, would you please provide to me a copy of the special assessment which was issued by the co-ownership, details of the amount per unit and the amount paid by the unit holders. Also could you advise me what work is being done by the property manager and confirm that all units (ie all 103 units) are being provided with the same service by the co-ownership property manager. Angela

Angela K. Pollard, CPA, CMA, FCIRP, CFE

Pollard & Associates Inc.

31 Wright Street

Richmond Hill, Ontario

L4C 4A2

905-884-8191

--

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

Angela Pollard

From: Katherine Lee <klawoffice123@gmail.com>
Sent: September-17-15 10:19 PM
To: Catherine Francis
Cc: JN; hr@reiningerbarrister.com; thomas.mcrae@shibleyrighton.com; jrosenstein@papebarristers.com; jenn@papebarristers.com; mrk@ksllaw.com; Kelli Preston; Angela Pollard
Subject: Re: Godstone--Appointment for scheduling Motion for Charging Order

By the way, one of the RGL's tenants who subleases her unit to a group of Russian students (rooming house unit) assaulted a kid of another RGL's tenant. The group of the Russian students were drinking in the backyard at night. The kid from the next door neighbor tried to convince them to be quiet but he was beaten and suffered from a broken chin. The group of Russian students frequently drink in the backyard and their neighbors suffer from noises of the drinkers. Godstone urges RGL./the Receiver immediately takes action, otherwise, we will start the eviction of the occupants in that unit. Godstone board has received the complaint from the victim's parents.

On Thu, Sep 17, 2015 at 9:15 PM, Catherine Francis <CFrancis@mindengross.com> wrote:
Please ensure that the Receiver and her counsel are copied on all communications.

Catherine Francis
Minden Gross LLP
145 King Street West
Toronto, ON
M5H 4G2
416-369-4137

From: JN
Sent: Thursday, September 17, 2015 12:57 PM
To: Catherine Francis; hr@reiningerbarrister.com; thomas.mcrae@shibleyrighton.com; jrosenstein@papebarristers.com; jenn@papebarristers.com; mrk@ksllaw.com; klawoffice123@gmail.com
Subject: Godstone--Appointment for scheduling Motion for Charging Order

Good afternoon,

Our office has received dates from the Toronto SCJ Commercial List office for dates for a one hour appointment for scheduling the charging motion.

Mr. Neal is available on the following dates for the same:

October 26, 2015
October 28, 2015

Please advise as soon as possible after your receipt of this e-mail which of these dates is suitable for each of you, and we will attend to the scheduling of the same.

Maureen Patton
Assistant to Joseph J. Neal

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

Angela Pollard

From: Katherine Lee <klawoffice123@gmail.com>
Sent: September-19-15 3:03 PM
To: Tom McRae
Cc: Catherine Francis; JN; hr@reiningerbarrister.com; jrosenstein@papebarristers.com; jenn@papebarristers.com; mrk@ksllaw.com; Kelli Preston; Angela Pollard
Subject: Re: Godstone -Appointment for scheduling Motion for Charging Order

Mr. McRae:

There is no need for a legal basis to evict the roomers. Operating rooming house is illegal. Roomers are not protected landlord and tenant act.

I thought that the major reason all of you agree with the receiver to take over the control of the 24 units is to manage and sale those units because Godstone "is" a mess. Now illegal activities took place in Godstone regarding one the defaulting units, you claimed both you and Receiver cannot do anything. Then what's the point to have a receiver.

Again, I am not a litigator and I do not deal with landlord and tenant cases. But I can advise the board to find a landlord and tenant lawyer to start the eviction if neither you nor the Receiver bothers to handle it. If the victim gets a personal injury lawyer, your client will suffer. My duty is to protect the Board from being sued.

YI: the assaulting roomers are in unit 67-121 and the victim is in unit 67-120.

On Thu, Sep 17, 2015 at 10:27 PM, Tom McRae <thomas.mcrae@shibleyrighton.com> wrote:

Ms. Lee,

Which of RGL's tenants are you referring to?

In any event, I am unsure of what legal basis RGL (or the receiver) would have to take "action" regarding the conduct of a subtenant. Moreover, I can't conceive of any legal basis on which the board of Godstone could take any steps. If you can assist on either of these points, I'd be grateful.



Thomas McRae
SHIBLEY RIGHTON LLP *Barristers & Solicitors*
250 University Avenue, Suite 700 | Toronto, Ontario M5H 3E5
T: [416.214.5206](tel:416.214.5206) | F: [416.214.5400](tel:416.214.5400)

thomas.mcrae@shibleyrighton.com | www.shibleyrighton.com

This transmission (including any attachments) contains information which is confidential and/or subject to the solicitor-client or work product privilege, and is intended solely for the individual or entity named above. If you are not the intended recipient, any interception, copying, distribution, disclosure or use of this transmission or any information contained in it is strictly prohibited, and may be subject to criminal and civil penalties. If you have received this transmission in error, please immediately call us collect at [1-877-214-5200](tel:1-877-214-5200), delete the transmission from all forms of electronic or other storage, and destroy all hard copies. Do not forward the transmission. Thank you.

From: Katherine Lee [mailto:klawoffice123@gmail.com]
Sent: Thursday, September 17, 2015 10:19 PM
To: Catherine Francis
Cc: JN; hr@reiningerbarrister.com; Tom McRae; jrosenstein@papebarristers.com; jenn@papebarristers.com; mrk@ksllaw.com; Kelli Preston; Angela Pollard
Subject: Re: Godstone--Appointment for scheduling Motion for Charging Order

By the way, one of the RGL's tenants who subleases her unit to a group of Russian students (rooming house unit) assaulted a kid of another RGL's tenant. The group of the Russian students were drinking in the backyard at night. The kid from the next door neighbor tried to convince them to be quiet but he was beaten and suffered from a broken chin. The group of Russian students frequently drink in the backyard and their neighbors suffer from noises of the drinkers. Godstone urges RGL/the Receiver immediately takes action, otherwise, we will start the eviction of the occupants in that unit. Godstone board has received the complaint from the victim's parents.

On Thu, Sep 17, 2015 at 9:15 PM, Catherine Francis <CFrancis@mindengross.com> wrote:

Please ensure that the Receiver and her counsel are copied on all communications.

Catherine Francis
Minden Gross LLP
145 King Street West
Toronto, ON
M5H 4G2
[416-369-4137](tel:416-369-4137)

From: JN
Sent: Thursday, September 17, 2015 12:57 PM
To: Catherine Francis; hr@reiningerbarrister.com; thomas.mcrae@shibleyrighton.com; jrosenstein@papebarristers.com; jenn@papebarristers.com; mrk@ksllaw.com; klawoffice123@gmail.com
Subject: Godstone--Appointment for scheduling Motion for Charging Order

Good afternoon.

Our office has received dates from the Toronto SCJ Commercial List office for dates for a one hour appointment for scheduling the charging motion.

Mr. Neal is available on the following dates for the same:

October 26, 2015
October 28, 2015

Please advise as soon as possible after your receipt of this e-mail which of these dates is suitable for each of you, and we will attend to the scheduling of the same.

Maureen Patton
Assistant to Joseph J. Neal

--

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

--

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051



Rooming Houses, Group Homes and Single-Unit Housing

Rooming Houses in Toronto

Rooming houses can include a house, apartment or building where you share a kitchen and/or washroom with four or more people that pay individual rent

Current rules and regulations

Rooming houses are only permitted in the former cities of York, Toronto and Etobicoke. Rooming houses that operate in Toronto and Etobicoke must be licensed.

Former Municipalities	Permitted	Licence Required
Etobicoke	yes	yes
Toronto	yes	yes
York	yes	no
East York	no	no
North York	no	no
Scarborough	no	no

How to apply for a rooming house licence:

Etobicoke (former city)

Contact Toronto Building to confirm zoning.

Etobicoke York District, 2 Civic Centre Court, 1st Floor, 416-394-8002

Once zoning has been confirmed, you can apply for a rooming house licence. Applications can be picked up at the Toronto Public Health office at Etobicoke Civic Centre, 399 The West Mall, 4th Floor, North Building

Toronto (former City)

Contact Shanta Persaud at spersaud@toronto.ca or 416-392-7594

Related links

- [Rooming House Review](#)

More information

Property standards issues and inquiries

To report an issue, contact 311:

Online forms

E-mail:

311@toronto.ca

Phone within Toronto:

311

Phone outside Toronto:

416-392-CITY (2489)

TTY customers:

416-338-0TTY (0889)

Website:

www.toronto.ca/311

311 is available 24/7, 365 days per year.

-

For general inquiries and to submit property standards applications:

Email: crctier2@toronto.ca

Locations

- **Etobicoke:** Etobicoke Civic Centre, 416-394-2550
- **Toronto & East York:** 433 Eastern Avenue, Bldg B, 416-397-4150
- **Scarborough:** Scarborough Civic Centre, 416-396-4166
- **North York:** North York Civic Centre, 416-395-7366

[View map of offices](#)

Back to [Property Permits](#) home page.

Legislation

- [Chapter 166, Lodging Houses](#)
- [Chapter 285, Rooming Houses](#)

© [City of Toronto, 1998-2015](#)

INTEREST CALCULATION

Godstone Co-ownership inc. - Arrears Interest Calculator

Unit No.: 59-117

Name: Mapleridge - Kevin Collins

Interest Rate: Bank of Canada, 1 year Conventional Mtge plus 7%

Date	Charge Due	Culative Balance	Bank of Can 1y mtge	Interest Factor	Total Interest	Interest	Cumulative Interest	Amount Owing
April 21, 2009	17,537.28	17,537.28	3.9	7.00	10.9%	159.30	159.30	17,696.58
May 21, 2009	414.00	18,110.58	3.9	7.00	10.9%	164.50	323.80	18,275.08
June 21, 2009	414.00	18,689.08	3.75	7.00	10.8%	167.42	491.22	18,856.50
July 21, 2009	414.00	19,270.50	3.75	7.00	10.8%	172.63	663.86	19,443.14
August 21, 2009	414.00	19,857.14	3.75	7.00	10.8%	177.89	841.74	20,035.02
September 21, 2009	414.00	20,449.02	3.7	7.00	10.7%	182.34	1,024.08	20,631.36
October 21, 2009	414.00	21,045.36	3.8	7.00	10.8%	189.41	1,213.49	21,234.77
November 21, 2009	414.00	21,648.77	3.6	7.00	10.6%	191.23	1,404.72	21,840.00
December 21, 2009	414.00	22,254.00	3.6	7.00	10.6%	196.58	1,601.30	22,450.58
January 21, 2010	414.00	22,864.58	3.6	7.00	10.6%	201.97	1,803.27	23,066.55
February 21, 2010	414.00	23,480.55	3.6	7.00	10.6%	207.41	2,010.68	23,687.96
March 21, 2010	414.00	24,101.96	3.6	7.00	10.6%	212.90	2,223.58	24,314.86
April 21, 2010	414.00	24,728.86	3.8	7.00	10.8%	222.56	2,446.14	24,951.42
May 21, 2009	414.00	25,365.42	3.7	7.00	10.7%	226.17	2,672.31	25,591.59
June 21, 2009	414.00	26,005.59	3.6	7.00	10.6%	229.72	2,902.03	26,235.31
July 21, 2009	414.00	26,649.31	3.5	7.00	10.5%	233.10	3,135.21	26,882.49
August 21, 2009	414.00	27,296.48	3.3	7.00	10.3%	234.29	3,369.51	27,530.79
September 21, 2009	414.00	27,944.79	3.3	7.00	10.3%	239.86	3,609.37	28,184.65
October 21, 2009	414.00	28,598.65	3.2	7.00	10.2%	243.09	3,852.45	28,841.73
November 21, 2009	414.00	29,255.73	3.35	7.00	10.4%	252.33	4,104.78	29,508.06
December 21, 2009	414.00	29,922.06	3.35	7.00	10.4%	258.08	4,362.86	30,180.14
January 21, 2011	414.00	30,594.14	3.35	7.00	10.4%	263.87	4,626.74	30,856.02
February 21, 2011	414.00	31,272.62	3.5	7.00	10.5%	273.63	4,900.37	31,545.65
March 21, 2011	414.00	31,959.65	3.5	7.00	10.5%	279.65	5,180.01	32,239.29
April 21, 2011	414.00	32,653.29	3.7	7.00	10.7%	291.16	5,471.17	32,944.45
May 21, 2011	414.00	33,358.45	3.7	7.00	10.7%	297.45	5,768.62	33,655.90
June 21, 2011	414.00	34,069.90	3.5	7.00	10.5%	298.11	6,066.73	34,368.01
July 21, 2011	414.00	34,782.01	3.5	7.00	10.5%	304.34	6,371.07	35,086.35
August 21, 2011	414.00	35,500.35	3.5	7.00	10.5%	310.63	6,681.70	35,810.98
September 21, 2011	414.00	36,224.98	3.5	7.00	10.5%	316.97	6,998.67	36,541.95
October 21, 2011	414.00	36,955.95	3.5	7.00	10.5%	323.36	7,322.03	37,279.31
November 21, 2011	414.00	37,693.31	3.5	7.00	10.5%	329.82	7,651.85	38,023.13
December 21, 2011	414.00	38,437.13	3.5	7.00	10.5%	336.32	7,988.18	38,773.46
January 21, 2012	414.00	39,187.46	3.5	7.00	10.5%	342.89	8,331.07	39,530.35
February 21, 2012	414.00	39,944.35	3.2	7.00	10.2%	339.53	8,670.59	40,283.87
March 21, 2012	414.00	40,697.87	3.2	7.00	10.2%	345.93	9,016.52	41,043.80
April 21, 2012	470.82	41,314.62	3.2	7.00	10.2%	352.87	9,369.40	41,867.50
May 21, 2012	470.82	42,338.32	3.2	7.00	10.2%	359.88	9,729.27	42,698.19
June 21, 2012	470.82	43,169.01	3.2	7.00	10.2%	366.94	10,096.21	43,535.95
July 21, 2012	470.82	44,006.77	3.2	7.00	10.2%	374.06	10,470.27	44,380.83
August 21, 2012	470.82	44,851.65	3.2	7.00	10.2%	381.24	10,851.51	45,232.89
September 21, 2012	470.82	45,703.71	3.2	7.00	10.2%	388.48	11,239.99	46,092.19
October 21, 2012	470.82	46,563.01	3.2	7.00	10.2%	395.79	11,635.77	46,958.79
November 21, 2012	470.82	47,429.61	3.2	7.00	10.2%	403.15	12,038.92	47,832.76
December 21, 2012	470.82	48,303.58	3.2	7.00	10.2%	410.58	12,449.50	48,714.16
January 21, 2013	470.82	49,184.98	3.2	7.00	10.2%	418.07	12,867.57	49,603.05
February 21, 2013	470.82	50,073.87	3.2	7.00	10.2%	425.83	13,293.20	50,499.50
March 21, 2013	470.82	50,970.32	3.2	7.00	10.2%	433.25	13,726.45	51,403.57
April 21, 2013	470.82	51,874.39	3.2	7.00	10.2%	440.93	14,167.39	52,315.32
May 21, 2013	470.82	52,786.14	3.2	7.00	10.2%	448.68	14,616.07	53,234.82
Sun-total:	38,618.76							
Collection Cost as at May 29-12**	6,417.59							59,652.41
	45,036.35					14,616.07		59,652.41

Unit Owner Ledger

Kevin Collins
 59 Godstone Road
 Unit 117
 Toronto, ON M2J 3C8

Date: 08/11/15
 Unit Owner Cod 59-117
 Property: godstone
 Unit: 59-117
 Status: Current
 Maint. Fees: 470.82
 Deposit: 0.00
 Move In Date:
 Move Out Date:
 Due Day: 1
 Tel# (O)
 Tel# (H)

Date	Description	Charges	Payments	Balance
	Balance Forward			0.00
05/31/13	Balance Forward			
06/01/13	Common Fee Income (06/2013)	53,234.82		53,234.82
06/21/13	Interest	470.82		53,705.64
07/01/13	Common Fee Income (07/2013)	456.50		54,162.14
07/21/13	Interest	470.82		54,632.96
08/01/13	Common Fee Income (08/2013)	459.83		55,092.79
08/21/13	Interest	470.82		55,563.61
09/01/13	Common Fee Income (09/2013)	467.66		56,031.27
09/21/13	Interest	470.82		56,502.09
10/01/13	Common Fee Income (10/2013)	475.09		56,977.18
10/21/13	Interest	470.82		57,448.00
11/01/13	Common Fee Income (11/2013)	483.04		57,931.04
11/21/13	Interest	470.82		58,401.86
12/01/13	Common Fee Income (12/2013)	491.06		58,892.92
12/10/13	Expense Charge-back Inv#188	470.82		59,363.74
01/01/14	Common Fee Income (01/2014)	2,373.00		61,736.74
01/21/14	Interest (December 2013)	470.82		62,207.56
01/21/14	Interest	499.15		62,706.71
01/27/14	Expense Charge-back INV# Jan 20, 2014	507.31		63,214.02
02/01/14	Common Fee Income (02/2014)	200.00		63,414.02
02/21/14	Interest	470.82		63,884.84
03/01/14	Common Fee Income (03/2014)	515.53		64,400.37
03/21/14	Late Interest	470.82		64,871.19
04/01/14	Common Fee Income (04/2014)	523.82		65,395.01
04/21/14	Interest	470.82		65,865.83
05/01/14	Common Fee Income (05/2014)	532.19		66,398.02
05/21/14	Interest	470.82		66,868.84
06/01/14	Common Fee Income (06/2014)	540.62		67,409.46
06/21/14	Interest	470.82		67,880.28
07/01/14	Common Fee Income (07/2014)	549.13		68,429.41
07/21/14	Interest	470.82		68,900.23
08/01/14	Common Fee Income (08/2014)	557.70		69,457.93
09/01/14	Common Fee Income (09/2014)	470.82		69,928.75
10/01/14	Common Fee Income (10/2014)	470.82		70,399.57
11/01/14	Common Fee Income (11/2014)	470.82		70,870.39
		470.82		71,341.21

CONTINUED

Unit Owner Ledger

Kevin Collins
 59 Godstone Road
 Unit 117
 Toronto, ON M2J 3C8

Date: 08/11/15
 Unit Owner Cod: 59-117
 Property: godstone
 Unit: 59-117
 Status: Current
 Maint. Fees: 470.82
 Deposit: 0.00
 Move In Date:
 Move Out Date:
 Due Day: 1
 Tel# (O)
 Tel# (H)

Date	Description	Charges	Payments	Balance
	Balance Forward			71,341.21
12/01/14	Common Fee Income (12/2014)	470.82		71,812.03
01/01/15	Common Fee Income (01/2015)	470.82		72,282.85
02/01/15	Common Fee Income (02/2015)	470.82		72,753.67
03/01/15	Common Fee Income (03/2015)	470.82		73,224.49
03/16/15	Plumbing sink repairs for renter	112.99		73,337.48
04/01/15	Common Fee Income (04/2015)	470.82		73,808.30
05/01/15	Common Fee Income (05/2015)	470.82		74,279.12
06/01/15	Common Fee Income (06/2015)	470.82		74,749.94
07/01/15	Common Fee Income (07/2015)	470.82		75,220.76
08/01/15	Common Fee Income (08/2015)	470.82		75,691.58

Current	30 Days	60 Days	90 Days	Amount Due
470.82	470.82	470.82	74,279.12	75,691.58

Atrens Management Group Inc.

100 Bass Pro Mills Drive
 Unit 36
 Vaughan, ON L4K 5X1

Statement

Account: godstone - 59-117 - r59-117

Date: 08/01/15

Payment: _____

Garine-Elza Bouloute-Auguste
59 Godstone Road
Unit 117
Toronto, ON M2J 3C8

Date	Description	Charges	Payments	Balance
	Balance Forward			0.00
12/01/13	Attorned Rent LMR (12/2013)	1,000.00		1,000.00
12/02/13	chk# 014 Cheque Payment		1,000.00	0.00
01/01/14	Attorned Rent (01/2014)	1,000.00		1,000.00
01/01/14	Parking Deposit (01/2014)	50.00		1,050.00
01/02/14	Pre Auth Payment		1,050.00	0.00
02/01/14	Attorned Rent (02/2014)	1,000.00		1,000.00
02/04/14	Pre Auth Payment		1,000.00	0.00
03/01/14	Attorned Rent (03/2014)	1,000.00		1,000.00
03/03/14	Pre Auth Payment		1,000.00	0.00
04/01/14	Attorned Rent (04/2014)	1,000.00		1,000.00
04/01/14	Pre Auth Payment		1,000.00	0.00
05/01/14	Attorned Rent (05/2014)	1,000.00		1,000.00
05/01/14	Pre Auth Payment		1,000.00	0.00
06/01/14	Attorned Rent (06/2014)	1,000.00		1,000.00
06/02/14	Pre Auth Payment		1,000.00	0.00
07/01/14	Attorned Rent (07/2014)	1,000.00		1,000.00
07/02/14	Pre Auth Payment		1,000.00	0.00
08/01/14	Attorned Rent (08/2014)	1,000.00		1,000.00
08/01/14	Pre Auth Payment		1,000.00	0.00
09/01/14	Attorned Rent (09/2014)	1,000.00		1,000.00
09/02/14	Pre Auth Payment		1,000.00	0.00
10/01/14	Attorned Rent (10/2014)	1,000.00		1,000.00
10/01/14	Pre Auth Payment		1,000.00	0.00
11/01/14	Attorned Rent (11/2014)	1,000.00		1,000.00
11/03/14	Pre Auth Payment		1,000.00	0.00
12/01/14	Attorned Rent (12/2014)	1,000.00		1,000.00
12/01/14	Pre Auth Payment		1,000.00	0.00
01/01/15	Attorned Rent (01/2015)	1,000.00		1,000.00
01/16/15	Pre Auth Payment		1,000.00	0.00
02/01/15	Attorned Rent (02/2015)	1,000.00		1,000.00
03/01/15	Attorned Rent (03/2015)	1,000.00		2,000.00
03/13/15	Pre Auth Payment		1,000.00	1,000.00
03/17/15	Pre Auth Payment		1,000.00	0.00
04/01/15	Attorned Rent (04/2015)	1,000.00		1,000.00
04/17/15	Pre Auth Payment		1,000.00	0.00

CONTINUED

Atrens Management Group Inc.
 100 Bass Pro Mills Drive
 Unit 36
 Vaughan, ON L4K 5X1

Statement

Account: godstone - 59-117 - r59-117

Date: 08/01/15

Payment: _____

Garine-Elza Bouloute-Auguste
 59 Godstone Road
 Unit 117
 Toronto, ON M2J 3C8

Date	Description	Charges	Payments	Balance
	Balance Forward			0.00
05/01/15	Attorned Rent (05/2015)	1,000.00		1,000.00
05/01/15	Pre Auth Payment		1,000.00	0.00
06/01/15	Attorned Rent (06/2015)	1,000.00		1,000.00
06/01/15	Pre Auth Payment		1,000.00	0.00
07/01/15	Attorned Rent (07/2015)	1,000.00		1,000.00
07/02/15	Pre Auth Payment		1,000.00	0.00
08/01/15	Attorned Rent (08/2015)	1,000.00		1,000.00

Current	30 Days	60 Days	90 Days	Amount Due
1,000.00	0.00	0.00	0.00	1,000.00



905.625.1522
905.625.8037
1.800.690.4255
canlighthall.com

March 16, 2009

5160 Expiorer Drive
Suite 17
Mississauga ON
Canada
L4W 4T7

ALL UNIT OWNERS / MORTGAGEES

Godstone Co-Ownership Inc.
53-71 Godstone Road
Toronto, ON M2J 3C8

Re: Special Assessment for Required Repairs as per Reserve Fund Study

Dear Co-Owners.

Pursuant to the Co-Ownership Agreement, Godstone Co-Ownership Inc. has levied a Special Assessment of \$2,032,098.70. This amount is comprised of the following parts:

- \$1,595,000 capital funding for repairs and improvements pursuant to the Capital Plan and Reserve Fund Study prepared by Edison Engineers; and
- \$437,098.70 for prior period Reserve Fund expenditures and Co-Ownership accounts payable

The Special Assessment for each unit has been apportioned proportionately as per the enclosed Schedule. The assessment is due and payable within 30 days from the date of this notice.

Should you have any questions please email myself at rghall@canlighthall.com or call 905-625-1524 ext 234.

Yours truly,

CANLIGHT HALL MANAGEMENT INC.
Managing Agents for Godstone Co-Ownership Inc.

Richard Hall

Richard Hall, B.A., ARP, CPM
Executive Vice President

GODSTONE CO-OWNERSHIP INC.
53-71 Godstone Road, Toronto
2009 SPECIAL ASSESSMENT SCHEDULE

UNIT	NAME	AREA	SHARE	PROPORTIONATE SPECIAL ASSESSMENT
53-110	Dai Hongjia	1,210	0.99908%	20,302.29
53-111	Dai Hongjia	1,197	0.98842%	20,085.67
53-112	Gordon/Kathleen Stewart	1,193	0.98486%	20,013.33
53-114	Gurbir/Havinger Rangar	1,218	1.00620%	20,446.98
53-115	Shameer Gulamain/Salima Kassam	1,168	0.96442%	19,597.97
53-116	Darrel & Stellene Asgil	1,224	1.01064%	20,537.20
53-117	Lape	1,204	0.99464%	20,212.07
53-118	Lape	1,204	0.99464%	20,212.07
53-119	Lape	1,174	0.96975%	19,706.28
53-120	Greg Donald / Germano Silva	1,200	0.99108%	20,139.72
55-110	Shameer Esmail	1,227	1.01331%	20,591.46
55-111	Gordon/Kathleen Stewart	1,199	0.99020%	20,121.84
55-112	Pam/Steve Stewart(Fig Tree Inv Inc)	1,165	0.96175%	19,543.71
55-114	Pam/Steve Stewart(Fig Tree Inv Inc)	1,004	0.82931%	16,852.40
55-115	Gordon/Kathleen Stewart	1,009	0.83287%	16,924.74
55-116	Archie Robertson(FFI First Fruits Inv)	1,024	0.84531%	17,177.53
55-117	Archie Robertson(FFI First Fruits Inv)	1,019	0.84176%	17,105.39
55-118	Lape	1,050	0.86753%	17,629.07
57-110	Kevin Collins (Maple Ridge RE Svcs)	1,224	1.01064%	20,537.20
57-111	Kevin Collins (Maple Ridge RE Svcs)	1,181	0.97509%	19,814.79
57-112	Lape	1,192	0.98397%	19,995.24
57-114	Rob / Lori Laurette	1,204	0.99464%	20,212.07
57-115	George / Gigi Tipei	1,196	0.98753%	20,087.58
57-116	Bruce Chapman	1,228	1.01420%	20,609.55
57-117	Kevin Collins (Maple Ridge RE Svcs)	1,005	0.83020%	16,870.48
57-118	Lape	1,005	0.83020%	16,870.48
57-119	Kevin Collins (Maple Ridge RE Svcs)	1,005	0.83020%	16,870.48
57-120	Kevin Collins (Maple Ridge RE Svcs)	1,049	0.86664%	17,610.98
59-110	Kevin Collins (Maple Ridge RE Svcs)	1,216	1.00442%	20,410.81
59-111	Kevin Collins (Maple Ridge RE Svcs)	1,205	0.99553%	20,230.15
59-112	Sang Hun Chun/Young Hae Chun	1,165	0.96175%	19,543.71
59-114	Sang Hun Chun/Young Hae Chun	1,190	0.98308%	19,977.16
59-115	Sang Hun Chun/Young Hae Chun	1,193	0.98486%	20,013.33
59-116	Kevin Collins (Maple Ridge RE Svcs)	1,223	1.00975%	20,519.12
59-117	Kevin Collins (Maple Ridge RE Svcs)	1,021	0.84264%	17,123.28
59-118	Lape	988	0.81598%	16,581.52
59-119	Sarin Farooqi	1,037	0.85598%	17,394.36
61-110	Lape	1,043	0.86131%	17,502.67
61-111	Lape	1,005	0.83020%	16,870.48
61-112	Lape	1,005	0.83020%	16,870.48
61-114	Lape	1,008	0.83198%	16,906.65
61-115	Lape	1,039	0.85775%	17,430.33
63-110	Kevin Collins (Maple Ridge RE Svcs)	1,179	0.97331%	19,778.62
63-111	Kevin Collins (Maple Ridge RE Svcs)	1,181	0.97509%	19,814.79
63-112	Lape	1,177	0.97153%	19,742.45
63-114	Every Bonnick-Malcolm & Vincent	1,219	1.00620%	20,446.98
63-115	Kevin Collins (Maple Ridge RE Svcs)	1,040	0.85864%	17,448.41
63-116	Kevin Collins (Maple Ridge RE Svcs)	1,007	0.83109%	16,888.57
63-117	Kevin Collins (Maple Ridge RE Svcs)	1,013	0.83642%	16,996.88
63-118	Archie Robertson(FFI First Fruits Inv)	1,040	0.85864%	17,448.41

UNIT	NAME	AREA	SHARE	PROPORTIONATE SPECIAL ASSESSMENT
65-110	Stanley Ma	1,225	1.01153%	20,555.29
65-111	Ashley Benton	1,199	0.99020%	20,121.84
65-112	Lape	1,186	0.97953%	19,905.02
65-114	Lape	1,227	1.01331%	20,591.46
65-115	Lape	1,234	1.01864%	20,699.77
65-116	Lape	1,216	1.00442%	20,410.81
65-117	Sang Sook Han	1,191	0.98308%	19,977.16
65-118	Archie Robertson(FFI First Fruits Inv)	1,166	0.97953%	19,905.02
65-119	Warren Bamber	1,229	1.01508%	20,627.43
67-110	Lape	1,198	0.98931%	20,103.76
67-111	Lape	1,163	0.95997%	19,507.54
67-112	Archie Robertson(FFI First Fruits Inv)	1,161	0.97509%	19,814.79
67-114	Archie Robertson(FFI First Fruits Inv)	1,205	0.99464%	20,212.07
67-115	Ross Lightie and Barb Lightie	1,416	1.16886%	23,752.39
67-116	Ross Lightie and Barb Lightie	1,423	1.17508%	23,878.79
67-117	Ross Lightie and Barb Lightie	1,421	1.17330%	23,842.61
67-118	Ross Lightie and Barb Lightie	1,423	1.17508%	23,878.79
67-119	Ross Lightie and Barb Lightie	1,229	1.01508%	20,627.43
67-120	Ross Lightie and Barb Lightie	1,185	0.97864%	19,886.93
67-121	Ross Lightie and Barb Lightie	1,197	0.98842%	20,085.67
67-122	Greg Donald / Germano Silva	1,227	1.01331%	20,591.46
69-110	Ross Lightie and Barb Lightie	1,222	1.00886%	20,501.03
69-111	Ross Lightie and Barb Lightie	1,216	1.00442%	20,410.81
69-112	Ross Lightie and Barb Lightie	1,181	0.97509%	19,814.79
69-114	Ross Lightie and Barb Lightie	1,211	0.99997%	20,320.38
69-115	Ross Lightie and Barb Lightie	1,193	0.98486%	20,013.33
69-116	Ross Lightie and Barb Lightie	1,165	0.96175%	19,543.71
69-117	Ross Lightie and Barb Lightie	1,181	0.97509%	19,814.79
69-118	Horacio Ham / Merry Leung (M&HRE)	1,389	1.14664%	23,300.86
69-119	Lape	1,447	1.19463%	24,276.06
69-120	Ross Lightie and Barb Lightie	1,193	0.98486%	20,013.33
69-121	Ross Lightie and Barb Lightie	1,191	0.98308%	19,977.16
69-122	Ross Lightie and Barb Lightie	1,191	0.98308%	19,977.16
69-123	Ross Lightie and Barb Lightie	1,229	1.01508%	20,627.43
69-124	Ross Lightie and Barb Lightie	1,042	0.86042%	17,484.58
69-125	Ross Lightie and Barb Lightie	1,009	0.83287%	16,924.74
69-126	Ross Lightie and Barb Lightie	993	0.81953%	16,653.66
69-127	Ross Lightie and Barb Lightie	1,046	0.86398%	17,556.93
71-110	Bhanamathi etal - MU Investors	1,237	1.02131%	20,754.03
71-111	Bhanamathi etal - MU Investors	1,177	0.97153%	19,742.45
71-112	Lape	1,237	1.02131%	20,754.03
71-114	Mahroki Summer Rokni/Robertson	1,213	1.00175%	20,356.55
71-115	Lape	1,228	1.01420%	20,609.55
71-116	Lape	1,163	0.97686%	19,850.76
71-117	Ross Lightie and Barb Lightie	1,299	1.07286%	21,801.57
71-118	Kevin Collins (Maple Ridge RE Srvc)	1,364	1.12619%	22,885.29
71-119	Lape	1,155	0.95375%	19,381.14
71-120	Ross Lightie and Barb Lightie	1,391	1.14841%	23,336.82
71-121	Ross Lightie and Barb Lightie	1,445	1.19286%	24,240.09
71-122	David Cressman	1,187	0.98042%	19,923.10
71-123	David Cressman	1,176	0.97064%	19,724.36
71-124	David Cressman	1,178	0.97242%	19,760.53
71-125	David Cressman	1,204	0.99375%	20,193.98
		121,106	100.00000%	2,032,098.70



Nicholas Laskaris CPA, CA Chartered Accountant

3851 Bloor St. West • Toronto, Ont. M9B 1L2

Tel: (416) 207-0160 • Fax: (416) 207-9261

email: nicholas@nlca.biz

Financial Statements of

GODSTONE CO-OWNERSHIP

Year ended December 31, 2013



GODSTONE CO-OWNERSHIP

INDEX

	Page
Auditor's Report	1
Statement of Financial Position	2
Statement of Operating Fund	3
Statement of Cash Flows	4
Statement of Reserve Fund	5
Schedule of Operating Fund Expenditures	6-7
Notes to Financial Statements	8-15





Nicholas Laskaris CPA, CA Chartered Accountant

3851 Bloor St. West - Toronto, Ont. M9B 1L2

Tel: (416) 207 0160 - Fax: (416) 207 9261

email: nicholas@nlca.biz

AUDITOR'S REPORT

To the Co-owners of Godstone Co-Ownership

I have audited the accompanying financial statements of Godstone Co-Ownership, which comprise the statements of financial position at December 31, 2013 and the statements of operating fund, reserve fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management and its Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management and its Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audit is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of York Condominium Corporation No. 264 as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

The co-ownership is currently involved in lawsuits as described in note 12. The outcome of these lawsuits will affect the collection of the co-ownership's other accounts receivable. If these amounts are not collected, the co-ownership's ability to continue as a going concern, as discussed in Note 1, will be dependent upon additional special assessments from the current co-owners and/or third party financing to pay its outstanding liabilities as they become due.

Toronto, Ontario
November 10, 2014

Nicholas Laskaris
Chartered Accountant

GODSTONE CO-OWNERSHIP

Statements of Operating Fund

For the Year Ended December 31, 2013

	2013	2012
OPERATING FUND REVENUE		
Common element fees	\$ 669,925	\$ 650,262
Less: allocation to reserve fund	(93,749)	(66,079)
General operating assessment	576,176	584,183
Interest income	133,242	346,884
Other income	1,650	3,763
	<u>711,068</u>	<u>\$ 934,830</u>
OPERATING FUND EXPENDITURES <i>(see accompanying schedules)</i>		
Administrative	58,255	57,561
Contract services	76,818	58,932
Repairs and maintenance	51,645	73,602
Utilities and taxes	340,160	367,443
Wages and benefits	16,460	-
	<u>544,338</u>	<u>557,538</u>
Operating fund excess of common element assessments		
Over operating fund expenses before contributions to reserve fund	166,730	377,292
Operating fund (deficit), beginning of year	241,081	(116,770)
General fund (deficit), end of year	\$ 407,811	\$ 260,522

See accompanying notes to financial statements.

GODSTONE CO-OWNERSHIP

Statement of Cash Flows

For the Year Ended December 31, 2013

	2013	2012
Cash provided by (used for) operating activities:		
Cash received from general operating assessment	\$ 669,925	\$ 500,236
Cash received from reserve fund assessment	93,749	66,079
Interest and other income received for operating fund	1,650	3,929
Cash paid for collection fees	-	(75,315)
Cash paid for operating fund expenditures	(544,338)	(368,499)
Cash paid for reserve fund expenditures	(72,672)	(97,413)
Net change in non-cash working capital items	(188,038)	-
	(39,724)	29,017
Cash provided by financing activities:		
Due to Godstone Rental Pool Corporation	-	9,790
Cash provided by investing activities:		
(Increase) decrease in reserve fund cash	(357)	1,821
Interest and other income received for reserve fund	221	14
	(136)	1,835
Increase (decrease) in cash position	(39,860)	40,642
Cash position, beginning of year	42,257	1,615
Cash position, end of year	\$ 2,397	\$ 42,257

Cash position is defined as cash held in general fund and reserve fund:

Cash, end of year:	2013	2012
General fund	\$ 2,397	\$ 42,257
Reserve fund	-	357
Cash position, end of year	\$ 2,397	\$ 42,614

See accompanying notes to financial statements.

GODSTONE CO-OWNERSHIP

Statement of Reserve Fund

For the Year Ended December 31, 2013

	2013	2012
Contributions from general fund	\$ 93,749	\$ 66,079
Interest earned on reserve fund balances	221	14
	93,970	66,093
Expenditures		
Electrical	-	2,179
Plumbing and heating	24,426	3,586
Project management fee	-	8,383
Reserve fund study update	-	2,012
Roof	48,246	82,491
Signs	-	1,203
Waste bin	-	4,836
Waterproofing	-	5,989
	72,672	110,679
Increase (decrease) for the year	21,298	(44,586)
Reserve fund, beginning of year	995,438	1,040,024
Reserve fund, end of year	\$ 1,016,736	\$ 995,438

See accompanying notes to financial statements.

GODSTONE CO-OWNERSHIP

Schedule of Operating Fund Expenditures

For the Year Ended December 31, 2013

	2013	2012
Administrative		
Audit	\$ 3,616	\$ 6,201
Bank charges	943	1,031
Insurance	30,381	33,578
Legal and professional fees	18,905	12,425
Meetings	1,608	891
Office and general	3,802	3,435
	\$ 59,255	\$ 57,561
Contract Services		
Landscaping and snow removal	\$ 24,578	\$ 19,825
Management fee	38,047	39,107
Janitorial fee	14,193	-
	\$ 76,818	\$ 58,932
Repairs and maintenance		
Cleaning	\$ 571	\$ 845
Door and locks	1,136	634
Electrical	4,552	446
Fire alarm and safety	320	1,765
Foundation repairs	762	4,369
Garage-parking facility	745	2,147
General property maintenance	4,411	7,885
On-site maintenance	20,041	28,088
Pest control	4,578	2,918
Plumbing	362	738
Roof	6,264	15,761
Waste removal	7,903	8,006
	\$ 51,645	\$ 73,602

GODSTONE CO-OWNERSHIP

Schedule of Common Expenditures (Continued)

For the Year Ended December 31, 2013

	2013	2012
Utilities and taxes		
Hydro	\$ 20,430	\$ 14,806
Realty tax	234,789	289,225
Water and sewer	84,941	63,412
	\$ 340,160	\$ 367,443
Wages and benefits		
Staff wages	\$ 2,100	\$ -
Superintendent	14,360	-
	\$ 16,460	\$ -

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2013

NATURE OF ENTITY

Godstone Co-Ownership (the "co-ownership") was formed pursuant to an agreement dated June 25, 2007. The purpose of the co-ownership is to co-ordinate and govern the operation by the co-owners of their respective separate interests in the property, provide for the administration of the common elements, and govern those rights, privileges and obligations of the co-owners with respect to the 103 townhome units as set out in the co-ownership agreement. Under the terms of this agreement the co-owners are required to contribute their proportionate share of the operating costs including property taxes and the cost of major repairs and replacements.

Godstone Co-ownership qualifies as a not-for-profit organization which is exempt from corporate income taxes under section 149(1)(l) of the Income Tax Act.

1. GOING CONCERN

These financial statements have been prepared based on the assumption that the co-ownership will continue its operations for the foreseeable future as a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The ability of the co-ownership to continue its operations in this fashion is dependent upon the co-ownership's ability to generate sufficient cash flow by way of collection of its other accounts receivables to pay its obligations as they become due. The success of the collection of the outstanding amounts cannot be assured at this time due to ongoing lawsuits as described in Note 13. These financial statements do not include any adjustments relating to the carrying values and classifications of assets and liabilities that might be necessary should the co-ownership be unable to continue as a going concern.

2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective January 1, 2012, the co-ownership adopted the requirements of the Canadian Institute of Chartered Accountant ("CICA") Handbook-Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit organizations ("ASNFP"). The accounting policies set out in the following significant accounting policies note have been applied in preparing the financial statements for the year ended December 31, 2012.

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the co-ownership's best information and judgment. Actual results could differ from these estimates.

(b) Fund accounting

The statement of operating fund reports all owner's assessments, budgeted allocations of those assessments to other funds and expenses related to the operation and maintenance of the common elements of the co-ownership.

The statement of reserve fund reports the portion of owners' assessments allocated to it and expenses for the major repairs and replacements of the common elements and assets of the co-ownership. The basis for determining reserve fund requirements is explained in Note 9. All major repairs and replacements must be charged to the reserve fund; minor repairs and replacements are charged to expenses in the statement of operating fund. The co-ownership segregates amounts accumulated for the purpose of financing future charges to the reserve fund in bank and investment accounts that must be used solely to finance such charges. Interest earned on these amounts is included in the reserve fund.

(c) Investment in Godstone Co-Ownership Inc.

The Investment in Godstone Co-Ownership Inc. is recorded at its initial cost of \$1, which approximates fair value. As Godstone Co-Ownership Inc.'s sole purpose is to act on behalf of the co-ownership in certain circumstances, it has no revenues, expenses, equity, assets or liabilities other than the \$1 that was invested in it by the co-ownership.

(d) Revenue Recognition

Common element fee assessments for each year are recognized as revenue on a monthly basis in the statement of operating fund, with the calculation being made on a straight-line basis during the year that the related budgeted expenditures are expected to be incurred.

Special assessments are fully recognized as an addition to the appropriate fund as soon as a formal resolution determining the amount of the special assessment has been passed by the Board of directors and the unit owners have been notified of the special assessment.

Interest and other income are recognized as revenue of the applicable fund when earned.

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(c) Contributed services

Directors, committee members and owners volunteer their time to assist in the co-ownership's activities. While these services benefit the co-ownership considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(d) Common elements

The common elements of the building and site are held and owned, respectively, on a joint and individual basis by the co-owners and, therefore, are not recorded as assets in these financial statements.

(e) Financial instruments

Measurement

The co-ownership initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The co-ownership subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities ad due to Godstone Rental Pool Corporation.

The co-ownership does not have any financial assets or liabilities measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the applicable fund. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance amount, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the applicable fund.

Transaction costs

The co-ownership recognizes its transaction costs in the applicable fund in the year incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2013

4. OTHER ACCOUNTS RECEIVABLE

As of December 31, 2013, certain co-owners with total interests in 25 units (2012-25 units) of the property were in default of their share of the annual common element assessment, and operating and reserve fund special assessments levied in 2009, 2010 and 2011. The amount owed by these co-owners amounted to \$1,182,512 (2012-\$991,630). As a result of the efforts made to collect the unpaid amounts from these co-owners, the Board further assessed collection costs against these co-owners to recover professional and collection fees incurred by the co-ownership. The balance due for these costs amounted to \$219,358 in 2013 (2012-\$207,125)

The total amount receivable from the specific co-owners as of December 31, 2013 are as follows:

	2013	2012
Common element fees receivable	\$693,775	\$502,893
Operating fund special assessment receivable	\$105,126	\$105,126
Reserve fund special assessment receivable	\$383,611	\$383,611
Collection costs receivable	\$219,358	\$176,983
Interest receivable	\$429,192	\$346,718
Due to Godstone Rental Pool Corporation	\$(19,441)	-
	\$1,811,621	\$1,515,331

As a result of the default in payment, the Board exercised its rights under the co-ownership agreement and initiated actions to sell the units in order to recover the unpaid amounts as discussed above. However, the priority of collection of the amounts owing to the co-ownership can be significantly reduced by the lawsuits in note 13.

5. INTERFUNDO BALANCE

As a result of the inability of the co-ownership to fully collect the common element assessment and operating and reserve fund special assessments from the unit owners as described above in note 4, the operating fund was required to fund a portion of its operating costs from funds available in the reserve fund. The amount owed to the reserve fund as of December 31, 2013 was \$624,735 (2012-\$624,735). The Board expects this amount to be reduced as outstanding receivables are collected from the co-owners who defaulted on their share of payments (see note 4).

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2013

6. INVESTMENT IN GODSTONE CO-OWNERSHIP INC.

The co-ownership is the beneficial owner of 100% of the issued share capital of Godstone Co-Ownership Inc., a company that was incorporated to facilitate the pursuit of lien claims against co-owners, if required.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES-OPERATING

Included in accounts payable and accrued liabilities is an amount **\$000,000** (2012-\$182,746) relating to realty taxes. Interest and penalty in the amount of **\$24,583** (2012-\$24,583) relating to the arrears have been accrued in the financial statements. Also see note 12 Realty Tax.

8. ADEQUACY OF RESERVE FUND

The co-ownership has established a reserve fund to finance future major repairs and replacements of the common elements of the co-ownership.

The Board has used the Reserve Fund Study (the "Study") without a site inspection prepared by Edison Engineers Inc., dated March 6, 2012, and such other information as was available to them in determining the adequacy of the reserve fund and the current addition to the fund.

The Board's evaluation, which is based on numerous assumptions as to future events, is detailed in the Board's Proposed Plan for Future Funding of the Reserve Fund (the "Funding Plan"), dated March 7, 2012.

The Study recommended an annual reserve fund assessment of \$174,996 for 2013 (\$140,000 for 2012), representing an increase of 25% over the prior year, followed by 19% annual increases for years 2014 to 2017 and followed by 2% annual increase from years 2018 to 2019, which is then followed by a 17.08% decrease for year 2020, 20% decrease for year 2021, 2% increase for year 2022 to 2043, with all interest earned to be reinvested in order to maintain a positive reserve fund balance over 30 years. The Board's Funding Plan indicates that it is their intention to follow the reserve fund contribution levels that were recommended in the Study.

The Study recommended contributions to the reserve fund for the current year of \$174,996 (2012-\$140,000) (Actual -\$93,749) (2012-Actual-\$66,079) and reserve fund expenditures of \$538,860 (Actual-\$72,672) (2012-recommended \$156,000 and actual-\$110,679). The Study projected a reserve fund balance as of December 31, 2013 of \$330,362 (Actual-\$1,016,736).

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2013

8. ADEQUACY OF RESERVE FUND-continued:

Any evaluation of the adequacy of the reserve fund is based on assumptions as to the future interest and inflation rates and estimates of the life expectancy of the building components and their replacement costs. These factors are subject to change over time and the changes may be material.

9. RELATED PARTY TRANSACTIONS

No remuneration was paid to directors and officers during the year and they had no interest in any transactions of the co-ownership. The property management company, in addition to receiving fees, is reimbursed for certain administrative costs and collects fees from owners, purchasers and others for issuing lien notices and status certificates. These transactions were in the normal course of operations and were measured at the exchange amount.

10. FINANCIAL INSTRUMENTS

The co-ownership is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the co-ownership's risk exposure and concentration as of December 31, 2013.

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2013

10. FINANCIAL INSTRUMENTS-continued:

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The co-ownership is exposed to credit risk on common element fees receivable from the condominium unit holders. In order to reduce its credit risk, the co-ownership regularly reviews overdue common element fees and registers liens on any amounts which are in default for greater than 90 days.

Interest rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The co-ownership is exposed to interest rate risk primarily through its fixed rate investments. The co-ownership only invests in highly liquid low risk securities. It is the director's opinion that the exposure to interest rate risk is not significant. Liabilities:

11. REALTY TAX

As of May 30, 2014, the co-ownership has not paid its 2013 realty tax instalments owing in the amount of \$274,866.

12. CONTINGENCIES

As of May 30, 2014, Godstone Co-Ownership Inc. ("Godstone Inc.") has the following claims and counter-claims outstanding:

A claim against Maple Ridge Real Estate Investment Corp. ("Maple Ridge"), DUCA Financial Services Credit Union Ltd. ("Duca"), Lydia Luckevich ("Luckevich") and RGL Property Services Inc. ("RGL"). The claim against Maple Ridge, the owner of seven units in the co-ownership, is for the default of payment of its share of special assessments, common element expenses and accrued interest totaling \$373,134 and for possession of the said units.

A claim against 1320950 Alberta Ltd., 1336364 Alberta Ltd., 1336365 Alberta Ltd., 1336366 Alberta Ltd., 1336367 Alberta Ltd., Duca, Janet Louise Hilson ("Hilson"), and RGL. The claim against the five Alberta companies, the owners of seventeen units in the co-ownership, is for

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2013

12. CONTINGENCIES-continued:

-the default of payment on its share of special assessments, common element expenses and accrued interest totaling \$943,967 and for possession of said units.

Godstone Inc. is also seeking a declaration from the court that all the charges registered by Godstone Inc. against Maple Ridge and the five Alberta companies have priority over charges that are registered by the owners in favour of Duca, Luckevich and Hilson, or in the alternative that Godstone Inc. has priority over the rents under the co-ownership agreement.

Godstone Inc. is also seeking a claim against Every Bonnick-Malcolm and Vincent Malcolm for payment of \$65,649 with respect to the charge which was registered against their unit for outstanding special assessments, arrears of common expense payment and accrued interest on the outstanding balance and for possession of the unit. During the fiscal year end, the unit was sold and approximately \$90,000 from the proceeds is being held in trust pending resolution with Duca's counter claim as described below.

Duca has counter-claimed against Godstone Inc. that it does not have priority over its charges on each of the said units.

Both Luckevich and Hilson have counter-claimed that Godstone Inc. charges do not have priority over their charges on their units.

RGL, in its Statements of Defence, claimed that the provisions of the co-ownership agreement did not apply to either Maple Ridge or the Alberta companies and that the current board of directors were not properly elected. It further counter-claimed against Godstone Inc. that the special assessments were not properly authorized and is asking for damages or compensation totalling \$600,000 for breach of contracts or unjust enrichment, on account of renovations it made to the units in its possession.

The co-ownership is pursuing the claims and defending the counter-claims. Motions is returnable on November 19, 2013 to add as a defendant the former solicitor for Godstone Inc.

At this time, it is not readily determinable as to the final outcome of these actions and as such, no provisions have been made in these financial statements as presented.

13. PRIOR YEAR COMPARATIVE FIGURES

The prior year's comparative figures as presented were audited by another chartered accountant. Certain reclassification of the current year's figures was done to facilitate comparison with the prior fiscal year.

GODSTONE CO-OWNERSHIP

Statement of Financial Position

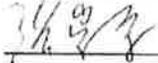
As at December 31, 2013

	2013	2012
Assets		
Current assets		
Operating fund:		
Cash	\$ 2,397	\$ 42,257
	2,397	42,257
Accounts receivable:		
Other accounts receivable (Note 4)	1,831,062	1,545,473
Due from operating fund (Note 5)	624,735	624,735
Prepays and deposits	337	1,426
	2,458,531	2,213,891
Reserve fund:		
Cash	-	357
Investment in Godstone Co-Ownership Inc. (Note 6)	1	1
	\$ 2,458,532	\$ 2,214,249

Liabilities and Surplus

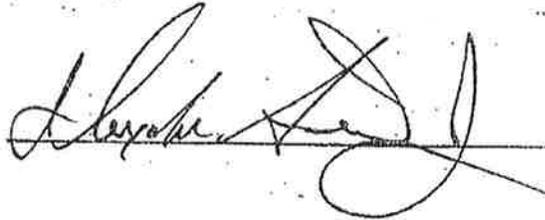
Current liabilities:		
Accounts payable and accrued liabilities-operating (Note 7)	\$ 387,847	\$ 320,238
Accounts payable and accrued liabilities-reserve	-	13,266
Prepaid common element assessments and deposits	2,162	50
Due to reserve fund (Note 5)	624,735	624,735
Due to Godstone Rental Pool Corporation (Note 8)	19,441	19,441
	1,033,985	977,730
Total Liabilities	1,033,985	977,730
Fund Balances		
Operating fund surplus(deficiency)	\$ 407,811	\$ 241,081
Reserve fund (Note 9)	1,016,736	995,438
	1,424,547	1,236,519
	\$ 2,458,532	\$ 2,214,249

See accompanying notes to financial statements

Approved by the Board:  Director

 Director

7. **THIS COURT ORDERS** that this Order shall be served on the Defendant RGL Property Services Inc. by Joseph Shepherd providing the Plaintiff with the name and address of counsel he intends to retain on his behalf no later than August 3, 2012. Thereafter all documents to be served on that counsel. Service on the Defendant Maple Ridge Real Estate Investments Corp. shall be made by ordinary mail at 210 Frye Lane, RR No. 1, Perth Road, Ontario K0H 2I0.
8. **THIS COURT ORDERS** that this Order shall be served on tenants of any Suites by either personal delivery to the tenant, or by taping a copy of the Order to the door.
9. **THIS COURT ORDERS** that approval of the Order by RGL Property Services Inc. is dispensed with.
10. **THIS COURT ORDERS** that Boken Lin and Yiran Xu shall be permitted to occupy Suite 57-111, provided that the tenants enter into a lease for the Suite directly with the Plaintiff on the standard form lease of the Plaintiff, and on a without prejudice basis the rent shall be paid to the Plaintiff in the amount of \$1,300.00.



ENTERED AT OSHAWA

AUG 02 2012

on _____

by JK



Nicholas Laskaris CPA, CA *Chartered Accountant*

3851 Bloor St. West • Toronto, Ont. M9B 1L2
Tel: (416) 207-0160 • Fax: (416) 207-9261
email: nicholas@nlra.biz

Financial Statements of

GODSTONE CO-OWNERSHIP

Year ended December 31, 2014

DRAFT



GODSTONE CO-OWNERSHIP

INDEX

	Page
Auditor's Report	1
Statement of Financial Position	2
Statement of Operating Fund	3
Statement of Cash Flows	4
Statement of Reserve Fund	5
Schedule of Operating Fund Expenditures	6-7
Notes to Financial Statements	8-15





Nicholas Laskaris CPA, CA Chartered Accountant

3851 Bloor St. West • Toronto, Ont. M9B 1L2

Tel: (416) 297-0160 • Fax: (416) 297-9261

email: nicholas@nlca.ca

AUDITOR'S REPORT

To the Co-owners of Godstone Co-Ownership

I have audited the accompanying financial statements of Godstone Co-Ownership, which comprise the statements of financial position at December 31, 2014 and the statements of operating fund, reserve fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements:

Management and its Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management and its Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audit is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of York Condominium Corporation No. 264 as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

The co-ownership is currently involved in lawsuits as described in note 12. The outcome of these lawsuits will affect the collection of the co-ownership's other accounts receivable. If these amounts are not collected, the co-ownership's ability to continue as a going concern, as discussed in Note 1, will be dependent upon additional special assessments from the current co-owners and/or third party financing to pay its outstanding liabilities as they become due.

Toronto, Ontario
August 14, 2015

Nicholas Laskaris
Chartered Accountant

GODSTONE CO-OWNERSHIP

Statements of Operating Fund

For the Year Ended December 31, 2014

	2014	2013
OPERATING FUND REVENUE		
Common element fees	\$ 670,492	\$ 669,925
Less: allocation to reserve fund	(64,500)	(93,749)
General operating assessment	605,992	576,176
Interest income	173,480	133,242
Other income	1,650	1,650
	\$ 781,122	\$ 711,068
OPERATING FUND EXPENDITURES (see accompanying schedules)		
Administrative	50,920	59,255
Contract services	67,100	76,818
Repairs and maintenance	35,297	51,645
Utilities and taxes	394,930	340,160
Wages and benefits	9,182	16,480
	548,247	544,338
Operating fund excess of common element assessments Over operating fund expenses before contributions to reserve fund	232,875	166,730
Operating fund (deficit), beginning of year	407,811	241,081
General fund (deficit), end of year	\$ 640,686	\$ 407,811

See accompanying notes to financial statements.

GODSTONE CO-OWNERSHIP

Statement of Cash Flows

For the Year Ended December 31, 2014

	2014	2013
Cash provided by (used for) operating activities:		
Cash received from general operating assessment	\$ 670,492	\$ 669,925
Cash received from reserve fund assessment	64,500	93,749
Interest and other income received for operating fund	1,650	1,650
Cash paid for operating fund expenditures	(548,247)	(544,338)
Cash paid for reserve fund expenditures	(70,433)	(72,672)
Net change in non-cash working capital items	(113,415)	(188,038)
	4,547	(39,724)
Cash provided by financing activities:		
Due to Godstone Rental Pool Corporation	-	-
Cash provided by investing activities:		
(Increase) decrease in reserve fund cash	(2,015)	(357)
Interest and other income received for reserve fund	60	221
	(1,955)	(136)
Increase (decrease) in cash position	2,592	(39,860)
Cash position, beginning of year	2,397	42,257
Cash position, end of year	\$ 4,989	\$ 2,397

Cash position is defined as cash held in general fund and reserve fund:

Cash, end of year:	2014	2013
General fund	\$ 2,974	\$ 2,397
Reserve fund	2,015	-
Cash position, end of year	\$ 4,989	\$ 2,397

See accompanying notes to financial statements.

GODSTONE CO-OWNERSHIP

Statement of Reserve Fund

For the Year Ended December 31, 2014

	2014	2013
Contributions from general fund	\$ 64,500	\$ 93,749
Interest earned on reserve fund balances	60	221
	64,560	93,970
<i>Expenditures</i>		
Windows	6,599	-
Plumbing and heating	-	24,426
Site element improvements	6,554	-
Roof	57,268	48,246
Bank charges	12	-
	70,433	72,672
Increase (decrease) for the year	(5,873)	21,298
Reserve fund, beginning of year	1,016,736	995,438
Reserve fund, end of year	\$ 1,010,863	\$ 1,016,736

See accompanying notes to financial statements.

GODSTONE CO-OWNERSHIP

Schedule of Operating Fund Expenditures

For the Year Ended December 31, 2014

	2014	2013
Administrative		
Audit	\$ 2,265	\$ 3,616
Bank charges	344	943
Insurance	13,834	30,381
Legal and professional fees	29,191	18,905
Meetings	2,740	1,608
Office and general	2,546	3,802
	<u>\$ 50,920</u>	<u>\$ 59,255</u>
Contract Services		
Landscaping and snow removal	\$ 29,810	\$ 24,578
Management fee	37,290	38,047
Janitorial fee	-	14,193
	<u>\$ 67,100</u>	<u>\$ 76,818</u>
Repairs and maintenance		
Cleaning	\$ -	\$ 571
Door and locks	357	1,136
Electrical	2,217	4,552
Fire alarm and safety	320	320
Foundation repairs	1,811	762
Garage-parking facility	2,654	745
General property maintenance	1,749	4,411
On-site maintenance	14,037	20,041
Pest control	1,752	4,578
Plumbing	-	362
Roof	10,354	6,264
Waste removal	46	7,903
	<u>\$ 35,297</u>	<u>\$ 51,645</u>

GODSTONE CO-OWNERSHIP

Schedule of Common Expenditures (Continued)

For the Year Ended December 31, 2014

	2014	2013
Utilities and taxes		
Hydro	\$ 15,508	\$ 20,430
Realty tax	272,653	234,789
Water and sewer	106,769	84,941
	\$ 394,930	\$ 340,160
Wages and benefits		
Staff wages	\$ 1,978	\$ 2,100
Superintendent	7,204	14,360
	\$ 9,182	\$ 16,460

DRAFT

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2014

NATURE OF ENTITY

Godstone Co-Ownership (the "co-ownership") was formed pursuant to an agreement dated June 25, 2007. The purpose of the co-ownership is to co-ordinate and govern the operation by the co-owners of their respective separate interests in the property, provide for the administration of the common elements, and govern those rights, privileges and obligations of the co-owners with respect to the 103 townhome units as set out in the co-ownership agreement. Under the terms of this agreement the co-owners are required to contribute their proportionate share of the operating costs including property taxes and the cost of major repairs and replacements.

Godstone Co-ownership qualifies as a not-for-profit organization which is exempt from corporate income taxes under section 149(1)(l) of the Income Tax Act.

1. GOING CONCERN

These financial statements have been prepared based on the assumption that the co-ownership will continue its operations for the foreseeable future as a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The ability of the co-ownership to continue its operations in this fashion is dependent upon the co-ownership's ability to generate sufficient cash flow by way of collection of its other accounts receivables to pay its obligations as they become due. The success of the collection of the outstanding amounts cannot be assured at this time due to ongoing lawsuits as described in Note 13. These financial statements do not include any adjustments relating to the carrying values and classifications of assets and liabilities that might be necessary should the co-ownership be unable to continue as a going concern.

2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective January 1, 2012, the co-ownership adopted the requirements of the Canadian Institute of Chartered Accountant ("CICA") Handbook-Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit organizations ("ASNFPO"). The accounting policies set out in the following significant accounting policies note have been applied in preparing the financial statements for the year ended December 31, 2012.

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the co-ownership's best information and judgment. Actual results could differ from these estimates.

(b) Fund accounting

The statement of operating fund reports all owner's assessments, budgeted allocations of those assessments to other funds and expenses related to the operation and maintenance of the common elements of the co-ownership.

The statement of reserve fund reports the portion of owners' assessments allocated to it and expenses for the major repairs and replacements of the common elements and assets of the co-ownership. The basis for determining reserve fund requirements is explained in Note 9. All major repairs and replacements must be charged to the reserve fund; minor repairs and replacements are charged to expenses in the statement of operating fund. The co-ownership segregates amounts accumulated for the purpose of financing future charges to the reserve fund in bank and investment accounts that must be used solely to finance such charges. Interest earned on these amounts is included in the reserve fund.

(c) Investment in Godstone Co-Ownership Inc.

The investment in Godstone Co-Ownership Inc. is recorded at its initial cost of \$1, which approximates fair value. As Godstone Co-Ownership Inc.'s sole purpose is to act on behalf of the co-ownership in certain circumstances, it has no revenues, expenses, equity, assets or liabilities other than the \$1 that was invested in it by the co-ownership.

(d) Revenue Recognition

Common element fee assessments for each year are recognized as revenue on a monthly basis in the statement of operating fund, with the calculation being made on a straight-line basis during the year that the related budgeted expenditures are expected to be incurred.

Special assessments are fully recognized as an addition to the appropriate fund as soon as a formal resolution determining the amount of the special assessment has been passed by the Board of directors and the unit owners have been notified of the special assessment.

Interest and other income are recognized as revenue of the applicable fund when earned.

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(c) Contributed services

Directors, committee members and owners volunteer their time to assist in the co-ownership's activities. While these services benefit the co-ownership considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(d) Common elements

The common elements of the building and site are held and owned, respectively, on a joint and individual basis by the co-owners and, therefore, are not recorded as assets in these financial statements.

(e) Financial instruments

Measurement

The co-ownership initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The co-ownership subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities due to Godstone Rental Pool Corporation.

The co-ownership does not have any financial assets or liabilities measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the applicable fund. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance amount, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the applicable fund.

Transaction costs

The co-ownership recognizes its transaction costs in the applicable fund in the year incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2014

4. OTHER ACCOUNTS RECEIVABLE

As of December 31, 2014, certain co-owners with total interests in 25 units (2013-25 units) of the property were in default of their share of the annual common element assessment, and operating and reserve fund special assessments levied in 2009, 2010 and 2011. The amount owed by these co-owners amounted to \$1,375,294 (2013-\$1,182,512). As a result of the efforts made to collect the unpaid amounts from these co-owners, the Board further assessed collection costs against these co-owners to recover professional and collection fees incurred by the co-ownership. The balance due for these costs amounted to \$219,358 in 2013 (2013-\$219,358)

The total amount receivable from the specific co-owners as of December 31, 2014 are as follows:

	2014	2013
Common element fees receivable	\$886,557	\$693,775
Operating fund special assessment receivable	\$105,126	\$105,126
Reserve fund special assessment receivable	\$383,611	\$383,611
Collection costs receivable	\$219,358	\$219,358
Interest receivable	\$602,672	\$429,192
Due to Godstone Rental Pool Corporation	\$(19,441)	\$(19,441)
	\$2,177,883	\$1,811,621

As a result of the default in payment, the Board exercised its rights under the co-ownership agreement and initiated actions to sell the units in order to recover the unpaid amounts as discussed above. However, the priority of collection of the amounts owing to the co-ownership can be significantly reduced by the lawsuits in note 13.

5. INTERFUND BALANCE

As a result of the inability of the co-ownership to fully collect the common element assessment and operating and reserve fund special assessments from the unit owners as described above in note 4, the operating fund was required to fund a portion of its operating costs from funds available in the reserve fund. The amount owed to the reserve fund as of December 31, 2014 was \$624,735 (2013-\$624,735). The Board expects this amount to be reduced as outstanding receivables are collected from the co-owners who defaulted on their share of payments (see note 4).

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2014

6. INVESTMENT IN GODSTONE CO-OWNERSHIP INC.

The co-ownership is the beneficial owner of 100% of the issued share capital of Godstone Co-Ownership Inc., a company that was incorporated to facilitate the pursuit of lien claims against co-owners, if required.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES-OPERATING

Included in accounts payable and accrued liabilities is an amount \$197,615 (2013-\$182,746) relating to realty taxes. Interest and penalty in the amount of \$36,000 (2012-\$24,583) relating to the arrears have been accrued in the financial statements. Also see note 12 Realty Tax.

8. ADEQUACY OF RESERVE FUND

The co-ownership has established a reserve fund to finance future major repairs and replacements of the common elements of the co-ownership.

The Board has used the Reserve Fund Study (the "Study") without a site inspection prepared by Edison Engineers Inc., dated March 6, 2012, and such other information as was available to them in determining the adequacy of the reserve fund and the current addition to the fund.

The Board's evaluation, which is based on numerous assumptions as to future events, is detailed in the Board's Proposed Plan for Future Funding of the Reserve Fund (the "Funding Plan"), dated March 7, 2012.

The Study recommended an annual reserve fund assessment of \$208,248 for 2013 (\$174,996 for 2013), representing an increase of 19% over the prior year, followed by 19% annual increases for years 2015 to 2017 and followed by 2% annual increase from years 2018 to 2019, which is then followed by a 17.08% decrease for year 2020, 20% decrease for year 2021, 2% increase for year 2022 to 2043, with all interest earned to be reinvested in order to maintain a positive reserve fund balance over 30 years. The Board's Funding Plan indicates that it is their intention to follow the reserve fund contribution levels that were recommended in the Study.

The Study recommended contributions to the reserve fund for the current year of \$208,428 (2013-\$174,996) (Actual 2014-\$64,500) (2013-Actual-\$93,749) and reserve fund expenditures of \$466,312 (Actual-\$70,433) (2013-recommended \$538,860 and actual-\$72,672). The Study projected a reserve fund balance as of December 31, 2014 of \$76,529 (Actual-\$1,010,863).

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2014

8. ADEQUACY OF RESERVE FUND-*continued*:

Any evaluation of the adequacy of the reserve fund is based on assumptions as to the future interest and inflation rates and estimates of the life expectancy of the building components and their replacement costs. These factors are subject to change over time and the changes may be material.

9. RELATED PARTY TRANSACTIONS

No remuneration was paid to directors and officers during the year and they had no interest in any transactions of the co-ownership. The property management company, in addition to receiving fees, is reimbursed for certain administrative costs and collects fees from owners, purchasers and others for issuing lien notices and status certificates. These transactions were in the normal course of operations and were measured at the exchange amount.

10. FINANCIAL INSTRUMENTS

The co-ownership is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the co-ownership's risk exposure and concentration as of December 31, 2014.

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2014

10. FINANCIAL INSTRUMENTS-continued:

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The co-ownership is exposed to credit risk on common element fees receivable from the condominium unit holders. In order to reduce its credit risk, the co-ownership regularly reviews overdue common element fees and registers liens on any amounts which are in default for greater than 90 days.

Interest rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The co-ownership is exposed to interest rate risk primarily through its fixed rate investments. The co-ownership only invests in highly liquid low risk securities. It is the director's opinion that the exposure to interest rate risk is not significant. Liabilities:

11. REALTY TAX

As of December 31, 2014, the co-ownership has not paid its 2014 and prior year's realty tax instalments owing in the amount of \$197,615.

12. CONTINGENCIES

As of May 30, 2014, Godstone Co-Ownership Inc. ("Godstone Inc.") has the following claims and counter-claims outstanding:

A claim against Maple Ridge Real Estate Investment Corp. ("Maple Ridge"), DUCA Financial Services Credit Union Ltd. ("Duca"), Lydia Luckevich ("Luckevich") and RGL Property Services Inc. ("RGL"). The claim against Maple Ridge, the owner of seven units in the co-ownership, is for the default of payment of its share of special assessments, common element expenses and accrued interest totaling \$373,134 and for possession of the said units.

A claim against 1320950 Alberta Ltd., 1336364 Alberta Ltd., 1336365 Alberta Ltd., 1336366 Alberta Ltd., 1336367 Alberta Ltd., Duca, Janet Louise Hilson ("Hilson"), and RGL. The claim against the five Alberta companies, the owners of seventeen units in the co-ownership, is for

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2014

12. CONTINGENCIES-*continued*:

the default of payment on its share of special assessments, common element expenses and accrued interest totaling \$943,967 and for possession of said units.

Godstone Inc. is also seeking a declaration from the court that all the charges registered by Godstone Inc. against Maple Ridge and the five Alberta companies have priority over charges that are registered by the owners in favour of Duca, Luckevich and Hilson, or in the alternative that Godstone Inc. has priority over the rents under the co-ownership agreement.

Godstone Inc. is also seeking a claim against Every Bonnick-Malcolm and Vincent Malcolm for payment of \$65,649 with respect to the charge which was registered against their unit for outstanding special assessments, arrears of common expense payment and accrued interest on the outstanding balance and for possession of the unit. During the fiscal year end, the unit was sold and approximately \$90,000 from the proceeds is being held in trust pending resolution with Duca's counter claim as described below.

Duca has counter-claimed against Godstone Inc. that it does not have priority over its charges on each of the said units.

Both Luckevich and Hilson have counter-claimed that Godstone Inc. charges do not have priority over their charges on their units.

RGL, in its Statements of Defence, claimed that the provisions of the co-ownership agreement did not apply to either Maple Ridge or the Alberta companies and that the current board of directors were not properly elected. It further counter-claimed against Godstone Inc. that the special assessments were not properly authorized and is asking for damages or compensation totalling \$600,000 for breach of contracts or unjust enrichment, on account of renovations it made to the units in its possession.

The co-ownership is pursuing the claims and defending the counter-claims. Motions is returnable on November 19, 2013 to add as a defendant the former solicitor for Godstone Inc.

At this time, it is not readily determinable as to the final outcome of these actions and as such, no provisions have been made in these financial statements as presented.

**Godstone
Unit Owner Ledger
Records of the Property Manager**

Unit	Amount as at December 31, 2014	Amount as at July 31, 2015	Notes
57-111	82,990.10	90,418.57	
57-119	66,731.37	72,893.76	
59-117	71,812.03	75,691.58	
63-111	83,224.58	90,668.57	
63-115	73,690.41	80,256.73	
63-116	58,057.12	58,057.12	#1
67-115	96,500.85	105,286.04	
67-116	96,890.50	105,717.17	
67-120	83,170.36	90,627.49	
67-121	80,950.91	88,351.96	
69-110	76,997.54	84,310.79	
69-111	84,130.75	91,729.62	
69-114	76,301.86	83,549.99	
69-115	75,219.22	82,360.78	
69-116	77,115.61	84,783.69	
69-117	74,420.17	81,488.62	
69-120	82,597.85	90,055.21	
69-121	76,383.27	83,567.60	
69-123	77,472.58	84,830.96	
69-124	72,342.05	78,857.15	
69-125	68,839.50	75,102.73	
69-126	68,290.18	74,476.80	
69-127	78,206.58	84,781.20	
71-118	90,178.21	98,522.88	
	<u>\$ 1,872,513.60</u>	<u>2,036,387.01</u>	
Unit Sold			
63-114	\$ 69,985.58	n/a	#2
Total from summary	<u>\$ 1,942,499.18</u>	<u>2,036,387.01</u>	
Collection costs assessed not reflected above			
	\$ 219,358.00		
Total	<u>\$ 2,161,857.18</u>		
Amount owing as per financial statements			
	<u>\$ 2,177,883.00</u>		
Difference	<u>-\$ 16,025.82</u>		#3

**Godstone
Unit Owner Ledger
Records of the Property Manager**

Notes

1. The Property Manager did not provide a schedule for unit 63 - 116 from June 2013. Therefore the amounts reflected above do not include common fees and interest from June 2013. Additional charges would have been made up to and including December 31, 2014 for the financial statements. In addition additional amounts would have been accrued to July 2015.
 2. Unit 63-114 was sold as of July 2013. The Receiver understands that funds from the sale have been held pending resolution of the litigation or settlement. Additional interest could have been accrued for unit 63-114 after completion of the sale which is not reflected above as the Receiver was not provided with these statements.
 3. The difference between the amounts reflected on the schedules provided by the Property Manager and the Financial Statements as at December 31, 2014 would be the additional charges on unit 63-116 and potentially interest accruing on the outstanding amounts owing for unit 63-114.
-

ESTOPPEL CERTIFICATE

GODSTONE CO-OWNERSHIP INC
53-71 GODSTONE ROAD
TORONTO, ONTARIO

GODSTONE CO-OWNERSHIP INC. hereby certifies that as of the date of this Estoppel Certificate: August 19, 2015;

General Information Concerning the Corporation

1. Mailing Address: 36-100 Bass Pro Mills Dr., Vaughan, Ontario L4K 5X1
2. Address for service: Same as above
3. Name of Property Manager: Atrens Management Group Inc.
4. The directors and officers of the Corporation are:

<u>Name</u>	<u>Position</u>	<u>Address for Service</u>	<u>Telephone Number</u>
Chong Jun Zhang	President	Same as Above	905-760-7890
Peter Penyu Zhang	Vice President	Same as Above	905-760-7890
Erin Yuan Ye	Treasurer	Same as Above	905-760-7890
Zhiqun Huang	Secretary	Same as Above	905-760-7890
Jerry Shihua Xue	Director	Same as Above	905-760-7890
Eugene Kvache	Director	Same as Above	905-760-7890
Linda Ya Jun Wang	Director	Same as Above	905-760-7890

5. The Corporation is not presently considering any sale of the Corporation
6. The Corporation is not presently considering termination of its Co-ownership status.
7. There are currently no outstanding complaints against the Corporation by The Building Department, the Health Department, or Fire Inspector.
8. A portion of the 2014 Realty Tax bill on 53-71 Godstone Rd Toronto, Ontario remains outstanding. The amount of taxes owing to date (balance 2014 & Interim 2015) is \$289,356.77. Regular payments are being made and it is anticipated that all arrears will be paid in full upon collection of the receivables (See Sections 17 & 21 below).
9. The Co-owner is, as of the date hereof, in default in the performance of her/his obligation pursuant to the Co-ownership Agreement. (See Paragraph 10 below)

Common Expenses

10. The Co-owner entitled to exclusive occupation of Residential Unit ** Godstone Road, Unit ***; of GODSTONE CO-OWNERSHIP INC. at 53-71 Godstone Road, Toronto, Ontario is in default in the payment of common expenses in the amount of \$*****, as defined in the Co-ownership Agreement dated June 25, 2007.
11. A payment on account of common expenses for the unit in the amount of \$***** is due on September 1, 2015 and this amount is due monthly in advance. The common expenses include Realty Taxes, Water, Common Area Insurance, Common

Maintenance, Management and all other items as detailed in the attached budget. Please note Paragraph 13 below.

12. The Corporation has the amount of \$0.00 in prepaid common expenses for the said Shareholder's unit.

Budget

13. The attached budget of the corporation for the current fiscal year is believed to be accurate. The budget may result in a deficit and may result in an increase to the common expenses of the unit. The increase in the operating budget is primarily due to increases in Realty Taxes, Utilities, Insurance, Waste Removal and Capital Fund contributions.
14. Since the date of the budget of the Corporation for the current fiscal year, the common expenses for the unit have not been increased.
15. In fiscal year 2009, the board levied a special assessment of \$***** against the suite to increase the contribution to the capital fund or the Corporation's operating fund. This amount has been paid for the subject unit.
16. The Corporation has no knowledge of circumstances that may result in an increase in the common expenses for the said unit.
17. Subject to collection of unpaid Common Fees (see below), the Corporation anticipates that the Capital Fund will be adequate in the current fiscal year as there are no expected or contemplated costs or major repairs or replacements of the common areas of the Corporation, except for those as set out in the Corporations Capital Funding Plan which is funded by the special assessment set out above. As at July 31, 2015 there is \$2,137,493.05 common element receivable on account of unpaid Special Assessment and monthly common fees. The Corporation has issued Power of Sale notices on these units and expects to collect the amount due.

Capital Fund

18. The Corporation's Capital Fund amounts to \$1,467.65 as of June 30, 2015.
19. The most recent Capital Fund Study conducted by the board was a Class 3 conducted on March 6, 2012 and prepared by Edison Engineers Inc. See attached Cash Flow Table.

Legal Processing, Claims

20. There are no outstanding judgements against the Corporation, except;
In July 2015, the Ontario Superior Court of Justice appointed (on and interim basis) a Receiver of the Maple Ridge Units and the Alberta Units. The Receiver is authorized (for the above units) to manage, operate and carry out the business of the foregoing units (as per the interim order).

21. The Co-Ownership has been named in one action for personal injury damages allegedly incurred by residents. This matter is being handled by the Co-Ownership's insurance.

As of May 30, 2014, Godstone Co-Ownership Inc. ("Godstone Inc.") has the following claims and counter-claims outstanding:

A claim against Maple Ridge Real Estate Investment Corp. ("Maple Ridge"), DUCA Financial Services Credit Union Ltd. ("Duca"), Lydia Luckevich ("Luckevich") and RGL Property Services Inc. ("RGL"). The claim against Maple Ridge, the owner of seven units in the co-ownership, is for the default of payment of its share of special assessments, common element expenses and accrued interest estimated at \$375,000 and for possession of the said units.

A claim against 1320950 Alberta Ltd., 1336364 Alberta Ltd., 1336365 Alberta Ltd., 1336366 Alberta Ltd., 1336367 Alberta Ltd., Duca, Janet Louise Hilson ("Hilson"), and RGL. The claim against the five Alberta companies, the owners of seventeen units in the co-ownership, is for the default of payment on its share of special assessments, common element expenses and accrued interest estimated at \$950,000 and for possession of said units.

Godstone Inc. is also seeking a declaration from the court that all the charges registered by Godstone Inc. against Maple Ridge and the five Alberta companies have priority over charges that are registered by the owners in favour of Duca, Luckevich and Hilson, or in the alternative that Godstone Inc. has priority over the rents under the co-ownership agreement.

Godstone Inc. is also seeking a claim against Every Bonnick-Malcolm and Vincent Malcolm for payment estimated at \$66,000 with respect to the charge which was registered against their unit for outstanding special assessments, arrears of common expense payment and accrued interest on the outstanding balance and for possession of the unit. During the fiscal year end, the unit was sold and approximately \$90,000 from the proceeds is being held in trust pending resolution with Duca's counter claim as described below.

Duca has counter-claimed against Godstone Inc. that it does not have priority over its charges on each of the said units.

Both Luckevich and Hilson have counter-claimed that Godstone Inc. charges do not have priority over their charges on their units.

RGL, in its Statements of Defence, claimed that the provisions of the co-ownership agreement did not apply to either Maple Ridge or the Alberta companies and that the current board of directors were not properly elected. It further counter-claimed against Godstone Inc. that the special assessments were not properly authorized and is asking for damages or compensation totaling \$600,000 for breach of contracts or unjust enrichment, on account of renovations it made to the units in its possession.

The co-ownership is pursuing the claims and defending the counter-claims. Motions is returnable on November 19, 2013 to add as a defendant the former solicitor for Godstone Inc.

At this time, it is not readily determinable as to the final outcome of these actions and as such, no provisions have been made in these financial statements as presented.

There is a separate action between the Corporation and Duca with respect to one unit, and which is in relation to the priority between the Corporation for arrears and the first mortgagee on the unit.

There is an action against the corporation from Dickinson Wright LLP for unpaid legal service invoices estimated at \$31,927.29. The claim is being defended. The order from the Toronto Assessment Office confirmed the adjournment of the hearing date on June 22nd and 23rd 2015 on consent. After the related litigation is complete, either party may request a hearing date.

A Claim under the Ontario Superior Court of Justice was filed by McCarney Greenwood LLP against Godstone Co-Ownership Inc. for unpaid invoices estimated at \$23,000. The claim is being defended.

Agreements with shareholders relating to changes to the common areas

22. NIL

Substantial changes to the common areas, assets, or services

23. There are no additions, alterations or improvements to the common areas, changes in the assets of the Corporation or changes in a service of the Corporation that are substantial and that the board has proposed but not implemented, except those approved and outlined in the Capital Fund Plan.

Insurance

24. The Corporation has secured all policies of insurance that are required under the By-laws of Corporation.

Purchaser's responsibility to review structural changes to the suite

25. It is the Purchaser's responsibility to review the documentation and description pertaining to the suite, including and exclusive use common area, to determine whether or not the Vendor or any previous owner or occupant of the suite has carried out a structural change to the suite or has modified the common areas in circumstances where the Board has not given its prior written consent. As this suite and any appurtenant exclusive use common area (if applicable) have not been inspected prior to the making and execution of this report. Godstone Co-ownership Inc. cannot comment upon matters of non-compliance, which may be revealed by inspection of the suite. Godstone Co-ownership Inc. reserves its right to enforce any matters of non-compliance notwithstanding that they may have existed prior to the issuance of this Status Report.

Owner's responsibility on Smoke Alarms and Carbon Monoxide

26. As a matter of personal safety, please be advised that;
- a) Under the Ontario Fire Code, title "owner" is responsible for ensuring that SMOKE ALARMS, CARBON MONOXIDE ALARMS and any other alarms or devices mandated by any authority having jurisdiction in such matters concerning the property, are installed in their swelling unit. The Ontario Fire Code Regulations 388/97 requires that SMOKE ALARMS maintained in operating condition at all times.

Urea Formaldehyde Foam Insulation

27. To the best of the Corporation's knowledge, the building is not and never has been insulated with Urea Formaldehyde Foam Insulation.

Attachments

28. The following documents are attached to this Estoppel Certificate and form part of it:
- a. A copy of Co-Ownership Agreement
 - b. A copy of the Corporation's By-laws
 - c. A copy of the Corporation's Rules and Regulations
 - d. A copy of the Financial Statements
 - e. A copy of the Corporation's current budget
 - f. A copy of the Current Insurance Certificates
 - g. A copy of the "Notice of Future Funding of the Reserve Fund"

Note:

On Closing, the Buyer(s) is required to forward to the Property Manager Post-dated maintenance cheques payable to GODSTONE CO-OWNERSHIP INC. commencing the First Day of the Month following closing up to and including December 31st, 2015. In addition, a copy of the Insurance Coverage for the suite purchased with a minimum \$1,000,000.00 liability and \$20,000.00 minimum contents and betterment insurance.

THIS ESTOPPEL CERTIFICATE IS VOID AND OF NO EFFECT, AND THE UNIT OWNER SHALL BE IN DEFAULT UNDER THE CO-OWNERSHIP AGREEMENT AND NOT ENTITLED TO OCCUPY THE UNIT UNLESS THE TRANSFEREE AND MORTGAGEE SIGN AND RETURN TO THE PROPERTY MANAGER A COUNTERPART OF SCHEDULES "B" AND "C", WHICH FORM PART OF THIS ESTOPPEL AND ARE ATTACHED HERETO.

IN WITNESS WHEREOF the parties hereto have executed this estoppel as of the date first written.

GODSTONE CO-OWNERSHIP INC.

Per: _____
Name:
Title:

GODSTONE CO-OWNERSHIP INC.

SCHEDULE "B"

TRANSFeree'S ACKNOWLEDGEMENT

Re: ** Godstone Road, Unit **

The Transferee acknowledges receiving and reviewing a copy of the Co-Ownership Agreement Articles of Incorporation, By-Laws, and Rules and Regulations and agrees to be bound thereby as though the Transferee had been an original party to all of the aforesaid documents.

Dated at Toronto this _____ day of _____, 2015

Signature of Transferee

SCHEDULE "C"
MORTGAGEE'S ACKNOWLEDGEMENT
RIGHTS AND OBLIGATIONS OF THE MORTGAGEE

TO:	All existing co-owners and mortgagees of co-ownership interests (collectively the "Co-Ownership Interest Group") 53-71 Godstone Road, Ontario (the "Property")
AND TO:	GODSTONE CO-OWNERSHIP INC. (the "Corporation")
UNIT:	** Godstone Road, Unit **, Toronto, Ontario

1. Any mortgage loan security to be registered against the Property by the undersigned shall be subject to the provisions of the Co-Ownership Agreement and to the Co-Ownership Arrangements as defined therein.
2. All Mortgagees, will, during such period of time as it is the owner of the Property by foreclosure, assume, observe, perform and be bound by all the obligations as set out in the Co-Ownership Agreement and to the Co-Ownership Arrangements as defined therein, and will during such time as it is a mortgagee in possession be bound by all the obligations therein, provided that personal financial obligations shall be limited to payment of common maintenance expenses (it being acknowledged that any other financial obligations may nevertheless be charged to the co-ownership interest).
3. If any Mortgagee exercises its power of sale and sells the Co-Owner's interest in the Property, it will cause the purchaser/transferee to covenant with the Co-Ownership Interest Group and Corporation to observe, perform and be bound by the obligations in the Co-Ownership Agreement as of the date of such covenant which will be substantially in the form attached as Schedule "B" to the Co-Ownership Agreement.
4. All Mortgagees and its successors and assigns shall be bound to the terms herein and same shall inure to the benefit of the Co-Ownership Interest Group, the Corporation and their respective administrators, executors, successors and assigns, as the case may be.

The undersigned being the proposed mortgagee of the Co-Owner's co-ownership interest in the Property hereby acknowledges and agrees that:

5. Any mortgage loan security to be registered against the Property by the undersigned shall be subject to the provisions of the Co-Ownership Agreement and to the Co-Ownership Arrangements as defined therein.
6. The undersigned will, during such period of time as it is the owner of the Property by foreclosure, assume, observe, perform and be bound by all the obligations as set out in the Co-Ownership Agreement and to the Co-Ownership Arrangements as defined therein, and will during such time as it is a mortgagee in possession be bound by all the obligations therein, provided that personal financial obligations shall be limited to payment of common maintenance expenses (it being acknowledged that any other financial obligations may nevertheless be charged to the co-ownership interest).
7. If the undersigned exercises its power of sale and sells the Co-Owner's interest in the Property, it will cause the purchaser/transferee to covenant with the Co-Ownership Interest Group and Corporation to observe, perform and be bound by the obligations in the Co-Ownership Agreement as of the date of such covenant which will be substantially in the form attached as Schedule "B" to the Co-Ownership Agreement.

8. This Acknowledgment shall be binding upon the undersigned and its successors and assigns and shall ensure to the benefit of the Co-Ownership Interest Group, *the* Corporation and their respective administrators, executors, successors and assigns, as the case may be.
9. This Acknowledgment is being provided in accordance with Section 2.14 of the Co- Ownership Agreement.

IN WITNESS WHEREOF the undersigned has executed under seal this Acknowledgment and

Covenant as of the _____ day of _____, 2015

Signature of Mortgagee

Name of Mortgagee

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2013

6. INVESTMENT IN GODSTONE CO-OWNERSHIP INC.

The co-ownership is the beneficial owner of 100% of the issued share capital of Godstone Co-Ownership Inc., a company that was incorporated to facilitate the pursuit of lien claims against co-owners, if required.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES-OPERATING

Included in accounts payable and accrued liabilities is an amount **\$000,000** (2012-\$182,746) relating to realty taxes. Interest and penalty in the amount of **\$24,583** (2012-\$24,583) relating to the arrears have been accrued in the financial statements. Also see note 12 Realty Tax.

8. ADEQUACY OF RESERVE FUND

The co-ownership has established a reserve fund to finance future major repairs and replacements of the common elements of the co-ownership.

The Board has used the Reserve Fund Study (the "Study") without a site inspection prepared by Edison Engineers Inc., dated March 6, 2012, and such other information as was available to them in determining the adequacy of the reserve fund and the current addition to the fund.

The Board's evaluation, which is based on numerous assumptions as to future events, is detailed in the Board's Proposed Plan for Future Funding of the Reserve Fund (the "Funding Plan"), dated March 7, 2012.

The Study recommended an annual reserve fund assessment of \$174,996 for 2013 (\$140,000 for 2012), representing an increase of 25% over the prior year, followed by 19% annual increases for years 2014 to 2017 and followed by 2% annual increase from years 2018 to 2019, which is then followed by a 17.08% decrease for year 2020, 20% decrease for year 2021, 2% increase for year 2022 to 2043, with all interest earned to be reinvested in order to maintain a positive reserve fund balance over 30 years. The Board's Funding Plan indicates that it is their intention to follow the reserve fund contribution levels that were recommended in the Study.

The Study recommended contributions to the reserve fund for the current year of \$174,996 (2012-\$140,000) (Actual -\$93,749) (2012-Actual-\$66,079) and reserve fund expenditures of \$538,860 (Actual-\$72,672) (2012-recommended \$158,000 and actual-\$110,679). The Study projected a reserve fund balance as of December 31, 2013 of \$330,362 (Actual-\$1,016,736).

GODSTONE CO-OWNERSHIP

Notes to Financial Statements

For the Year Ended December 31, 2013

8. ADEQUACY OF RESERVE FUND-continued:

Any evaluation of the adequacy of the reserve fund is based on assumptions as to the future interest and inflation rates and estimates of the life expectancy of the building components and their replacement costs. These factors are subject to change over time and the changes may be material.

9. RELATED PARTY TRANSACTIONS

No remuneration was paid to directors and officers during the year and they had no interest in any transactions of the co-ownership. The property management company, in addition to receiving fees, is reimbursed for certain administrative costs and collects fees from owners, purchasers and others for issuing lien notices and status certificates. These transactions were in the normal course of operations and were measured at the exchange amount.

10. FINANCIAL INSTRUMENTS

The co-ownership is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the co-ownership's risk exposure and concentration as of December 31, 2013.

Angela Pollard

From: stephen@atrensmgmt.com
Sent: August-26-15 9:38 AM
To: Angela Pollard
Cc: Cathy law case godstone; Kelli Preston
Subject: RE: Godstone
Attachments: 2014 Godstone Financial Statement - Draft v1.pdf; 2015 08 25 Current Estoppel - unit name removed.pdf

Hi Angela,

See the attachments.

1. 2014 Financial Statement Draft
 2. A copy of the estoppel with the unit and names removed as discussed for the most current sale.
 3. No clear the the detail work description.
- we can help you hire one company to provide the following service as before they provided to the Godstone tenants.

The fee will be \$65 per unit.

the service will be:
collect the rent from the tenant and forward/deposit the cheques.
Issue the late payment notice.
Notify the Receiver the units in arrears for further action.
Take tenant's call and response to their request.
Provide minor repairs service (patch, painting, pipe clap etc. which superintendent can do and without license requirement)
As per receiver instruction, call the contractor for the major repairs and cleaning.
Advertising when unit is vacant

The services will be similar as on-site administrator-superintendent duty but base on on-call.

Thanks

Stephen Xu, *RCM*
Atrens Management Group Inc.
36-100 Bass Pro Mills Drive
Vaughan, ON L4K 5X1
T: 289.577.7701
F: 905.760.7855

----- Original Message -----

Subject: Godstone
From: "Angela Pollard" <akpollard@pollardandassoc.ca>
Date: Tue, August 25, 2015 1:22 pm
To: <stephen@atrensmgmt.com>
Cc: "Cathy law case godstone" <klawoffice123@gmail.com>, "Kelli Preston" <Kelli.Preston@devrylaw.ca>

Stephen further to our meeting today. Please forward to us as agreed. The 2014 financial statements (we understand that they have not yet been approved at the AGM). A copy of the estoppel certificate with the unit and names removed as discussed for the most current sale. A quote to collect the rent cheques for the 24 units etc. In addition you will review your storage

records for any records dealing with Godstone and advise us of what records you have in your possession. Angela Pollard

Angela K. Pollard, CPA, CMA, FCIRP, CFE
Pollard & Associates Inc.
31 Wright Street
Richmond Hill, Ontario
L4C 4A2
905-884-8191

Angela Pollard

From: Katherine Lee <klawoffice123@gmail.com>
Sent: August-26-15 6:26 PM
To: Angela Pollard; <stephen@atrensmgmt.com>; zcj8086; peter zhang
Cc: Kelli Preston
Subject: Re: FW: Godstone

Categories: Godstone report to court

Angela:

The check will be couriered to you office tomorrow. Please note:

1. If Stephen does not want to take care of the rent collecting, the Board members and I will take care of it free of charge. However, if you want to pay us for collecting rents for you from Godstone, we will appreciate it. **AS A RECEIVER, YOU NEED TO ENSURE US THAT THE COMMON EXPENSES WILL BE REIMBURSED TO GODSTONE BEFORE WE GIVE YOU THE FUNDS COLLECTED ON MONTHLY BASIS.**

2. I believe that Stephen does not feel comfortable to answer certain questions you raised for fear of being sued or reported to the court by you and your lawyer. His feelings and concerns are understandable. After all, we **DO NOT** know what's the purpose of your missions in our community: helping the Court to end the litigation? looking troubles from Godstone's Board and management company to benefit DUCA and other defendants? or simply creating billable hours?

3. I also believe whatever questions you raised were answered by my submissions to the court. You and your lawyer have a copy. Those submissions were work product of Godstone Board, the volunteer community members, Stephen and I. Please don't bill your hours by reading those submissions and then raising the same questions over and over. As a courtesy, please write down your questions again, I will answer and be legal responsible.

3. All those tenants that do not pay the full rent were Rent-to-Own Tenants of RGL. They had their stories. However, I believe that the Board of Godstone has no issue in asking them to pay the full rent. If they don't pay, there will be ways to make them pay. Our standard is \$1000 for two bedroom units and \$1300 for 3 bedroom units. I don't know how much the rent should be for the 4 bedroom units. It is the decision of the Board unless you want to make the decision which, personally, I don't mind. I believe that there are two tenants who had decided to pay you instead of Godstone. You can ask them to pay the full rent. If you don't feel comfortable to do so, then please ask them to call me. I have no problem dealing with them.

4. Yes, numerous units are **NOT** tenant occupied. Those tenants are sub-landlords. Sublease is permissible so long as the rent is paid. Again, it is my view that out of humanity as well as the city's concern for lack of affordable housing to low-income people, rooming is **NOT** criminal. The best way to terminate rooming is to sell the units to the purchasers at a market price. If you think sub-leasing is not acceptable, please raise them out.

5. However, as to the issue of rooming, sorry, I don't want to help you. I am a human being and I deem humanity and generosity more important than the structure of the units at this critical stage when the units are not sold to any individual purchasers.

5. RGL/DUCA do not want Godstone to get involved in their rent collection and management of their tenants/rent-to-own tenants. It is a long history. As to who occupies those units managed by

RGL/DUCA, you can find all the info in my submission to the court. However, you cannot blame Godstone Board and Stephen for whatever issues created by RGL/DUCA. They are our defendants. The entire litigation is to get them paid the maintenance arrears. If we are capable of controlling their units, then, there is no point in litigation for years. If you are impartial and if you do want to perform your duty, then please investigate the accounting of those units from RGL/DUCA and provide us a report of your investigation.

Finally, I am doing all the work for Godstone for free. And I have to run a very busy law office. So please go through the submissions I gave you and your lawyer. Whatever I submitted to the court is pretty accurate. If you cannot find whatever you need there, you can ask me. So far, it is meaningless to repeat. I believe that the Court has been so fed up with the repeated submissions of the same documents over and over for the past few years.

Best regards,

Katherine

On Wed, Aug 26, 2015 at 11:37 AM, Angela Pollard <akpollard@pollardandassoc.ca> wrote:

Ms. Lee, please have a trust cheque forward via courier to my office in my firm name for the funds deposited into your trust account, with copies of the cheques provided to you. As counsel of record for Godstone, you of course will be provided with the Receiver's report when proceeding to court on October 8th, 2015.

Please ensure that all future rent cheques are forwarded directly to my office. My meeting with the Property Manager answered some of my questions however not all of them. I have asked the property manager for certain information and I am sure you will advise him to provide me with the same. He will be seeking your instruction.

It appears that a number of units are not tenant occupied as well they are only paying partial rental/lease payments or none at all. I understand from the Property Manager that he does not manage or collect rents and all payments are directed to him from Godstone Co-ownership. In addition he is unaware of why some tenants pay limited funds except that repairs are needed.

Also he has advised that he has no knowledge of the tenants that occupy the units for which RGL collects rents and cannot comment on who is occupying the units and that no funds have been forwarded to him in reference to these units.

The Property Manager also commented that he was unaware of new leases being entered into on August 1, 2015 by Godstone Co-ownership and he did comment that these units previously paid significantly less rents – similar to the common area expenses. He will be asking for copies of the leases for his records from Godstone.

In addition I have asked the property manager for a quote to collect the rents for the 24 units as this is not part of his current duties to the Co-ownership. Angela Pollard

Angela K. Pollard, CPA, CMA, FCIRP, CFE

Pollard & Associates Inc.

31 Wright Street

Richmond Hill, Ontario

L4C 4A2

905-884-8191

From: Katherine Lee [<mailto:klawoffice123@gmail.com>]
Sent: August-25-15 8:05 PM
To: Angela Pollard; <stephen@atrensmgmt.com>; zcj8086; peter zhang
Cc: Kelli Preston
Subject: Re: Godstone

Angela:

I just heard from our Board that you borrowed funds and gave Stephen the August's maintenance fee of the 24 defaulted unit. Therefore, I give you the funds I collected. Please give me your void trust account check, I will directly deposit the funds into your trust account. Otherwise, I will mail the check to you. Please tell me who is the payee.

If you want to report me to the court, it is ok with me. My defense is that you never bother to answer my question of whether you will pay the 24 units' maintenance fees to Godstone. And you did not give the funds to Godstone until today.

Anyway, all I need is a written confirmation regarding the monthly maintenance fees. We are equal with respect to our responsibilities and loyalties.

Best regards,

Katherine

On Tue, Aug 25, 2015 at 4:18 PM, Angela Pollard <akpollard@pollardandassoc.ca> wrote:

Ms. Lee, please see enclosed our letter to Godstone dated August 25, 2015. Angela Pollard

Angela K. Pollard, CPA, CMA, FCIRP, CFE

Pollard & Associates Inc.

31 Wright Street

Richmond Hill, Ontario

L4C 4A2

905-884-8191

--

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

--

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

Angela Pollard

From: Katherine Lee <klawoffice123@gmail.com>
Sent: August-25-15 9:47 PM
To: <stephen@atrensmgmt.com>
Cc: Peter Zhang; Johnny Zhang; Jerry Xue; Linda Wang; Yuan Ye; Eugene Kvache; huang zhiquan; Angela Pollard
Subject: Re: Cheque & Letter from Receiver on Aug 25, 2015

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Godstone report to court

I will give the funds to the Receiver tomorrow.

How about September? I suggest that we withhold the September's funds in my trust until we receive the maintenance from the Receiver or until we receive a written confirmation from the Receiver that in the future she will give us the maintenance fees on monthly basis.

On Tue, Aug 25, 2015 at 9:34 PM, <stephen@atrensmgmt.com> wrote:
Hi Katherine & Board Directors,

see the attachment for the Cheque & Letter from Receiver on Aug 25, 2015.

Thanks

Stephen Xu, RCM
Atrens Management Group Inc.
36-100 Bass Pro Mills Drive
Vaughan, ON L4K 5X1
T: 289.577.7701
F: 905.760.7855

--
KATHERINE LEE
Barrister & Solicitor
3190 Steeles Avenue East, Suite 120
Markham, ON L3R 1G9
T: 905-604-5117; F: 416-900-1051

Godstone - Rents

Unit #	rental agreement	Amount as per agreement	August	September
57-111	yes/godstone	1,300.00	1,279.41	1,279.41
57-119	yes/RGL	1,650.00	450.00	1,000.00
59-117	yes/godstone	1,000.00	1,000.00	1,000.00
63-111	yes/godstone	1,300.00	1,300.00	-
63-115	yes/godstone	1,000.00	1,000.00	1,000.00
63-116	yes/RGL	1,000.00	463.87	463.87
67-115	yes/RGL	1,300.00	1,300.00	1,300.00
67-116	yes/RGL	1,300.00	1,300.00	-
67-120	no/RGL	1,075.00	1,075.00	1,075.00
67-121	no		1,025.00	1,025.00
69-110	yes/RGL	1,750.00	-	1,050.00
69-111	yes/godstone	-	-	-
69-114	yes/godstone	1,070.00	1,070.00	1,070.00
69-115	yes/RGL	1,750.00	-	-
69-116	yes/RGL	1,750.00	537.00	1,050.00
69-117	yes/RGL	1,100.00	1,100.00	1,100.00
69-120	yes/RGL	1,075.00	1,070.00	1,070.00
69-121	yes/RGL	1,200.00	1,075.00	1,075.00
69-123	yes/RGL	1,200.00	1,200.00	1,200.00
69-124	yes/godstone	1,200.00	1,000.00	1,000.00
69-125	yes/godstone	1,000.00	1,000.00	1,000.00
69-126	yes/RGL	1,022.65	1,022.65	1,022.65
69-127	yes/godstone	1,000.00	1,000.00	1,000.00
71-118	yes/RGL	1,500.00	-	-
			<u>\$ 20,267.93</u>	<u>\$ 19,780.93</u>

Angela Pollard

From: Katherine Lee <klawoffice123@gmail.com>
Sent: August-18-15 11:18 PM
To: Angela Pollard; peter zhang; zcj8086; stephen@atrensmgmt.com
Cc: Kelli Preston
Subject: Re: Godstone

Angela:

Those cheques will be deposited tomorrow and need time to be cleared.

I don't know how Godstone can afford a lawyer. After we paid our 1st installment/consultation fees to our new lawyer, we don't have any money left for August to pay for the water bills. Previously we can make the ends meet. Now, we cannot thanks to the Interim Order.

You are welcome to ask me anything questions. I live in the community since 2010 and should be able to answer your questions. But I am a solo practitioner and have a very busy residential real estate law office to run. I am not being paid on Godstone matters. So allow me time to respond.

So far, you have not yet let us know how you plan to allocate the rents you collected from RGL and the funds that I am going to give you. The maintenance fees are vital to us. To community like us, every dollar counts.

I do hope you look at Godstone through human eyes because there are human beings and family residing in each and every unit. Again, Godstone are homes to low-income families and families who have no income and subtenants who can only affords renting rooms.

On Tue, Aug 18, 2015 at 12:56 PM, Angela Pollard <akpollard@pollardandassoc.ca> wrote:

Katherine, can you please provide me with the rent cheques for August and advise as to the new counsel for the godstone. I do have a number of questions which I would like to ask. If it makes more sense at this time to ask you please let me know. Angela

Angela K. Pollard, CPA, CMA, FCIRP, CFE

Pollard & Associates Inc.

31 Wright Street

Richmond Hill, Ontario

L4C 4A2

905-884-8191

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

Angela Pollard

From: Katherine Lee <klawoffice123@gmail.com>
Sent: August-19-15 12:30 PM
To: Angela Pollard
Cc: peter zhang; zcj8086; <stephen@atrensmgmt.com>; Kelli Preston
Subject: Re: Godstone

Angela:

Sorry, it was deposited by my assistant this morning. I did not have chance to check emails until 11:30 am today. Again, we need approximately \$8000 to pay August's water, sewer and garbage collection fees by August 28. It were able to manage the bill payments previously. Now, as a receiver, you have to ensure us that you will have the bills of the 24 units paid.

Katherine

On Wed, Aug 19, 2015 at 9:11 AM, Angela Pollard <akpollard@pollardandassoc.ca> wrote:

Katherine, please do not cash the cheques. Please forward them to me with your endorsement on the back. We will deposit them into our trust account for Godstone. Angela

Angela K. Pollard, CPA, CMA, FCIRP, CFE

Pollard & Associates Inc.

31 Wright Street

Richmond Hill, Ontario

L4C 4A2

905-884-8191

From: Katherine Lee [mailto:klawoffice123@gmail.com]
Sent: August-18-15 11:18 PM
To: Angela Pollard; peter zhang; zcj8086; stephen@atrensmgmt.com
Cc: Kelli Preston
Subject: Re: Godstone

Angela:

Those cheques will be deposited tomorrow and need time to be cleared.

I don't know how Godstone can afford a lawyer. After we paid our 1st installment/consultation fees to our new lawyer, we don't have any money left for August to pay for the water bills. Previously we can make the ends meet. Now, we cannot thanks to the Interim Order.

You are welcome to ask me anything questions. I live in the community since 2010 and should be able to answer your questions. But I am a solo practitioner and have a very busy residential real estate law office to run. I am not being paid on Godstone matters. So allow me time to respond.

So far, you have not yet let us know how you plan to allocate the rents you collected from RGI and the funds that I am going to give you. The maintenance fees are vital to us. To community like us, every dollar counts.

I do hope you look at Godstone through human eyes because there are human beings and family residing in each and every unit. Again, Godstone are homes to low-income families and families who have no income and subtenants who can only affords renting rooms.

On Tue, Aug 18, 2015 at 12:56 PM, Angela Pollard <akpollard@pollardandassoc.ca> wrote:

Katherine, can you please provide me with the rent cheques for August and advise as to the new counsel for the godstone. I do have a number of questions which I would like to ask. If it makes more sense at this time to ask you please let me know. Angela

Angela K. Pollard, CPA, CMA, FCIRP, CFE

Pollard & Associates Inc.

31 Wright Street

Richmond Hill, Ontario

L4C 4A2

905-884-8191

--

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

--
KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

Angela Pollard

From: Katherine Lee <klawoffice123@gmail.com>
Sent: August-19-15 12:56 PM
To: Angela Pollard
Cc: peter zhang; zcj8086; <stephen@atrensmgmt.com>; Kelli Preston
Subject: Re: Godstone

Angela:

The court order does not forbid me to deposit the cheques payable to me in trust and then remit the funds to you. The court order does give you the authority to **MANAGE** the 24 units which include paying the bills. I also need the void cheque of the trust account to deposit the funds into your trust account next Monday on the condition that you pay the water bill before August 28.

I, Stephen and the board will be sued if bills are not paid.

Katherine

On Wed, Aug 19, 2015 at 12:40 PM, Angela Pollard <akpollard@pollardandassoc.ca> wrote:

Katherine,

The rent cheques were not for you to deposit as per the court order. Please ensure that the funds and copies of the cashed cheques are forwarded to us as soon as possible. We would expect to be in receipt of the funds by Monday at the latest. I do not understand your comments about "now as receiver, you have to ensure us that you will have the bills of the 24 units paid". You need to explain your comments. I will be attending in the next couple of days at Godstone as I plan on meeting with some of the tenants. Angela

Angela K. Pollard, CPA, CMA, FCIRP, CFE

Pollard & Associates Inc.

31 Wright Street

Richmond Hill, Ontario

L4C 4A2

905-884-8191

From: Katherine Lee [mailto:klawoffice123@gmail.com]
Sent: August-19-15 12:30 PM
To: Angela Pollard
Cc: peter zhang; zcj8086; <stephen@atrensmgmt.com>; Kelli Preston
Subject: Re: Godstone

Angela:

Sorry, it was deposited by my assistant this morning. I did not have chance to check emails until 11:30 am today. Again, we need approximately \$8000 to pay August's water, sewer and garbage collection fees by August 28. It were able to manage the bill payments previously. Now, as a receiver, you have to ensure us that you will have the bills of the 24 units paid.

Katherine

On Wed, Aug 19, 2015 at 9:11 AM, Angela Pollard <akpollard@pollardandassoc.ca> wrote:

Katherine, please do not cash the cheques. Please forward them to me with your endorsement on the back. We will deposit them into our trust account for Godstone. Angela

Angela K. Pollard, CPA, CMA, FCIRP, CFE

Pollard & Associates Inc.

31 Wright Street

Richmond Hill, Ontario

L4C 4A2

905-884-8191

From: Katherine Lee [mailto:klawoffice123@gmail.com]
Sent: August-18-15 11:18 PM
To: Angela Pollard; peter zhang; zcj8086; stephen@atrensmgmt.com
Cc: Kelli Preston
Subject: Re: Godstone

Angela:

Those cheques will be deposited tomorrow and need time to be cleared.

I don't know how Godstone can afford a lawyer. After we paid our 1st installment/consultation fees to our new lawyer, we don't have any money left for August to pay for the water bills. Previously we can make the ends meet. Now, we cannot thanks to the Interim Order.

You are welcome to ask me anything questions. I live in the community since 2010 and should be able to answer your questions. But I am a solo practitioner and have a very busy residential real estate law office to run. I am not being paid on Godstone matters. So allow me time to respond.

So far, you have not yet let us know how you plan to allocate the rents you collected from RGL and the funds that I am going to give you. The maintenance fees are vital to us. To community like us, every dollar

counts.

I do hope you look at Godstone through human eyes because there are human beings and family residing in each and every unit. Again, Godstone are homes to low-income families and families who have no income and subtenants who can only afford renting rooms.

On Tue, Aug 18, 2015 at 12:56 PM, Angela Pollard <akpollard@pollardandassoc.ca> wrote:

Katherine, can you please provide me with the rent cheques for August and advise as to the new counsel for the godstone. I do have a number of questions which I would like to ask. If it makes more sense at this time to ask you please let me know. Angela

Angela K. Pollard, CPA, CMA, FCIRP, CFE

Pollard & Associates Inc.

31 Wright Street

Richmond Hill, Ontario

L4C 4A2

905-884-8191

--

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

--

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

--

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

PRE-AUTHORIZED

Toronto Water & Solid Waste Management Services

UTILITY BILL

Please KEEP this portion for your records



Revenue Services
Box 6000
Toronto, ON M2N 5V7

000163673 001151892 08

Account No. Client No.

Property Owner

GODSTONE CO-OWNERSHIP INC

53 GODSTONE RD

Service Address

Page 1 of 2

DESCRIPTION	METER NO.	70258165	
WATER - METER READING			
Current Reading Date	Large Reading	Small Reading	
01/Aug/2015	29758.43	56968.45	
Previous Reading Date			
30/Jun/2015	28986.69	55306.96	
Consumption (32 days)	771.74	1661.49	
Total Consumption (Large + Small)	2433.23 m3		

Billings	\$	7,411.08
Payment 22/Jul/2015 (thank you)	\$	-3,737.06
Scheduled PWP withdrawal on 17/Aug/2015	\$	-7,411.08
Previous Balance	\$	-7,737.06

WATER - Current Billing

Total Consumption	Total Water & Sewer Charge	
8% Rate Increase MAR 15, 2015		
Block 1: 2433.23 m3 @3.3626	= \$	8,181.98
2433.23 m3	= \$	8,181.98
Total Water - Current Billing	\$	8,181.98

SOLID WASTE MANAGEMENT (SWM) - Current Billing

Centralized (12/JUN/2015 to 17/JUL/2015)

Total Lift Volume Billed per Cubic Yard Uncompacted	112.00 yd3
Base Volume Uncompacted	18.93 yd3
Total Excess Volume	93.07 yd3
Total Units	103
No of Days	35

Rates (12/JUN/2015 to 17/JUL/2015)

Base Volume	103 x 35 x 0.556027397	= \$	2,004.48
Excess Volume	93.07 x 14.08	= \$	1,310.43
Rebate	103 x 35 x -0.506849315	= \$	-1,827.19
		\$	1,487.72

Total Solid Waste Management - Current Billing	\$	1,487.72
Less Discount	\$	-409.03

Summary of Services

Water	\$	3,518.25
Sewer	\$	4,663.73
SWM Fee	\$	1,487.72
	\$	9,669.70

Effective March 13, 2015 City Council approved an 8.0% increase to the Water and Sewer charges and a 3.0% increase to Solid Waste Management fees effective April 1, 2015. "Visit toronto.ca/utilitybill and use the Utility Account Lookup to view your utility account details online". For more information please visit our website at www.toronto.ca/utilitybill

\$ 8,934.69
Withdrawal Amount
31/Aug/2015
Withdrawal Date
Not displayed for privacy reasons
Financial Institution

Toronto Hydro-Electric System Limited
YOUR ELECTRICITY BILL



Account Number
3864050000
 To be used for payments

Premise number
 3864050586

Bill Print Date: 08/18/15

Meter Number
10717584

GODSTONE CO-OWNERSHIP INC.
 GODSTONE CO-OWNERSHIP INC. C/O ATRENS MGMT GROUP INC
 100 BASS PRO MILLS DR UNIT 36
 VAUGHAN ON L4K 5X1

Statement Date **Aug 18 2015**

Amount Due **\$1,102.72**

Due Date **Sep 07 2015**

Amount Paid

416.542.8000 www.torontohydro.com

Interest will be charged on any amount not received by the due date at the rate of 1.5% compounded monthly (19.5% per annum) from the due date until receipt of such amount and all accrued interest

Service Location: 71 GODSTONE RD UNIT HOUSE, NORTH YORK
Your Electricity Charges

Electricity

***Electricity supplied by Toronto Hydro through Standard Supply Service.
 Billing Inquiries: (416) 542-8000

Time of use - Summer

1,023.740 kWh On-peak (Highest Price) @ \$0.161 / kWh 164.82
 1,029.270 kWh Mid-peak (Mid Price) @ \$0.122 / kWh 125.57
 4,457.990 kWh Off-peak (Lowest Price) @ \$0.08 / kWh 356.64

Delivery 291.63

Regulatory 38.76

Debt Retirement Charge 45.58

Your Total Electricity Charges 1,023.00

H.S.T. (H.S.T. Registration 896718327RT0001) 132.99

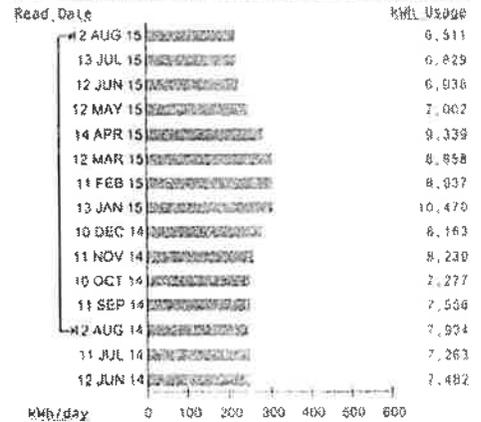
Ontario Clean Energy Benefit -10% * 53.27CR

Your Previous Charges

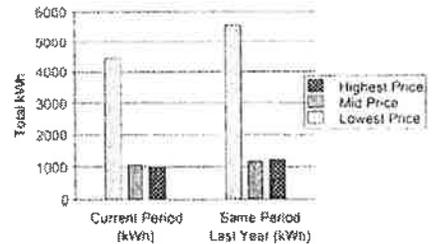
Amount of last bill 1,144.95
 Payment Received Jul 27 2015 - Thank You 1,144.95CR
 Balance Forward 0.00

Total Amount Due by Sep 07 2015 \$1,102.72

Compare your daily usage



Time of use Comparison



Phone Scam: Criminals posing as Toronto Hydro are demanding payment. Toronto Hydro never asks for pre-paid card payment, nor calls using a 1-800 number. Learn more: torontohydro.com/customer/care



Your electricity usage

Meter Number	Meter Reading Period	Number of Days	Read Type	Current Reading	Previous Reading	Billing Mult.	kWh Used	Loss Factor Adjustment	Adjusted kWh Used
10717584	JUL 13 2015 TO AUG 12 2015	30	Act.	473432	486921	1	6511	1.0376	6755.812

* Ontario Clean Energy Benefit takes 10% off the cost of up to 3,000 kWh/month of electricity use. Some exceptions apply.



PLEASE RETAIN THIS PORTION FOR YOUR RECORDS
PROPERTY TAX ACCOUNT STATEMENT

Assessment Roll No. 19-08-11-2-410-03100-0000-0 1

Date Issued July 14, 2015

Mailng Address

087650 333/18/7 U T201 (R)
 GODSTONE CO-OWNERSHIP INC
 C/O ATRIENS MANAGEMENT GROUP INC
 100 BASS PRO MILLS DRIVE UNIT 36
 VAUGHAN ON L4K 5X1

Property Address

53-71 GODSTONE RD
 PLAN 68M1005 BLK Q

Account Summary

Overdue Property Taxes	
Taxes	Total
2015	161,976.38
2014	127,380.39
Total:	289,356.77

Future Amounts

Due Date	Amount
Aug 4, 2015	36,749.00
Sep 1, 2015	36,747.73
Total:	73,496.73

OVERDUE TAX NOTICE

Message Centre

A \$16.70 Statement Fee has been added to your account and is included in the Total Amount Due.

Overdue Property Taxes

The overdue amount is a result of late or missed payments, penalty/interest charges, and/or applicable fees. Please note that payments received are applied to the oldest outstanding balance first. The Overdue Amount must be paid immediately.

Future Amounts

Please note that any amounts indicated in the Future Amounts area must be paid on or before the due date indicated to avoid penalty and interest. Please see the reverse side of this form for payment options and other important messages.

Property Tax Account Lookup

Visit toronto.ca/propertytax and use the Property Tax Account Lookup to view your account details.

Penalty, interest and fees are added to overdue accounts. See the Penalty, Interest and Fees message on the back of this statement.

Overdue Amount
 - DUE NOW
\$289,356.77

Future Amount(s) Due
\$73,496.73

TOTAL AMOUNT DUE
\$362,853.50

Customer No.: 004171099



PLEASE RETURN THIS PORTION WITH YOUR PAYMENT
PROPERTY TAX ACCOUNT STATEMENT

Assessment Roll No. 19-08-11-2-410-03100-0000-0 1

Date Issued July 14, 2015

Property Address

53-71 GODSTONE RD
 PLAN 68M1005 BLK Q

Overdue Amount
 - DUE NOW
\$289,356.77

Future Amount(s) Due
\$73,496.73

TOTAL AMOUNT DUE
\$362,853.50

Amount Paid

19081124100310000000 1 00362853509 00289356776 201507142

⑆01563⑆900⑆ 100153865266⑆ 96

Angela Pollard

From: Katherine Lee <klawoffice123@gmail.com>
Sent: September 17-15 9:37 PM
To: Kelli Preston; Angela Pollard; <stephen@atrensmgmt.com>; peter zhang; zcj8086; 尤金; linda godstone; sunny ye; jerry xue; huang zhiquan
Subject: Concerns of Godstone
Attachments: offers from Godstone (September 17).pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Ms. Pollard and Ms. Preston:

I summarized the concerns of the board members as follows:

1. What are your opinions on the 8 purchase offers from Godstone's NON RENT TO OWN TENANTS? I attached the summary of their offers. There are still two (2) tenants who will confirm their offer with me in a few days. The summary also includes the rents they paid to Godstone, the registered debts and liens on each unit as well as the repair costs the tenants paid.
2. How will the Receiver manage, rent and sell the *defaulted units*? In specific:
 - (a) how will the Receiver deal with the current **rent to own** and **non rent to own tenants**?
 - (b) when will the Receiver start the sale of the defaulted units?
 - (c) what is the minimum sale price of each defaulted unit the Receiver deems reasonable to pay off the debts?
3. We were informed that the Receiver borrowed funds the maintenance fees of August and September to Godstone. Could you please disclose to us:
 - (a) whom the Receiver borrowed the funds from?
 - (b) what is the interest rate?
 - (c) how will the Receiver return the funds?
4. What is the plan of the Receiver on the real property tax arrears?
5. Could the Receiver also borrow the funds of \$280,000 and help Godstone to payoff the tax arrears at an interest rate less than 12%?
5. What is the fee of the Receiver and her lawyer?
6. How will the Receiver and her lawyer's fees be paid?
7. What are the plans of the Receiver and her lawyer in the event that debts, costs and expenses of the each unit have increased to such a high amount that no purchaser can be found in the market to purchase those defaulted units?
8. What's the plans of the Receiver and her lawyer regarding the vacancy of the defaulted units in the event that tenants stop renting and sales of the defaulted units cannot take place?
10. So far, what are the fees the Receiver and her lawyer had incurred?

Thank you very much. We are looking forward to hearing from you.

Best regards,

Katherine

--

KATHERINE LEE

Barrister & Solicitor

3190 Steeles Avenue East, Suite 120

Markham, ON L3R 1G9

T: 905-604-5117; F: 416-900-1051

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

- and -

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., DUCA FINANCIAL SERVICES CREDIT UNION LTD., LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC., 1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD., 1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN, FRANCISCO ENDANA, ELIZABETH CANADA, DAVE LALL, CARMEN MANGAL, JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON, RICARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG, SAINDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN and JENET LOUISE HILSON

Defendants

AFFIDAVIT

I, Yanyu (Rainah), of the City of Toronto, Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the tenant of Unit 63-111 of Godstone community and have been residing in this Unit since June, 2015 with my husband, now my one (1) year old son and occasionally with my mother.
2. The monthly rent I have been paying is \$1300. My payment started June 15, 2015. As of September, 2014, I have paid a total of \$19,500 to Godstone.
3. My mother and I wish to purchase this Unit as our primary residence at the price of \$270,000 as soon as possible.
4. The said unit was not renovated when I moved in. But the door and windows were upgraded like the rest of the non-defaulted unit.

5. The followings are issues I found with this Unit:

6. I have spent approximately \$300 to clean up the unit before I moved in.

ND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARE BEFORE ME }
 in the town of Markham, }
 the Province of Ontario }
 this 10th day of September, 2015 }



Tenant: Yanyu (Rainah) Chen

A Commissioner, etc.

Unit: 111

Telephone: 416-939-8224

Email:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

- and -

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., DUCA FINANCIAL SERVICES CREDIT UNION LTD., LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC., 1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD., 1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN, FRANCISCO ENDANA, ELIZABETH CANADA, DAVE LALI, CARMEN MANGAL, JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON, RICARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG, SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN and JENET LOUISE HILSON

Defendants

AFFIDAVIT

I, MIMI ALI KUPAS, of the City of Toronto, Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the tenant of Unit 57#111 of Godstone community and have been residing/investing/subleasing in this Unit since SEPTEMBER, 2012
2. The monthly rent I have been paying is \$1300. My payment started SEPTEMBER, 2012. As of September, 2015, I have paid a total of \$46,200 to Godstone.
3. I wish to purchase this Unit as my primary residence/investment property.
4. The said unit was ~~was~~ not renovated when I moved in.
5. The door and windows ~~were~~ were not upgraded. *upgraded windows by door*
6. The followings are issues I found with this Unit:

need to be renovated every thing.

7. I have spent approximately \$6000 to renovate/repair the internal unit since I moved in.

ND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARE BEFORE ME
in the town of Markham,
the Province of Ontario
this 12 day of September, 2015

Tenant:

MISHAL LUPAS.

A Commissioner, etc.

Unit:

57 # 111.

Telephone:

647 831 1090

Email:

lupas.m@yahoo.com

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

GODSTONE CO-OWNERSHIP INC.,

Plaintiff

- and -

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., DUCA FINANCIAL SERVICES CREDIT UNION LTD., LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC., 1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD., 1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN, FRANCISCO ENDANA, ELIZABETH CANADA, DAVE LALL, CARMEN MANGAL, JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON, RICARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG, SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN and JENET LOUISE HILSON

Defendants

AFFIDAVIT

I, Sun Cuihua, of the City of Toronto, Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the tenant of Unit 111 of Godstone community and have been residing/investing/subleasing in this Unit since 2012 Jan.
2. The monthly rent I have been paying is \$1100. My payment started June 2012. As of September, 2015, I have paid a total of \$32,470 to Godstone.
3. I wish to purchase this Unit as my primary residence/investment property.
4. The said unit was was not renovated when I moved in.
5. The door and windows were were not upgraded.
6. The followings are issues I found with this Unit:

- 1) The initial condition of the house was rat-infested and full of bugs. The townhouse was very old and shabby.
 - 2) The rooftop of the townhouse was broken and damaged, which made leakage of rain from the kitchen.
 - 3) The kitchen ware and cabinets were all broken and old, so we have to change all the cabinets.
 - 4) All the windows and doors were broken and damaged in this townhouse.
7. I have spent approximately \$120,000 to renovate/repair the internal unit since I moved in.

ND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARE BEFORE ME
 in the town of Markham,
 the Province of Ontario
 this 4th day of September, 2015

Tenant: Qian Cuihua

A Commissioner, etc.

Unit: Unit 116, 67 Godstone Rd Toronto
 Telephone: 416-961-7119 or 416-611-1186
 Email: qiancuihua@116.com

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

- and -

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., DUCA FINANCIAL SERVICES CREDIT UNION LTD., LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC., 1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD., 1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN, FRANCISCO ENDANA, ELIZABETH CANADA, DAVE LALI, CARMEN MANGAL, JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON, RICARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG, SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN and JENET LOUISE HILSON

Defendants

AFFIDAVIT

1. Carrie Boulton of the City of Toronto, Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the tenant of Unit 117 of Godstone community and have been residing/investing/subleasing in this Unit since December.
2. The monthly rent I have been paying is \$1000. My payment started December 2013. As of September, 2015, I have paid a total of \$21,000 to Godstone.
3. I wish to purchase this Unit as my primary residence/investment property.
4. The said unit was was not rennovated when I moved in.
5. The door and windows were were not upgraded.
6. The followings are issues I found with this Unit:

The ceiling is leaking sometimes
and it's like falling apart.
When it's raining, it's like
water coming through the wall and
the basement sometimes is flooding.
I had some problems with the sink
and I paid \$150 to change it.

7. I have spent approximately _____ to renovate/repair the internal unit since I moved in.

ND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARE BEFORE ME }
in the town of Markham, }
the Province of Ontario }
this ____ day of September, 2015 }

Jane Bede

Tenant:

A Commissioner, etc.

Unit: 117 - 59 Coolstone Rd
Telephone: (416) 831-7115
Email: gerald.jane@yalecofi
↓
jane

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

- and -

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., DUCA FINANCIAL SERVICES CREDIT UNION LTD., LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC., 1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD., 1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN, FRANCISCO ENDANA, ELIZABETH CANADA, DAVE LALL, CARMEN MANGAL, JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON, RICARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG, SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN and JENET LOUISE HILSON

Defendants

AFFIDAVIT

1. MING XUE, of the City of Toronto, Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the tenant of Unit 69 #111 of Godstone community and have been residing/investing/subleasing in this Unit since July 2015.
2. The monthly rent I ~~have been~~ ^{will} paying is \$1300. My payment started December 2015. As of September, 2015, I have paid a total of _____ to Godstone.
3. I wish to purchase this Unit as my primary residence/investment property.
4. The said unit was was not rennovated when I moved in.
5. The door and windows were/were not upgraded. (upgraded door & windows)
6. The followings are issues I found with this Unit:

Three bedrooms all has ceiling damages, and
the hall way ceiling had leakage and collapsed, very bad shape!
I had signed agreement with Colstone that I will
start paying my rent from december, because I had paid
for all renovating

7. I have spent approximately \$ 8600 to rennovate/repair the internal unit since I moved in.

AND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARE BEFORE ME
in the town of Markham,
the Province of Ontario
this 12 day of September, 2015

|
|
|
|

Ming Xue

Tenant: MING XUE

A Commissioner, etc.

Unit: 69 #111

Telephone: 416-625-7273

Email: shunty5271@hotmail.com

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

GODSTONE CO-OWNERSHIP INC.,

Plaintiff

- and -

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., DUCA FINANCIAL SERVICES CREDIT UNION LTD., LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC., 1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD., 1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN, FRANCISCO ENDANA, ELIZABETH CANADA, DAVE LALL, CARMEN MANGAL, JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON, RICARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG, SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN and JENET LOUISE HILSON

Defendants

AFFIDAVIT

1. ZHEN LI, of the City of Toronto, Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the tenant of Unit 04-127 of Godstone community and have been residing/investing/subleasing in this Unit since Dec 01, 2013.
2. The monthly rent I have been paying is \$1000.00. My payment started Dec 01, 2013. As of September, 2015, I have paid a total of \$22,000.00 to Godstone.
3. I wish to purchase this Unit as my primary residence (investment property).
4. The said unit was was not renovated when I moved in.
5. The door and windows were were not upgraded.
6. The followings are issues I found with this Unit:

The foundation sinks so that door frames appear to be out of shape, the doors can not be closed and there are some cracks on the wall

7. I have spent approximately \$380.00 to remove/repair the internal unit since I moved in.

Kitchen Ventilator

ND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARE BEFORE ME
in the town of Markham,
the Province of Ontario
this 12 day of September, 2015

†
†
†
†



Tenant: ZHEN LI

-A Commissioner, etc.

Unit: 69-127 Gidstone Rd.

Telephone: 647-666-5788

Email: dalizhen2005@126.com

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

- and -

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., DUCA FINANCIAL SERVICES CREDIT UNION LTD., LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC., 1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD., 1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN, FRANCISCO ENDANA, ELIZABETH CANADA, DAVE LALL, CARMEN MANGAL, JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON, RICARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG, SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN and JENET LOUISE HILSON

Defendants

AFFIDAVIT

I, Hongwei Zhang, of the City of Toronto, Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the tenant of Unit 115-67 of Godstone community and have been residing/investing/subleasing in this Unit since June, 2012.
2. The monthly rent I have been paying is \$1300⁰⁰. My payment started June, 2012. As of September, 2015, I have paid a total of 15008.72 to Godstone. and 25100.⁰⁰ to RGL
3. I wish to purchase this Unit as my primary residence investment property.
4. The said unit was was not rennovated when I moved in.
5. The door and windows were were not upgraded.
6. The followings are issues I found with this Unit:

7. I have spent approximately \$3000⁰⁰ to rennovate/repair the internal unit since I moved in. I offer \$281,000 to purchase this unit.

ND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARE BEFORE ME }
in the town of Markham, }
the Province of Ontario }
this 12 day of September, 2015 }

J. K. P. S.

Tenant:

A Commissioner, etc.

Unit: 115-67

Telephone: 416-809-3086

Email: ju3086@hotmail.com

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

- and -

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., DUCA FINANCIAL SERVICES CREDIT UNION LTD., LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC., 1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD., 1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN, FRANCISCO ENDANA, ELIZABETH CANADA, DAVE LALL, CARMEN MANGAL, JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON, RICARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG, SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN and JENET LOUISE HILSON

Defendants

AFFIDAVIT

I, YE LONG, of the City of Toronto, Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the tenant of Unit 69-124 of Godstone community and have been residing investing/subleasing in this Unit since Dec 01, 2013.
2. The monthly rent I have been paying is CAD\$ 1000. My payment started Dec 01, 2013. As of September, 2015, I have paid a total of CAD\$ 22,000 to Godstone.
3. I wish to purchase this Unit as my primary residence investment property.
4. The said unit was was not renovated when I moved in.
5. The door and windows were were not upgraded.
6. The followings are issues I found with this Unit:

7. I have spent approximately \$960.81 to renovate/repair the internal unit since I moved in. Fridge + kitchen ventilator

ND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARE BEFORE ME ;
in the town of Markham, ;
the Province of Ontario ;
this 12 day of September, 2015 ;

YE LONG

Tenant: YE LONG

A Commissioner, etc.

Unit: 69-124[#] Godstone Rd.

Telephone: 647-435-1155

Email: xiaolongye@hotmail.com

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

- and -

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., DUCA FINANCIAL SERVICES CREDIT UNION LTD., LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC., 1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD., 1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN, FRANCISCO ENDANA, ELIZABETH CANADA, DAVE LALL, CARMEN MANGAI, JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON, RICARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG, SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN and JENET LOUISE HILSON

Defendants

AFFIDAVIT

I, JING LI, of the City of Toronto, Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the tenant of Unit 125 of Godstone community and have been residing/investing/subleasing in this Unit since June 1, 2015
2. The monthly rent I have been paying is \$ 1000.00. My payment started May 15, 2015. As of September, 2015, I have paid a total of \$ 5000.00 to Godstone.
3. I wish to purchase this Unit as my primary residence/investment property.
4. The said unit was not renovated when I moved in.
5. The door and windows were not upgraded.
6. The followings are issues I found with this Unit:

1. I have to re-paint the house before I moved in, total cost me \$1500.00.

2. Also I have to change the toilets, the total costs me \$500.00.

3. Third, I needed to change some locks, light bulbs, and window curtains. The total costs me \$300.00.

7. I have spent approximately \$2300.00 to renovate/repair the internal unit since I moved in.

ND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARE BEFORE ME
in the town of Markham.
the Province of Ontario
this 15 day of September, 2015

JING LI

Tenant: JING LI

A Commissioner, etc.

Unit: 125

Telephone: 647-978-8855

Email: 2865680209@qq.com

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

GODSTONE CO-OWNERSHIP INC.

Plaintiff

- and -

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., DUCA FINANCIAL SERVICES CREDIT UNION LTD., LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC., 1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD., 1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN, FRANCISCO ENDANA, ELIZABETH CANADA, DAVE LALL, CARMEN MANGAL, JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON, RICARDO ARCHER, HYACINTH HINES, WENDY WANG, JIAN HUANG, SAUNDREA COBURN, DANIEL JOHNSTON, MARJORIE JOHNSTON, MARC LEAN and JENET LOUISE HILSON

Defendants

AFFIDAVIT

I, Mike Jiang, of the town of Markham, the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a licensed real estate sale agent affiliated with Royal Elite Realty Inc.
2. I started the sale for Godstone non defaulted unit owners since March of this year. In four (4) months, I sold a total of four (4) units, one of them are two bedrooms and three are 3 bedroom units.
3. The two bedrooms I sold at \$283,000. It is renovated and in good conditions.
4. The three bedroom units I sold are ranged from \$343,500.00 to \$351,000.00. They are renovated and in good conditions.

5. Currently, I have one non cornered two bedroom listed for \$278,000. It is in normal condition.

6. I have about 50 clients waiting to purchase units in Godstone. I am confident that I will be able to sell non renovated two bedroom units at \$250,000 and non renovated three bedroom units at \$300,000 to \$320,000 depending upon the conditions.

7. All my purchasers are home owners NOT investors. They like Godstone despite the facts that their lawyer, Mr. Brian Kwan, appointed by TD, has been advising them about the nature of the ownership, bad financial statements and litigation with uncertain outcome.

7. Godstone is absolutely NOT inhabitable. Although, it needs upgrading and face lifting, the selling points are affordability, location and decency of the community.

8. In my view, it is not necessary to waste money on upgrading for raising the sale price. What I sold has been the maximum selling prices for the co-ownership community like Godstone given its current situations.

AND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARE BEFORE ME
in the town of Markham,
the Province of Ontario
this 17th day of Septmeber, 2015


A Commissioner, etc.



Mike Jiang

KATHERINE Y. LEE, B.A., J.D.
Barrister, Solicitor & Notary Public
3190 Steeles Ave. E., Suite 120
Markham, ON L3R 1G9
Tel: 905-604-5117 Fax: 905-604-5116

Angela Pollard

From: Katherine Lee <klawoffice123@gmail.com>
Sent: September-23-15 8:35 PM
To: Kelli Preston
Cc: Catherine Francis; Angela Pollard; <jrosenstein@papebarristers.com>; Howard Reiningger; Tom McRae; Michael Kestenber; Joe Neal
Subject: Re: updated offers from non rent to own tenants and affidavit of sale agent, Mike Jiang
Attachments: draft affidavits of non rent to own tenants.pdf

Ms. Preston:

In lieu of meeting the Receiver, we agreed to email her our concerns. Therefore, Godstone board and I have been waiting for her responses to our concerns.

Godstone only has the contact information of the Non Rent to Own tenants. Please see the draft affidavits of the 10 tenants who offered to purchase their rented units.

Please contact RGL for the contact info of the rent to own tenants. There are two tenants who chose to contact the Receiver directly. Therefore, they are not on the list of offers.

The sale season will come to an end very soon. In addition, the economy is in bad shape. The heat of the real estate market is abnormal and won't last very long. So kindly disclose and speed up whatever you and the receiver plan to do. The 79 non defaulted co-owners and the 24 tenants deserve to be answered by the Receiver.

Thank you very much.

Katherine

On Tue, Sep 22, 2015 at 8:50 AM, Kelli Preston <Kelli.Preston@devrylaw.ca> wrote:

Good morning;

There have been a series of emails being exchanged in the past few weeks. The Receiver does not propose to respond to all of the emails. The Receiver's report will address the issues which the Receiver determines ought to be reported to the Court.

Given Ms. Lee's recent emails, the Receiver requests Ms. Lee's assistance to make arrangements so that the Receiver can inspect the 24 units in order to determine their condition and review the offers of interest. We ask that Ms. Lee provide contact information of the tenants to the Receiver so that confirmation of these arrangements can be coordinated.

Kelli Preston

Devry Smith Frank LLP

(Toronto Office)
100-95 Barber Greene Road
Toronto, ON
M3C 3E9

Direct: 416-446-3344
Fax: 416-449-7071

Note: This email is intended for the use of the person to whom it is directed and may contain information that is privileged and/or confidential, and the sender does not waive any privilege or other related rights. Any distribution, use or copying of this e-mail or the information it contains by other than an intended recipient is unauthorized. If you have received this email in error, please delete it from your system without printing, copying or forwarding it, and notify the sender of the error by reply email or otherwise.

From: Catherine Francis [mailto:CFrancis@mindengross.com]
Sent: September-21-15 6:40 PM
To: 'Katherine Lee'
Cc: Kelli Preston; 'Angela Pollard'; '<jrosenstein@papebarristers.com>'; 'Howard Reininger'; 'Tom McRae'; 'Michael Kestenberg'; 'Joe Neal'
Subject: RE: updated offers from non rent to own tenants and affidavit of sale agent, Mike Jiang

Ms. Lee,

Please stop repeating untruths. Duca's only agenda is to recover its mortgage loans. Duca does not control the Receiver and neither do you. The Receiver takes directions from the Court. My silence reflects my respect for the Receiver and the Court. If you and the agent are correct that prospective purchasers do not care about the state of repairs or the state of Godstone's finances, then it will be much easier for the Receiver to do her job.

The Receiver has scheduled a motion for October 8th and you are welcome and indeed encouraged to bring forth any issues that you want addressed.

I am copying Mr. Neal as he has indicated that he is bringing a motion for a charging order which will affect all of our interests and in my view this should be brought at the same time.

From: Katherine Lee [<mailto:klawoffice123@gmail.com>]
Sent: Monday, September 21, 2015 6:31 PM
To: Catherine Francis <CFrancis@mindengross.com>
Cc: Kelli Preston <Kelli.Preston@devrylaw.ca>; Angela Pollard <akpollard@pollardandassoc.ca>; <jrosenstein@papebarristers.com> <jrosenstein@papebarristers.com>; Howard Reininger <hr@reiningerbarrister.com>; Tom McRae <thomas.mcrae@shibleyrighton.com>; <jenn@papebarristers.com> <jenn@papebarristers.com>; Michael Kestenbergl <mrk@ksllaw.com>
Subject: Re: updated offers from non rent to own tenants and affidavit of sale agent, Mike Jiang

Ms.Francis, ladies and gentlemen:

In my opinion, my email correspondences with Ms. Francis are very productive. We understand that DUCA is not interested in the sale of the defaulted units and its agenda is not getting its mortgage loans back. I presume that is the same/similar position of the 2nd mortgagees and other parties involved if silence is still the response to the efforts Godstone board and I have made in the past few weeks.

If Godstone has not received any response from the receiver by this Friday, Godstone will file an emergency motion to set aside the receivership order to protect the interest of the 79 non defaulting units.

Best regards,

Katherine

On Sat, Sep 19, 2015 at 4:27 PM, Catherine Francis <CFrancis@mindengross.com> wrote:

Ms. Lee,

My silence is for two reasons:

1. Our previous exchanges were unproductive
2. We are leaving it to the Receiver to do her job.

Catherine Francis
Minden Gross LLP
145 King Street West
Toronto, ON
M5H 4G2
[416-369-4137](tel:416-369-4137)

From: Katherine Lee
Sent: Saturday, September 19, 2015 3:33 PM

To: Kelli Preston; Catherine Francis; Angela Pollard; <jrosenstein@papebarristers.com>; Howard Reininger; Tom McRae; <jenn@papebarristers.com>; Michael Kestenberg
Subject: updated offers from non rent to own tenants and affidavit of sale agent, Mike Jiang

Hello, ladies and gentlemen:

Godstone board has finalized the purchase offers from the 10 non rent-to-own tenants. An updated summary is attached for your record.

I also attach an affidavit from the sale agent, Mike Jiang, who has been selling units for non defaulted co-owners since March 2015. He is able to sell the defaulted units at prices ranging from \$250,000 to \$320,000 for 2-3 bedroom units. He never saw a 4 bedroom unit and cannot estimate the selling price. \$250,000 to \$320,000 are sufficient to satisfy all the creditors and have the litigation ended. But, if the market changes and if the receiver and her lawyer's fee skyrocket and secured on the defaulted units, then the litigation will never end.

We have given whatever the Receiver requested and we offer to solve the rooming house issues. I personally offered to collect money from those two tenants who were "unjustly enriched" per RGL's lawyer. Godstone is even willing to let the market determine the selling prices of those units. So we have done whatever we can to settle the litigation.

If silence is still the response from all of you, then I have no choice but filing for an emergency motion to set aside the receivership order.

Best regards,

Katherine

--
KATHERINE LEE
Barrister & Solicitor
3190 Steeles Avenue East, Suite 120
Markham, ON L3R 1G9
T: 905-604-5117<tel:905-604-5117>; F: 416-900-1051<tel:416-900-1051>

--
KATHERINE LEE
Barrister & Solicitor
3190 Steeles Avenue East, Suite 120
Markham, ON L3R 1G9
T: 905-604-5117; F: 416-900-1051

--
KATHERINE LEE
Barrister & Solicitor
3190 Steeles Avenue East, Suite 120
Markham, ON L3R 1G9
T: 905-604-5117; F: 416-900-1051

RECEIVER CERTIFICATE

CERTIFICATE NO. 1

AMOUNT \$ 100,000

1. THIS IS TO CERTIFY that Pollard & Associates Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Godstone Co-ownership Inc., acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 27th day of July, 2015 (the "Order") made in an action having Court file number 12-9934-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$100,000, being part of the total principal sum of \$1,000,000 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded daily after the date hereof at a notional rate per annum equal to the rate of five per cent above the prime commercial lending rate of DUCA Financial Services Credit Union from time to time.

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the 22nd day of August, 2015.

Pollard & Associates Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name: Angela K. Pollard

Title: President

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

GODSTONE CO-OWNERSHIP INC.

Applicants

-and-

MAPLE RIDGE REAL ESTATE INVESTMENTS CORP., DUCA FINANCIAL SERVICES CREDIT UNION LTD., LYDIA LUCKEVICH, RGL PROPERTY SERVICES INC., 1320950 ALBERTA LTD., 1336364 ALBERTA LTD., 1336365 ALBERTA LTD., 1336366 ALBERTA LTD., 1336367 ALBERTA LTD., PETER ZHANG, CUI HUA SUN, FANCISO CENDAVA, ELIZABETH CENDANA, DAVE LALL, CARMAN MANGAL, JOE DANIEL, JIM MILNE, CHERYL FORRIN, NOEL MORRISON, RICHARDO ARCHER, HYACINTH NINES, WNDY WANG, JIAN HUANG, SAUNDREA COBURN, DANIEL JOHNTON, MARJORIE JOHNSTON, MARC LEAN AND JANET LOUISE HILSON

Respondents

COURT APPOINTED RECEIVER
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

September 27, 2015

Receipts	\$	\$
Receivers Certificates		100,000.00
Rental Income		<u>40,048.86</u>
Total receipts		<u>\$ 140,048.86</u>
Disbursements		
Operation expenses		
Insurance	2,160.00	
Repairs	565.00	
Co-ownership fees	<u>25,752.16</u>	28,477.16
Trust Account Balance		<u><u>\$ 111,571.70</u></u>

Court File No. CV-12-9934-00CL
Estate File No. 31- 457976

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE
RECEIVERSHIP OF
GODSTONE CO-OWNERSHIP INC.

Interim Statement of Receipts and
Disbursements

Pollard & Associates Inc.
31 Wright Street
Richmond Hill, Ontario
L4C 4A2

Tel (905) 884-8191
Fax (905) 884-4310

GODSTONE CO-OWNERSHIP INC.

and

MAPLE RIDGE REAL ESTATE
INVESTMENTS CORP. ET AL

Court File No. CV-12-9934-00 CL

Plaintiffs

Defendants

ONTARIO
**SUPERIOR COURT OF JUSTICE
COMMERCIAL COURT**
Proceeding commenced at TORONTO

MOTION RECORD

DEVRY SMITH FRANK LLP
Lawyers & Mediators
95 Barber Greene Road, Suite 100
Toronto, ON M3C 3E9

KELLI PRESTON
LSUC #47467B

Tel : (416) 446-3344
Fax: (416) 449-7071
kelli.preston@devrylaw.ca

Lawyers for Pollard & Associates Inc., in its
capacity as Court-appointed Receiver of
Godstone Co-Ownership Inc.