

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

THE REGIONAL MUNICIPALITY OF DURHAM

Applicant

- and -

WILLIAM PEAK CO-OPERATIVE HOMES INC.

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 85 OF *THE HOUSING SERVICES ACT*, 2011, S.O. 2011, c. 6, AS AMENDED

APPLICATION RECORD

July 14, 2020

The Regional Municipality of Durham
605 Rossland Road East
Whitby, Ontario L1N 6A3

Jeffrey W. Tighe (LSO #41971S)

Telephone: 289.200.9560
Facsimile: 905.668.4752
Email: jeffrey.tighe@durham.ca

Lawyer for the Applicant

TO: William Peak Co-Operative Homes Inc.
c/o in its capacity as interim receiver,
and not in its personal or corporate capacity

Bay Adelaide East
8 Adelaide Street West, Suite 200
Toronto, Ontario M5H 0A9

Attention: Richard Williams

Email: richwilliams@deloitte.ca

Interim receiver of the Respondent

AND TO: The Toronto-Dominion Bank
c/o MCAP, #400 - 200 King Street West
Toronto, Ontario M5H3T4

Attention: Patricia Coelho, Team Leader - Commercial Mortgages

Phone: 416591-5240

Email: patricia.coelho@mcap.com

Mortgagee

AND TO: Ministry of Finance (Ontario)
Legal Services, 11th Floor
777 Bay Street
Toronto, Ontario M5G 2C8

Attention: Kevin O'Hara, Counsel

Phone: 416-327-8463

Email: kevin.ohara@ontario.ca

AND TO: Ontario Ministry of Municipal Affairs and Housing
777 Bay Street, 14th Floor
Toronto, Ontario M7A 2J3

Attention: Glenn Stants

Phone: 437-239-5233

Email: Glenn.Stants@ontario

AND TO: Department of Justice (Canada)
120 Adelaide Street West, Suite 400
Toronto, Ontario M5H 1T1

Attention: Diane Winters, General Counsel

Phone: 647-256-7459

Email: diane.winters@justice.gc

AND TO: Ministry of the Attorney General (Ontario)
Civil Law Office
McMurtry-Scott Building
720 Bay Street
Toronto, Ontario M7A 2S9

Email: cloc.reception@ontario.ca

INDEX

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INDEX

TAB	DOCUMENT	Page No.
1.	Notice of Application	1
2.	Affidavit of Joanne Cermak sworn July 9, 2020	12
A.	Notice of Triggering Event dated October 21, 2019	26
B.	Respondent board of directors' response dated December 16, 2019	84

C. Respondent Auditor's management letter dated January 23, 2020	87
D. Receivership Services Agreement dated February 19, 2020	97
E. The First Report of the interim receiver dated March 18, 2020	105
F. Update of triggering event status from June 4, 2020	156
G. The Second Report of the interim receiver dated June 10, 2020	157
H. Notice letter from Durham to Deloitte dated June 18, 2020	229
I. Submission letter from Deloitte to Durham dated June 19, 2020	231
J. Notice letter from Durham to Deloitte dated June 25, 2020	232
K. Parcel register search results dated June 30, 2020	233
L. Ontario Project Information Form dated June 29, 2020	235
M. PPSA search results dates June 30, 2020	236
3. Consent of Deloitte to act as receiver	244
4. Draft Order Appointing Receiver	245
5. Blackline of Model Order Appointing Receiver	259

1

Court File No. 1208/20

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

THE REGIONAL MUNICIPALITY OF DURHAM

Applicant

- and -

WILLIAM PEAK CO-OPERATIVE HOMES INC.

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 85 OF *THE HOUSING SERVICES ACT*, 2011, S.O. 2011, c. 6, AS AMENDED

NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing on _____, 2020, at _____, before a Judge of the Superior Court **via video conference** at 150 Bond St. E., Oshawa, Ontario L1V 6P5.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: July 14, 2020

Issued By: _____


Local Registrar

Address of
court office

Superior Court of Justice
150 Bond Street East
Oshawa, Ontario L1G 0A2

TO: William Peak Co-Operative Homes Inc.
c/o Deloitte Restructuring Inc., in its capacity as interim receiver,
and not in its personal or corporate capacity

Bay Adelaide East
8 Adelaide Street West, Suite 200
Toronto, Ontario M5H 0A9

Attention: Richard Williams

Email: richwilliams@deloitte.ca

Interim receiver of the Respondent

AND TO: The Toronto-Dominion Bank
c/o MCAP, #400 - 200 King Street West
Toronto, Ontario M5H3T4

Attention: Patricia Coelho, Team Leader - Commercial Mortgages

Phone: 416-591-5240

Email: patricia.coelho@mcap.com

Mortgagee

AND TO: Ministry of Finance (Ontario)
Legal Services, 11th Floor
777 Bay Street
Toronto, Ontario M5G 2C8

Attention: Kevin O'Hara, Counsel

Phone: 416-327-8463
Email: kevin.ohara@ontario.ca

AND TO: Ontario Ministry of Municipal Affairs and Housing
777 Bay Street, 14th Floor
Toronto, Ontario M7A 2J3

Attention: Glenn Stants

Phone: 437-239-5233
Email: Glenn.Stants@ontario

AND TO: Department of Justice (Canada)
120 Adelaide Street West, Suite 400
Toronto, Ontario M5H 1T1

Attention: Diane Winters, General Counsel

Phone: 647-256-7459
Email: diane.winters@justice.gc

AND TO: Ministry of the Attorney General (Ontario)
Civil Law Office
McMurtry-Scott Building
720 Bay Street
Toronto, Ontario M7A 2S9

Email: cloc.reception@ontario.ca

APPLICATION

1. The Applicant, the Regional Municipality of Durham ("Durham"), makes application for:
 - a) an Order abridging the time for, and validating the service of, the within application, if necessary, and dispensing with the necessity of further service;
 - b) an Order appointing Deloitte Restructuring Inc. ("Deloitte") as receiver of the property, assets and undertakings of William Peak Co-Operative Homes Inc. (the "Respondent") pursuant to Sections 85 of the Housing Services Act, 2011, S.O. 2011, c. 6 (the "Act");
 - c) in the alternative to the relief sought in (b), an Order extending the appointment of Deloitte as interim receiver of the Respondent for a further 180 days pursuant to s. 95(3) of the Act; and
 - d) such further and other relief as to this Honourable Court may seem just.

2. The grounds for the application are:
 - a) The Respondent operates the William Peak Co-op social housing property located at 1990 Whites Road, Pickering Ontario (the "Premises").
 - b) Between April 9 and 10, 2019, Durham, as designated service manager under sections 11 and 68 of the Act, conducted an operational review of the Respondent. On October 21, 2019 Durham issued a notice of triggering event (the "Notice") pursuant to section 83 of the Act. The Notice set out a deadline of December 23, 2019 for the Respondent to respond with an action plan to address the issues set out in the Notice.

- c) On or about December 16, 2019 the board of directors (the "Board") of the Respondent issued a response (the "Response") to the Notice.
- d) Durham determined that the Response did not satisfactorily address the issues raised in the Notice and decided to appoint an interim receiver in accordance with sections 85, paragraph 6, and 95(5) of the Act.
- e) On January 23, 2020, Prentice, Yates & Clark issued an auditor's management letter on the 2019 fiscal year of the Respondent. In the letter, the auditor noted significant deficiencies in the internal controls of the Respondent's finances that were of "sufficient importance to merit the attention of those charged with governance" of the Respondent. This included issues with conflicts of interest, financial statement accuracy, housing charges arrears and control over credit cards.
- f) On February 14, 2020, Durham appointed Deloitte as interim receiver of the Respondent. Deloitte and Durham entered into a Receivership Services Agreement dated February 19, 2020.
- g) On March 18, 2020, Deloitte as interim receiver issued its first report (the "First Report") to Durham which identified the following areas of concern:
 - i) payments to contractors and third-party vendors where payments are not commercially reasonable, or the work was not done or was not done properly;
 - ii) payments to parties related to Board members;
 - iii) payments that appear to be in excess of legitimate entitlements;

- iv) credit card purchases using the Respondent's card that do not appear to reflect legitimate expenses of the Respondent;
 - v) conflicts of interest; and
 - vi) potential misappropriation of housing charge payments.
- h) Further, the new property manager of the Premises, Pro Edge Management Inc. ("Pro Edge"), which had recently been engaged by the Board, has also raised serious concerns with respect to the integrity of the Respondent's financial records.
- i) Deloitte, working in concert with Pro Edge, prepared a cash flow forecast for the period February 28, 2020 to August 28, 2020 and the forecast indicated a shortfall of \$308,307. The forecast in the First Report suggested that the Respondent would have sufficient cash on hand to cover disbursements to the week ending May 22, 2020 and would be in a shortfall position thereafter.
- j) Deloitte also reviewed the Respondent's insurance policy and noted that it may be possible to recover inappropriate charges to the credit card and certain inappropriate overpayments by way of an insurance claim. Deloitte estimated the amount of a potential claim at \$38,000.
- k) Deloitte also noted that there were serious problems with the functioning of the Board.
- l) On June 4, 2020 Deloitte updated Durham as to the Respondent's position on the status of the triggering events. Deloitte reported that, although significant progress had been made with respect to stabilizing the finances and operations

of the Respondent, Deloitte was unable to seek candidates for, train and put in place a functioning board of directors prior to the expiration of the interim receiver's term, due to delays associated with the COVID-19 pandemic. Deloitte also identified further issues of a financial and operational nature that were ongoing.

- m) On June 10, 2020, Deloitte, as interim receiver, issued its second report to Durham with respect to the status of the Respondent (the "Second Report"). The Second Report identified several issues of a continuing nature to be addressed and hopefully resolved at the Premises, prior to returning control to the Respondent, including addressing ongoing repair and maintenance issues with respect to various units in the housing project, dealing with various issues of a financial and accounting nature, including improper charges alleged to have been made by prior management, as well as numerous other tasks that remain, including:
 - i) preparation and approval of policies and processes, including board succession and training plan, disposal of asset policy, personnel policies, and internal transfer policies;
 - ii) preparation and approval of operating budget, subsidy request and deficit reduction plan; and
 - iii) identification, selection and training of board members.

- n) In addition, the Second Report identified several ongoing issues that required monitoring and attention, including working with Pro Edge to address some of the outstanding housing charges, including misallocations of charges and other

irregularities involving 36 member units, pursuing an insurance claim and working with the Durham Police Services with respect to various alleged improper transactions involving a former housing administrator, and dealing with matters involving a day care centre tenant at the Premises, due to the COVID-19 pandemic.

- o) Deloitte and Pro Edge are also currently in discussions with Durham and the Co-Operative Housing Federation to determine the proper course of action with respect to member approval of budgets and board members, given the inability to hold a general members' meeting due to the COVID-19 pandemic.
- p) Due to COVID-19, Deloitte has been unable to proceed with and complete the reconstitution of a new board of directors for the Respondent and complete the inspection of the units to determine their physical condition and expected costs of repairs and upkeep. Further, given the existing restrictions around the COVID-19 pandemic, and the uncertainty as to when those restrictions will be lifted, it is clear that Deloitte will not be in a position to complete all of these tasks and return control of the Respondent to a reconstituted board of directors.
- q) As a result, on June 18, 2020, Durham sent Deloitte notice under s.90(6) of the Act, notifying it as interim receiver for the Respondent, that Durham had determined that a court appointed receiver was required to permit a receiver to finish stabilizing the Respondent's operations, and locate and train new members to become the Respondent's new board of directors.
- r) It is clear to Durham that it is in the best interests of the Respondent and its stakeholders generally that a receiver be appointed to take control over the Respondent's property and assets, so as to permit it to resolve the current

outstanding issues and provide for the necessary selection, training of and transition to a new board of directors.

- s) There is no board of directors currently in place to manage the business and affairs of the Respondent, as the terms of each of the former board members have expired, and there is therefore no board to whom Deloitte may return control.
- t) It is just, convenient and necessary in the circumstances to appoint a Receiver.
- u) Durham proposes that Deloitte be appointed as receiver since it is already in place and is currently acting as interim receiver and it has the best knowledge and experience to act as receiver in the circumstances. Deloitte has agreed to act as receiver if appointed by the Court.
- v) It is also appropriate that the receiver, if appointed, be granted a first charge over the assets of the Respondent with respect to its reasonable professional fees and disbursements, and that it be permitted to take advances to itself in respect of those fees and disbursements, subject to final approval by the Court.
- w) MCAP Financial Corporation and / or the Toronto-Dominion Bank is a holder of a registered charge against the real property owned by the Respondent.
- x) Sections 85, 87(b) and 95(3) of the Act.
- y) Rules 1.04(1), 14.05, and 38 of the Rules of Civil Procedure.
- z) Such further and other grounds as counsel may advise this Honourable Court.

3. The following documentary evidence will be used at the hearing of the application:
- a) the Affidavit of Joanne Cermak sworn July 9, 2020 and the exhibits thereto; and
 - b) such further and other evidence as counsel may advise and this Honourable Court may permit.

July 14, 2020

The Regional Municipality of Durham
605 Rossland Road East
Whitby, Ontario L1N 6A3

Jeffrey W. Tighe (LSO #41971S)

Telephone: 289.200.9560
Facsimile: 905.668.4752
Email: jeffrey.tighe@durham.ca

Lawyer for the Applicant

THE REGIONAL MUNICIPALITY OF
DURHAM

and WILLIAM PEAK CO-OPERATIVE
HOMES INC.

Court File No.

1208/20

Applicant

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 85 OF THE HOUSING SERVICES ACT, 2011, S.O. 2011, c. 6, AS AMENDED

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
Oshawa

NOTICE OF APPLICATION

The Regional Municipality of Durham
605 Rossland Road East
Whitby, Ontario L1N 6A3

Jeffrey W. Tighe (LSO #41971S)

Telephone: 289.200.9560

Facsimile: 905.668.4752

Email: jeffrey.tighe@durham.ca

Lawyer for the Applicant

2

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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Applicant

- and -

WILLIAM PEAK CO-OPERATIVE HOMES INC.

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 85 OF *THE HOUSING SERVICES ACT, 2011*, S.O. 2011, c. 6, AS AMENDED

AFFIDAVIT OF JOANNE CERMAK

I, Joanne Cermak, of the City of Markham, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Director of Financial Services with the Applicant, the Regional Municipality of Durham ("Durham"), and as such I have knowledge of the matters sworn herein. Where I don't have direct knowledge of the matters sworn herein, I reference the source of the information I have sworn, and I believe that information to be true.
2. The Applicant, Durham, is making an application for an order appointing Deloitte Restructuring Inc. ("Deloitte") as receiver of the property, assets and

undertakings of William Peak Co-Operative Homes Inc. (the “Respondent”) pursuant to the provisions of the *Housing Services Act*. In the alternative, Durham is seeking to extend Deloitte’s term as interim receiver.

3. The Respondent owns and operates the William Peak Co-op social housing project and property located at 1990 Whites Road, Pickering Ontario (the “Premises”).
4. On April 9 and 10, 2019, Durham, as designated service manager under sections 11 and 68 of the Housing Services Act (the “Act”), conducted an operational review of the Respondent. Durham found several serious and ongoing issues with the Respondent, including but not limited to issues of a financial and operational nature.
5. On October 21, 2019, Durham issued a notice of triggering event (the “Notice”) pursuant to section 83 of the Act. The Notice set out the various issues identified and set a deadline of December 23, 2019 for the Respondent to respond with an action plan to address the issues set out in the Notice. Attached as **Exhibit “A”** to my affidavit is a copy of the Notice and attachments.
6. On or about December 16, 2019 the board of directors (the “Board”) of the Respondent issued a response (the “Response”) to the Notice. Attached as **Exhibit “B”** to my affidavit is a copy of the Response.

7. Durham reviewed the Response in detail and considered what would be the best course of action to respond further.
8. On January 23, 2020, Prentice, Yates & Clark issues a management letter with respect to the audit of the financial statements of the Respondent's 2019 fiscal year. Attached as **Exhibit "C"** to my affidavit is a copy of the management letter dated January 23, 2020.
9. In the management letter, the auditor noted significant deficiencies in the internal controls of the Respondent's finances that were of "sufficient importance to merit the attention of those charged with governance" of the Respondent. This included issues with respect to conflicts of interest, financial statement accuracy, housing charges arrears and control over credit cards.
10. Taking into account the auditor's management letter, and the issues raised in the Notice, Durham determined that the Response did not satisfactorily address the issues raised in the Notice. It decided to appoint an interim receiver in accordance with s.85, paragraph 6 of the Act.
11. On February 14, 2020, Durham appointed Deloitte as interim receiver of the Respondent. Deloitte and Durham then entered into a Receivership Services Agreement dated February 19, 2020. Attached as **Exhibit "D"** to my affidavit is a copy of the Receivership Services Agreement.

12. On March 18, 2020 Deloitte as interim receiver issued its first report (the "First Report") to Durham. Attached as **Exhibit "E"** to my affidavit is a copy of the First Report.

13. As noted in the First Report, Deloitte conducted a preliminary review of the Respondent's financial transactions between February 1, 2019 and February 28, 2020 and identified the following areas of concern:
 - i) payments to contractors and third-party vendors where payments are not commercially reasonable, or the work was not done or was not done properly;
 - ii) payments to parties related to Board members;
 - iii) payments that appear to be in excess of legitimate entitlements;
 - iv) credit card purchases using the Respondent's card that do not appear to reflect legitimate expenses of the Respondent;
 - v) conflicts of interest; and
 - vi) potential misappropriation of housing charge payments.

14. Deloitte, working in concert with Pro Edge Management Inc. ("Pro Edge"), the new property manager who had recently been engaged by the Board, prepared a cash flow forecast for the period February 28, 2020 to August 28, 2020, which forecast indicated a shortfall of \$308,307.

15. Pro Edge had also raised its own concerns with respect to the books and records of the Respondent and their integrity and thus reliability.

16. The cash flow forecast suggested that the Respondent would have sufficient cash on hand to cover disbursements to the week ending May 22, 2020 and would be in a shortfall position thereafter.
17. This raised serious concerns on the part of Durham, as it is the service manager that is responsible for the Respondent, including its oversight. The fact that the Respondent was looking at a cash deficit position as early as May was very disturbing to Durham.
18. In addition, one of the matters that had been previously discovered was a series of inappropriate credit card charges in the name of the Respondent and inappropriate overpayments by the Respondent to various persons.
19. Deloitte reviewed the Respondent's insurance policy and noted that it may be possible to recover the amounts associated with these charges and overpayments by way of an insurance claim. Deloitte estimated the amount of a potential claim at \$38,000.
20. At the same time, Deloitte continued to try to stabilize the Respondent, both from a financial and from an operational standpoint. Deloitte was interested in seeing if, by working with Durham, it could assist with the selection and training of new directors. It was clear that it would not be practical for Deloitte to continue working with the Board who had been in place during the period when the various events leading up to the Notice took place and which Deloitte was in the process of addressing.

21. In early March, the COVID-19 pandemic complicated matters further for Deloitte and the Respondent, and indeed for Durham. What was difficult before became impossible. Deloitte could not seek out, work with and train new director candidates during the pandemic and it could not take on new responsibilities given the shutdown of many of the operations of Durham and the courts.
22. Further, the terms of the directors on the Board all then expired, making it impossible to turn back control of the Respondent to a board of directors, as none existed.
23. Nevertheless, Deloitte did continue on with its mandate, continuing to operate the housing project and continuing with its efforts to address the financial controls and the other financial issues facing the Respondent.
24. On June 4, 2020 Deloitte provided an update to Durham regarding the Respondent's position with respect to the status of the triggering events. Attached as **Exhibit "F"** to my affidavit is a copy of the June 4, 2020 triggering event update.
25. Although significant progress had been made on various matters, Deloitte advised that it had been unable to select and put into place a functioning board of directors due to COVID-19 delays.

26. On June 10, 2020, Deloitte issued its second report as interim receiver (the "Second Report"). Attached as **Exhibit "G"** to my affidavit is a copy of the Second Report.
27. Financial issues are still present with the Respondent. Pro Edge advised Deloitte of concerns with respect to the Respondent's accounting records, and specifically with respect to housing charges. Following a detailed review of the housing charge sub-ledger, Deloitte identified misallocated housing charge payments and other irregularities in 36 member units. Pro Edge is in the process of undertaking corrective steps to rectify the issues identified and is in the process of confirming the amount that will need to be written off as uncollectible.
28. On the other hand, Deloitte now projects a closing cash balance of \$190,485 as at August 28, 2020, indicating that the Respondent's financial problems are being corrected.
29. Further, following discussions with Durham, it was determined that Deloitte would pursue an insurance claim under the Respondent's employee dishonesty and fraud policies in respect of certain improper transactions alleged to have been effected by the Respondent's former housing administrator.

30. Deloitte has filed a claim with the Respondent's insurer and has also had a preliminary meeting with Durham Police Services in respect of a criminal investigation.
31. The police have advised Deloitte that additional information will be required for the investigation, but that they do not expect to proceed with the investigation until restrictions around the COVID-19 pandemic are eased.
32. Deloitte states in the Second Report that it is actively monitoring the situation regarding the COVID-19 virus, along with Pro Edge, and that it will take all steps necessary to implement the recommendations of public health and government authorities as they are issued.
33. Steps taken to date by Deloitte include:
- i. closure of the daycare centre that was a tenant on the Premises;
 - ii. engaging a commercial cleaning company to conduct regular "deep cleanings" of the common areas of the Premises;
 - iii. advising Co-op members that Pro Edge's offices will be closed to members until further notice and asking members to arrange for post-dated cheques, preauthorized payment or electronic transfer of housing charges until further notice;
 - iv. authorized payment or electronic transfer of housing charges until further notice
 - v. restricting unit entry by Respondent employees to cases of emergency and deferring all non-emergency work orders;

- vi. ensuring that Respondent employees and external contractors wear personal protective equipment whenever entering member units;
- vii. posting information in public areas to provide information on government directives and personal hygiene information; and
- viii. instructing Pro Edge to ensure that its employees work remotely wherever possible.

34. It is critical that Pro Edge continue its efforts in this regard, to ensure the health and safety of all of the residents and members at the Premises, and that there be appropriate oversight.

35. Indeed, there is still much more to do, to deal with the ongoing repair and maintenance issues also facing the Respondent. Given the financial imperatives with those issues, Durham will have to maintain close contact with the party who will be charged with taking on those challenges.

36. Both Deloitte and Durham are cognizant of the fact that, pursuant to section 95(2) of the Act, the mandate of the interim receiver automatically expires on August 12, 2020, unless the court orders otherwise.

37. Given the fact that there is no board of directors in place at this time and given the serious and ongoing financial and operational challenges facing the Respondent, it is clear to Durham that the housing project and the property require additional and ongoing outside oversight.

38. Further, given the existing restrictions surrounding the COVID-19 pandemic, and the uncertainty as to when those restrictions will be lifted, it is clear that Deloitte will not be in a position to return control of the Respondent to a reconstituted board of directors by August 12, 2020, just over one month from now.

39. Indeed, the outstanding tasks to be completed before transferring control to a reconstituted board include:

- i. preparation and approval of policies and processes including board succession and training plan, disposal of asset policy, personnel policies, and internal transfer policies;
- ii. preparation and approval of operating budget, subsidy request and deficit reduction plan; and
- iii. identification, selection and training of board members.

40. Given the current situation, it will be impossible to select candidates for a new board of directors, provide them with appropriate training, and turn control over the Respondent back to such a new board.

41. Deloitte and Pro Edge are also in discussions with Durham and the Co-Operative Housing Federation to determine the proper course of action with respect to member approval of budgets and board members, given the inability to hold a general members' meeting due to the COVID-19 pandemic.

42. Given all of the above, it is Durham's view that a receiver will still be required for the Respondent for some further period of time. As a result, on June 18, 2020, Durham sent Deloitte notice under s.90(6) of the Act, notifying them as interim receiver for the Respondent, that Durham had determined that a court-appointed receiver was required in order to complete the stabilization of the Respondent's operations. Attached as **Exhibit "H"** to my affidavit is a copy of the June 18, 2020 notice letter from Durham.
43. On June 19, 2020, Deloitte responded to the notice sent by Durham. Quite properly, Deloitte indicated that it could not take a position with respect to the application to appoint it as Receiver. However, Deloitte did indicate that it would be prepared to accept such an appointment by the court, if it was to be made. Attached as **Exhibit "I"** to my affidavit is a copy of the June 19, 2020 letter from Deloitte.
44. On June 25, 2020, Durham sent Deloitte notice of its decision that it would be applying for a court order to appoint a Receiver. Attached as **Exhibit "J"** to my affidavit is a copy of the June 25, 2020 notice letter from Durham.
45. On June 30, Durham conducted a search of the title to the Premises. The Toronto-Dominion Bank ("TD") is registered as having an outstanding mortgage. Attached as **Exhibit "K"** to my affidavit is a copy of the June 30, 2020 parcel register search results.

46. However, it is my understanding, based on information provided to me by Richard Williams of Deloitte, that the actual current mortgagee is MCAP Financial Corporation ("MCAP"), and not TD, following the sale by TD to MCAP of a certain portion of its mortgage portfolio. I am further advised by Mr. Williams that Deloitte has been making the mortgage payments for the Respondent to MCAP and not to TD, based on the above arrangement. A Project Information Form from the Ontario Ministry of Municipal Affairs and Housing shows that the lender is Toronto-Dominion Bank c/o MCAP. Thus, MCAP has been served with a copy of the application record herein on their behalf and for Toronto-Dominion Bank at the contract address found in the Project Information Form. Attached as **Exhibit "L"** to my affidavit is a copy of the Ontario Project Information Form.
47. Similarly, on June 30, 2020, Durham conducted a search of the Personal Property Registration system with respect to the Respondent. The only registration was that of the Toronto-Dominion Bank with respect to a general assignment of rents and a general security agreement on the Premises as is covered by its outstanding mortgage registered against the Premises and referenced above. Attached as **Exhibit "M"** to my affidavit is a copy of the June 30, 2020 PPSA search results.
48. Given all of the above, and the fact that the mandate of the interim receiver will terminate very shortly by operation of law, it is in the best interests of the Respondent, its residents and all of the stakeholders generally that a

receiver be appointed to take control over the Respondent's property and assets, for the benefit of all of the Respondent's stakeholders.

49. Without the appointment of a receiver, the property, the housing project and the stakeholder interests will all be left in limbo, as there simply is no board of directors in place, and therefore no one in whose charge the Respondent can be placed.

50. This is therefore an urgent situation and one that provides no real alternative. The housing project qualifies as social housing. The resident members there need housing. This is therefore very different from a commercial receivership where the assets can be sold to the highest bidder.

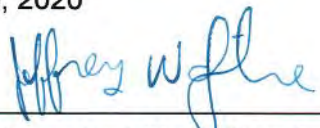
51. Durham does not wish to sell the housing project on the open market and yet, it cannot continue to let the situation degrade as it did before the appointment of the interim receiver. Therefore, Durham sees that the only real option is for the court is to either appoint Deloitte as the receiver, or at least, continue the mandate of the interim receiver for another fixed period to try to come up with alternate solutions in the near to mid-term, and then come back to court and seek further direction.

52. Given all of the above, Durham proposes that Deloitte be appointed as receiver since it is already acting as interim receiver. Deloitte has agreed to accept the

appointment. A copy of Deloitte's consent to act as receiver, if appointed, is attached to these materials.

53. It is also important that Deloitte or the receiver be granted a first charge against the assets and property of the Respondent for its reasonable fees and disbursements while acting as receiver of the Respondent, if so appointed, and to take advances with respect to such fees and disbursements from the operations of the Respondent. Any fees and disbursements to be charged by Deloitte would be subject to review and approval by the court at a later date, and Durham therefore supports this aspect of the order that is being sought.

Sworn before me at)
the City of Markham,)
In the province of Ontario)
on July 9, 2020)



Commissioner for taking affidavits
JEFFREY W. TIGHE

)
)
)
)
)
)
)


JOANNE CERMAK

A

THIS IS EXHIBIT "A" TO THE
AFFIDAVIT OF JOANNE CERMAK
SWORN BEFORE ME THIS 9th DAY
OF JULY, 2020.



A Commissioner etc.
Jeffrey W. Tighe
Barrister and Solicitor



The Regional
Municipality
of Durham

605 Rossland Rd. E.
P.O. Box 623
Whitby, Ontario
Canada L1N 6A3
(905) 668-7711
1-800-372-1102

www.durham.ca

Department of
Social Services

Housing Services
Division
Fax: (905) 666-6225

Finance
Department

Financial Services
Division
Fax: (905) 666-6257

October 21, 2019

Mr. Doug Cornell, President
William Peak Co-operative Homes Inc.
64-1990 Whites Rd
Pickering, ON L1V 6P5

Dear Mr. Cornell:

Re: Operational Review – April 9 - 10, 2019 and Notice of Triggering Event –
Failure to Operate a Designated Housing Project Properly

Our team from the Region of Durham conducted an Operational Review of William Peak Co-operative Homes Inc. (William Peak). The attached Operational Review Report details our findings with respect to William Peak's current business practices, financial status, maintenance program and compliance with legislation and Regional policies.

William Peak has been monitored as a Project in Difficulty (PID) since 2004 and was triggered again in 2007. The current Operational Review identified further areas of concern that warrant the issuance of a further triggering event. Contributing to this triggering event are:

1. A failure on behalf of the board to ensure the financial records of the corporation are updated and maintained. Financial reports have not been available for review by the Board since August 2018.
2. Significant payments are being made to a Board member's business, in breach of the Conflict of Interest Guidelines. As well, advances are being made personally to the same Board member with no accompanying support beyond email direction from the President.
3. The failure of the Board to ensure the August 31, 2018 year-end financial documents were provided to the Region by January 31, 2019 as required under Regional Directive 2013-02, including the auditor's management letter, also a mandatory year-end financial requirement.
4. The appointment of an external board member in contravention of the Co-op's by-laws. It was noted that the individual has ties to the new software program that was recently purchased and installed but at the date of the review was unable to provide any financial reports.
5. The issuance of a \$12,000 prepaid credit card that has been fully expended but for which no credit card statements were available for review, and,

"Service Excellence
for our Communities"

If this information is required in an accessible format, please contact the Accessibility Co-ordinator at 1-800-372-1102 ext. 2009.

6. A significant increase in arrears and a failure on behalf of the Board to properly administer the arrears.

Accordingly, the Region is declaring a triggering event under Section 83 of the *Housing Services Act, 2011 (HSA)*, as set out in the following paragraphs and declaring William Peak to be a "Project in Difficulty":

- (1) "The housing provider contravenes this Act or the regulations"; and,
- (11) "In the opinion of the service manager, the housing provider has failed to operate a designated housing project properly".

Section 1 of the attached Notification of Project in Difficulty and Triggering Event Report and Operational Review Summary (Appendix A) details the 2019 Triggering Event Issues and remedial actions required by the Board. **The Board of William Peak has 60 days from the date of this letter (December 23, 2019) to report back to the Region of Durham with a plan of action addressing all the Triggering Issues set out in Summary.**

In addition, the Board is required to take appropriate action to ensure the outstanding and unresolved Triggering Event Issue of 2007 as noted in Section 2 is addressed, as well as the Required Actions as noted in Section 3 of the Operational Review Report Summary.

Should the Board fail to report back with a plan of action to resolve the issues by **December 23, 2019**, the Region will exercise its rights as Service Manager and may commence enforcement remedies in accordance with sections 85, 86 and 87 of the HSA which may include but are not limited to reducing subsidies; performing the duties of the corporation; appointing an operational advisor, an interim receiver, or an interim receiver and manager; and removing and/or appointing directors.

Please provide to the Region, together with the response to this Triggering Event, the Board's meeting schedule for the next 12 months. Copies of all Board agendas, minutes, and reports, including property management reports, are to be sent to the Region every month, once approved for circulation to the Board. We will advise which meetings we will be attending to monitor the Board's progress in addressing all of the outstanding action items.

Regional staff is available to help you address these concerns; however, we strongly urge the Board to obtain assistance from the Co-operative Housing Federation of Canada (www.chfc.ca) (CHF). CHF offers a number of resources to assist non-profit boards in managing the complexity of the social housing business as well as Board mentors.

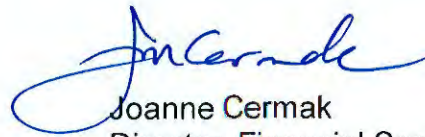
Please contact Beverly Kueper at (905) 668-7711 ext. 2482 to arrange a meeting between Regional staff and the Board to discuss this Triggering Event.

Yours truly,



Alan Robins
Director, Housing Services

Yours truly,



Joanne Cermak
Director, Financial Services

cc: Stella Danos-Papaconstantinou, Commissioner, Social Services
Nancy Taylor, Commissioner, Finance
Alison Coke, Ministry of Municipal Affairs and Housing

Attachments: Appendix "A" – Operational Review Report
Appendix "B" – Operational Review Report Summary
Regional Directive FIN 2013-01
Regional Directive FIN 2013-02

DURHAM SOCIAL HOUSING DIRECTIVES



Subject: **ANNUAL SUBSIDY ESTIMATE TEMPLATE**
 Directive Number: **FIN 2013-01**
 Date: **July 16, 2013**

Purpose Provide a Subsidy Estimate Template for all Housing Providers and Municipal Housing Providers (MNP) governed by the Housing Services Act, 2011 (HSA).

Background Effective January 1, 2012, the legislation that governs housing throughout the Province entitled the Social Housing Reform Act, 2000 (SHRA) was replaced by the Housing Services Act, 2011.

The Subsidy Estimate Template has been revised to reflect all references to the new legislation and associated regulations.

Subsidy Estimate Request Form Attached are the Region of Durham's Subsidy Estimate templates for both Regular (O.Reg 369/11, Part II) and 100% RGI (O.Reg 369/11, Part III) housing providers, and accompanying user instructions, for all fiscal years commencing in 2013. The 2013 and subsequent years' revenue and cost indices will be provided under separate cover on an annual basis.

Housing providers must submit their subsidy estimates to the Region of Durham's Financial Housing Services Division three months prior to the start of their fiscal year. Once complete the form must be signed by the Board and forwarded to the Region at:

Region of Durham
 605 Rossland Road East, PO Box 623
 4th Floor – Finance Department
 Whitby, ON L1N 6A3
 Attention: Financial Housing Services

Website Link The subsidy estimate templates are available electronically on the Region's website. Go to www.durham.ca and search under Living Here - Housing, Shelters and Homelessness – Information for social housing providers – information and resources - Durham Social Housing Directives – Finance, funding and reporting - FIN 2013-01.

If you have any questions, please contact your Senior Financial Analyst.

Repealed Rules

This directive replaces Directive 2009-03

Legislative Authority

Housing Services Act, s. 78(1), s. 81
Ontario Regulation 369/11, Part II and Part III

DURHAM SOCIAL HOUSING DIRECTIVES



Subject: **ANNUAL INFORMATION RETURN TEMPLATE**
 Directive Number: **FIN 2013-02**
 Date: **July 16, 2013**

Purpose Provide the Annual Information Return (AIR) Template for all Housing Providers and Municipal Housing Providers (MNP) governed by the Housing Services Act, 2011 (HSA), for all fiscal years commencing on or after January 1, 2012.

Background Effective January 1, 2012, the legislation that governed housing throughout the Province, entitled the Social Housing Reform Act, 2000 (SHRA), was replaced by the Housing Services Act, 2011 (HSA).

The AIR Template and accompanying guide have been revised to reflect references to the new legislation and associated regulations.

Annual Information Return Attached is the Ministry's Annual Information Return template, accompanying user guide, and the Region's Checklist, to be used by all housing providers governed by the HSA, with fiscal years commencing on or after January 1, 2012.

Housing providers will continue to adhere to the following year end reporting requirements:

1. The requirement that RGI vacancy loss be reported as a separate and distinct line item in the AIR.
2. In order for the financial statements to reflect the correct amount of subsidy owing from (to) the service manager, the subsidy calculation in the AIR must be completed before the financial statements are finalized.

Please ensure that your auditor is aware of the Region of Durham's reporting requirements.

Housing providers governed by the HSA must submit their annual reports and year end reporting package to the Region of Durham's Financial Housing Services within five months of their fiscal year end.

The year-end financial reporting package must be comprised of the following:

1. Audited Financial Statements, signed by two authorized board members.
2. Complete AIR, signed on page A1, by two authorized board members.
3. Accountant's Report on Applying Specified Auditing Procedures in Respect of the Annual Information Return (refer to Directive 2005-04).
4. Management letter from the auditor, if issued. Alternatively, please provide confirmation that a management letter was not issued.
5. Updated evidence of insurance coverage, that includes the appropriate indemnification of the Region of Durham, as required under Directive 2007-03.
6. PH&N statements that coincide with the fiscal year-end date.
7. A detailed list or general ledger printout of both the Market and RGI units that were vacant during the year that reflect the total dollar amounts as reported at Lines 505 and 506 of the AIR.
8. Checklist (PDF) to ensure that all of the above requirements have been met and are attached to the year-end filing submission.

Once complete, please ensure the year-end reporting package is forwarded to:

Region of Durham
605 Rossland Road East, PO Box 623
4th Floor – Finance Department
Whitby, ON L1N 6A3

Attention: Financial Housing Services

**Website
Link**

The AIR template, guide and Checklist are available electronically on the Region's website. Go to

www.durham.ca and search under Services – Housing – Information for Housing Providers in Durham – Durham Social Housing Directives – FIN 2013-02.

If you have any questions, please contact your Senior Financial Analyst.

Repealed Rules

This directive replaces Directive 2009-01

Legislative Authority

Housing Services Act, s. 78(1), s. 81
Ontario Regulation 369/11, Part II and Part III



APPENDIX "A"

Operational Review Report of

William Peak Co-operative Homes Inc.

The Regional
Municipality
of Durham

605 Rossland Rd. E.
P.O. Box 623
Whitby, Ontario
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Department of
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This report provides a synopsis of the day-to-day operations of **William Peak Co-operative Homes Inc.** as noted by Regional staff on **April 9-10, 2019**. Strengths and deficiencies have been identified and a summary of the actions the board must take in order to be in compliance with legislative and Regional requirements is attached. Suggestions for changes to business practices may also be offered in the summary report. We hope the board will find this tool useful in self evaluating current corporate processes and establishing future goals and work plans.

Municipal Freedom of Information and Protection of Privacy Act

The parties hereto acknowledge and agree that the collection, use and disclosure of information contained within this report is governed by the *Municipal Freedom of Information and Protection of Privacy Act*. No personal information contained in this document may be disclosed without the written consent of the individual to whom the information relates.

Disclaimer

The purpose of this Operational Review is to assist **William Peak Co-operative Homes Inc.** to meet the requirements of the service manager, the Regional Municipality of Durham (the "Region"), and to review their responsibilities under the *Housing Services Act (HSA)* and associated regulations. This Operational Review report does not purport to be a complete statement of issues and concerns of the Region with respect to the operation of the housing project referenced herein. Rather, it is a general summary of issues identified during the Operational Review that is provided for the information of **William Peak Co-operative Homes Inc.** This report is not intended to be relied upon, nor should it be relied upon, by any third party without the consent of the Region.

The Region makes no representations as to the accuracy, timeliness or completeness of the information listed in this report which was obtained from **William Peak Co-operative Homes Inc.**

The Region, its officers, employees, agents, successors and assigns are not liable for any injury, property loss, damages, costs or expenses sustained by, or claims or actions against **William Peak Co-operative Homes Inc.** its directors, officers, employees, independent contractors, residents, members or any other third party, which may arise either directly or indirectly from any oral or written statements made by the Region, its officers, employees, agents, successors or assigns as a result of the operational review conducted by the Region.

William Peak Co-operative Homes Inc. is responsible for implementing and ensuring compliance with any legislative requirements or the requirements of the Region.

CONTENTS OF THE OPERATIONAL REVIEW REPORT

GLOSSARY OF TERMS	3
1.0 FAST FACTS	5
Approved Targets for Portfolio	5
Actuals at Date of Review	5
2.0 CORPORATE GOVERNANCE	7
Legal Requirements	8
Policy	8
Financial Oversight	9
Board Meetings and Reports	9
Site Staff Evaluation	10
Risk Management	10
3.0 CONFLICT OF INTEREST	10
4.0 PROPERTY MANAGEMENT	12
5.0 FINANCIAL REVIEW	13
Reporting	14
Internal Controls	14
Accounting	16
6.0 REVENUE SUMMARY	17
7.0 UNIT TURNOVER & VACANCY LOSS	18
8.0 SELECTION OF TENANTS	19
9.0 RGI FILE REVIEW	22
10.0 LEASE/HOUSING/OCCUPANCY AGREEMENT	25
11.0 SITE INSPECTION OBSERVATIONS	26
12.0 BUILDING ELEMENTS	29
13.0 PREVENTIVE MAINTENANCE	32
Daily Maintenance Practices	32
Inspections	33
Record Keeping	34
Emergency Measures	34

GLOSSARY OF TERMS

AIR (Annual Information Return) – annual reporting form issued by the Region containing information needed to allow the service manager to reconcile the amount of subsidy payable for the fiscal year in question.

AODA (*Accessibility for Ontarians with Disabilities Act, 2005*) – legislation that lays the framework for the development of province-wide mandatory standards on accessibility.

CSA (Canadian Standards Association) - a not-for-profit membership-based association that develop standards that enhance public safety and health.

Co-operative Corporations Act – legislation prescribing the operation of non-profit co-operative housing corporations.

CHFC (Co-operative Housing Federation of Canada) – sector organization which represents approximately 880 housing co-operatives across Canada (excluding Quebec) and offers information, support and training regarding cooperative issues.

DASH (Durham Access to Social Housing) – the Region of Durham’s system that manages the wait list for rent-geared-to-income (RGI) and modified units.

E.S.A (Electrical Safety Authority) – agency appointed under the authority of the Electricity Act 1998 to administer the provisions of the Act.

Equivalent to Market RGI Households (EQM) – term applied to households when the RGI calculation results in a housing charge that is equal to the market rate/maximum rent for the unit and no subsidy is required. An RGI household charged the market rate/maximum rent for 12 consecutive months is then deemed to be ineligible for RGI assistance, although an RGI adjustment may be calculated at any time within the 12 month window. For target reporting purposes, EQMs are considered to be RGI until the 12 month period expires.

HSA (*Housing Services Act, 2011*) – the legislation which prescribes how social housing, is to be administered.

In Situ – refers to a current tenant or member within a housing project and is often used in the context of a local policy which allows priority for rent-geared-to-income assistance to qualified market households with unexpected changes to their total income.

O.Reg. (Ontario Regulation) – legislation often has associated Regulations that provide detailed instructions as to the manner in which the requirements of a specific Act are to be met.

OHSA (*Occupational Health and Safety Act*) – legislation that provides a framework and tools to ensure Ontario’s workplaces are safe and healthy.

ONPHA (*Ontario Non Profit Housing Association*) – sector organization which represents over 760 non-profit housing providers in Ontario and offers support, information and training for non-profit housing providers.

ONCA (*Ontario Not-for-Profit Corporations Act*) – legislation that sets out how not-for-profit corporations in Ontario are created, governed and dissolved. The legislation has not yet come into force. The sector will be provided with at least 24 months' notice before proclamation. Existing not-for-profit corporations will have a three-year transition period once ONCA is in force.

RGI (Rent-Geared-to-Income) – financial assistance provided in respect of a household under a housing program to reduce the amount the household must otherwise pay to occupy a unit in a housing project.

RTA (*Residential Tenancies Act*) – legislation prescribing the relationship between landlords and tenants, including non-profit housing providers.

Special Needs Housing - a housing unit that is occupied by or is made available for occupancy to a household having one or more individuals who require accessibility modifications and/or provincially-funded support services in order to live independently in the community.

TSSA (Technical Standards and Safety Authority) – the Authority responsible to promote and undertake activities in Ontario which enhance public safety, including training, certification, licensing, registration, audit, quality assurance, inspection, investigation and enforcement.

WHMIS (Workplace Hazardous Materials Information System) – Canada's hazard communication standard which includes a system for the cautionary labelling of containers of WHMIS "controlled products", and the provision of material safety data sheets (MSDS) and worker education programs. (Ref: www.ccohs.ca/oshanswers/legisl/whmis_classifi.html).

World Source Financial Management Inc. (replaced PH&N on August 28, 2018) – investment company contracted by Encasa Financial Inc. (Encasa) to manage the pooled investments for social housing providers' capital reserves in accordance with the HSA. On the same day Natcan Trust Company (Natcan) replaced RBC Investor Services as the trustee and custodian of the funds.

WSIB (Workplace Safety and Insurance Board) – the authority which administers the *Workplace Safety and Insurance Act, 1997*.

1.0 FAST FACTS

1.01 Financial Summary

Fiscal Year End: August 31	2018	2017	2016
	\$	\$	\$
Accumulated shelter deficit	(303,304)	(239,122)	(201,431)
Accumulated non-shelter surplus	432,635	380,108	326,652
Reserve Fund Balance / (deficit)	(22,491)	159,596	10,967
OVERALL CORPORATE POSITION	106,840	300,582	136,188
Annual subsidy provided	1,357,628	1,241,744	1,210,435

NOTE: World Source Balance at market value at June 30, 2019 – \$126,478

1.02 Targets

The RGI / Market target has been set at:

Approved Targets for Portfolio		Actuals at Date of Review	
RGI	69	RGI	67
Market	72	Equivalent to Market	3
		Market	70
		Vacancies	1
Total Portfolio	141	Total Portfolio	141

1.03 Market Rent / Occupancy Charges
Effective Date – January 1, 2019

# of Units	Unit Size & Type	Indexed Benchmark Rents \$	Market Charges \$	Utilities included			
				Both✓	None✓	Heat✓	Hydro✓
25	1 bdrm apt	807	879	✓			
20	2 bdrm apt	963	1,010	✓			
13	2 bdrm t/h	1,050	1,091		✓		
79	3 bdrm t/h	1,144	1,188		✓		
4	4 bdrm t/h	1,244	1,256		✓		

Other fees charged separately:

Parking - \$30 Cable/satellite charges - \$55 Sector Support - \$10

1.04 Special Needs Units

Number of wheelchair accessible units	9
Number of units modified for the hearing or visually impaired	0
Number of units with provincially funded support services	0

1.05 Outstanding Claims

There were no outstanding insurance claims at the time of the review as identified by property management.

2.0 CORPORATE GOVERNANCE

In order to review your corporate management system, we read board and general member meeting minutes in an attempt to determine how the board governs the corporation. The board should not find it necessary to be involved in the day-to-day management of the site, yet would be regularly updated regarding the financial position of the corporation. We look for indications that the board is receiving updated, pertinent information regarding such issues as arrears, vacancy losses, new contractors, tender proposals, major technical work and serious tenant / member complaints. The information received in property management reports must be meaningful to ensure the board is fully apprised. The minutes should provide a clear, concise history of decisions and important matters addressed by the corporation.

We also interview staff and check records to verify compliance with various pieces of legislation including the *Housing Services Act*, the *Personal Information Protection and Electronic Documents Act (PIPEDA)*, the *Co-operative Corporations Act*, and the *Corporations Information Act*, etc.

Since confidentiality is a key component to the effective operation of every social housing corporation we also review board minutes to ensure care is taken to protect personal information at all times.

Another fundamental area of corporate governance is risk management, and we check to ensure that the Board is aware that taking simple pro-active measures can reduce the risk of personal injury and liability for both the housing provider and the Region. Making sure that the project is as safe as possible for residents, staff and visitors is an important responsibility of the board. Insurance policies must meet minimum requirements, including \$5,000,000 general liability, indemnification of the Region of Durham, and Directors' and Officers' Liability Coverage. These are important safeguards that all boards should ensure are in place.

When incidents/accidents involving human/property damage occur, the insurer must be informed and records should be kept of all information obtained and action taken. Reviewing these incident reports may assist the board in limiting a re-occurrence or in finding ways to prevent other potential dangers.

Section 4 of the *Corporations Information Act* sets out the requirement to notify the Minister of Government and Consumer Services with changes to corporate information reported in the initial return (required under section 2 of the Act). The Notice of Change by an Ontario Corporation Form is available online at: [http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/GetFileAttach/007-07200~1/\\$File/07200E.pdf](http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/GetFileAttach/007-07200~1/$File/07200E.pdf)

Housing providers must send any notices of change via the prescribed form to the Ministry of Government and Consumer Services.

We identified the following corporate practices currently in place.

CORPORATE GOVERNANCE		✓ YES	✓ NO	✓ N/A
Legal Requirements				
2.01	The members / directors list is up to date and all reporting to the Ministry of Government and Consumer Services is current. Corporations Information Act , Sec 4	✓		
2.02	A list of current board members / directors as of this review date has been provided to Regional staff.	✓		
2.03	The board meets at least four times per year. Directive OPR 2015-04 Standards-Number of Board Meetings and Remuneration of Directors	✓		
2.04	An annual general meeting is held every year to review the financial audit and appoint the auditor as required by the Corporations Act or the Co-operative Corporations Act. (meeting date - July 17, 2018)	✓		
2.05	Co-operative / Non-Profit Housing Corporations: General member meetings / General Meetings are held for the purpose of:			
	• election of directors	✓		
	• approval of budgets		✓	
	• approval of audited financial statements	✓		
	• appeals of evictions	✓		
	• approval of major capital expenditures		✓	
2.06	Board quorum is 3. Minutes were reviewed and it was noted that quorum was present at all meetings where business was conducted.	✓		
2.07	The following plans are in place; O.Reg. 367/11, s. 87			
	• staff and volunteer training		✓	
	• board succession plan		✓	
	• board training in co-operative governance	✓		
2.08	All financial records are kept for a minimum of 7 years. (O. Reg. 367/11, S 102 (2))		✓	
2.09	All former member/tenant records are retained for a minimum of 7 years. (Regional Records & Information Management (RIM) Policy)			
Policy				
2.10	Written policies are in place for:			
	• collection of arrears	✓		

CORPORATE GOVERNANCE cont'd.		✓ YES	✓ NO	✓ N/A
Policy Cont'd				
2.10	• capital reserve spending		✓	
	• purchasing / tendering	✓		
	• disposal of assets		✓	
	• bad debt write off		✓	
	• internal transfers		✓	
	• long-term guests (O.Reg. 367/11, s. 96 (4))	✓		
	• filling supportive units (O. Reg. 367/11, s. 74-79)			✓
	• internal review of refusals to offer (ref. to section 8.05)		✓	
Financial Oversight				
2.11	The board is kept apprised of the day to day operations of the corporation through the review of:			
	• the annual operating budget		✓	
	• audited financial statements		✓	
	• monthly variance analysis reports which include year to date spending		✓	
	• Property management reports including:			
	• arrears reports		✓	
	• vacancy and unit allocation reports	✓		
• market rent comparatives		✓		
2.12	In cases of significant budget variances there is evidence of corrective action being undertaken.		✓	
2.13	Board minutes reflect that all capital reserve expenditures have received approval in accordance with by-laws and / or spending policies.		✓	
2.14	Board approval is required for all capital expenditures.		✓	
2.15	Withdrawals from capital reserve investments are approved by the board.	✓		
Board Meetings and Reports				
2.16	The board is kept apprised of the day-to-day operations of the corporation through review of:			
	• incident reports	✓		
	• maintenance reports	✓		
	• information regarding regulation and / or Regional policy changes	✓		

CORPORATE GOVERNANCE cont'd.		✓ YES	✓ NO	✓ N/A
Board Meetings and Reports cont'd.				
2.16	• personnel / staff reports	✓		
	• board sub-committee reports	✓		
	• internal review of refusals to offer policy (ref. to section 8.05) O.Reg. 367/11, s. 102 (4)		✓	
2.17	Tenant / member confidentiality is maintained via in camera minutes where personal information is disclosed.		✓	
2.18	In camera minutes are maintained separately from the regular board minutes.	✓		
2.19	Board minutes include a mechanism to ensure important issues are not missed such as "bring forward", "business arising" or "action required" components.	✓		
2.20	Minutes confirm the appointment / election of officers.	✓		
2.21	All board members and staff have signed confidentiality documents.		✓	
Site Staff Evaluation				
2.22	The board undertakes the annual performance evaluations of property management / site staff.	✓		
2.23	The board has a succession plan in place to address the turnover of property management / site staff.		✓	
Risk Management				
2.24	The insurance policy includes the minimum requirements and the Region of Durham is appropriately indemnified.	✓		
2.25	Insurance claims are reviewed by the board to ensure that sources of claims such as tripping hazards, icing situations, malfunctioning equipment etc. are remedied promptly.	✓		
2.26	The Board ensures regular risk reviews and hazard assessments are completed.	✓		
2.27	A system is in place for reporting accidents to the insurance company and to the board.	✓		

3.0 CONFLICT OF INTEREST

Conflicts of interest may give observers the perception of unfair business practices. It is important for board members to remove themselves from decisions in which they might have a personal interest and to be vigilant of situations that might bring the integrity of the corporation into question.

Regional Directive OPR 2015-01 Standards-Conflict of Interest states that a conflict of interest exists if any director, officer, agent or employee of a housing provider:

1. takes part in a decision in which they may be unable to remain impartial in choosing between the interest of the housing provider and their personal interests of a relative or business associate
2. has business or personal interests that are in conflict with the interests of the housing provider
3. receives a direct or indirect personal gain, benefit, advantage or privilege as a result of a decision of the housing provider
4. has a relative or business associate that receives a direct or indirect personal gain, benefit, advantage or privilege as a result of a decision of the housing provider.

Regional Directive OPR 2015-01 establishes local rules around reporting conflicts of interest. Rather than forwarding information to the Region every time a conflict of interest occurs, housing providers are asked to keep records of the conflicts and the way in which the conflicts were resolved. This information must be available for review by Regional staff upon request.

We recommend that corporate by-laws include provisions for recording and retaining this information to ensure consistency, for example: in camera minutes should be maintained separately from regular business minutes and should not be distributed to or retained by directors outside the boardroom.

In some cases, conflicts of interest may be a matter of perception. Even perceived conflicts must be declared e.g. tenant/member director with arrears should not be making decisions about other residents with arrears.

Corporate minutes were checked to review the board's management of conflicts of interest.

CONFLICT OF INTEREST		✓ YES	✓ NO	✓ N/A
3.01	Conflict of interest declarations are made at the beginning of each board meeting. Regional Directive OPR 2015-01 Standards-Conflict of Interest	✓		
3.02	Records of conflicts of interest and their resolutions are noted in the minutes of the Board meeting in which the conflict was considered. Regional Directive OPR 2015-01 Standards-Conflict of Interest		✓	
3.03	Conflict of interest declarations are signed and kept on file for all board members and employees.		✓	
3.04	Remuneration of members of the Board of Directors is prohibited, and the housing provider is prohibited from employing or contracting services from a board member. Regional Directive OPR 2015-04 Standards-Number of Board Meetings and Remuneration of Directors.		✓	
3.05	Resident board members in arrears do not participate in decision making regarding tenant/member arrears.		✓	

4.0 PROPERTY MANAGEMENT

Effective property management requires a blend of technical skills and customer service savvy. Social housing providers have the flexibility to operate under a variety of different property management models. Some portfolios are self-managed with permanent employees dedicated to the site with benefits and rights under the *Employment Standards Act, 2000*. Other sites are operated by property management companies that may manage several housing portfolios. Each board must decide which property management model works best for operating its particular site.

The local standard (Directive OPR 2015-03 *Standards-Property Management*) requires that housing providers follow open and competitive practices in hiring employees and in retaining property management companies. Only the service manager may decide if a housing provider may forego the requirement for the competitive process. Where a property management contract exists, the local standard imposes specific conditions on the terms of the contract.

Regardless of the property management model used, job descriptions and detailed contracts are critical to ensuring the site is well managed. The relationship between the board and the Administrator should also be defined so that it is clear what steps are taken should problems arise.

* * * * *

The property management model was reviewed.

Permanent Employee as Administrator, Property Manager

Property Management Company

- Property Mgmt company
- Current term of contract
- Terminating
- Date last tendered

PROPERTY MANAGEMENT		✓ YES	✓ NO	✓ N/A
4.01	Competitive processes have been used for all hires and are documented.	✓		
4.02	If a property management company acts as the administrator for the site, the property management contract must:			✓
	• be non-renewable and non-assignable			✓
	• allow the housing provider to terminate on 60 days' notice for any reason and 30 days for breach of contract			✓
	• specifically identify the nature of the goods and services provided under the contract			✓
PROPERTY MANAGEMENT cont'd.		✓ YES	✓ NO	✓ N/A

4.02	<ul style="list-style-type: none"> detail the amount to be paid over the term of the property management services which cannot exceed 5 years. 			✓
	<ul style="list-style-type: none"> prohibit the property management service from charging additional amounts without re-negotiation of the contract. 			✓
4.03	Copies of contracts for all employees/property management were available for review.	✓		
4.04	The board has a written personnel management process regarding:			
	<ul style="list-style-type: none"> hiring 	✓		
	<ul style="list-style-type: none"> discipline and termination 		✓	
	<ul style="list-style-type: none"> record keeping 		✓	
	<ul style="list-style-type: none"> workplace violence/harassment 	✓		
4.05	Site and management staff has received training in WHMIS, RGI, RTA and AODA.	✓		

5.0 FINANCIAL REVIEW

Board awareness of ongoing financial operations is necessary to ensure that responsible decision-making and spending occurs throughout the entire fiscal year. Housing providers are then required to provide annual reports to the service manager regarding the financial position of the portfolio.

The *Housing Services Act* and Regional directives detail financial information providers must submit including:

- Subsidy estimates no less than 90 days before the fiscal year commences
- An annual report due no later than five months after the fiscal year end containing audited financial statements, information concerning amounts reported in the audited financial statements (including Auditor management letters and reports), and information needed to enable the service manager to reconcile the amount of any subsidy payable (Annual Information Return).

Fiscal responsibility is not limited to providing reports or maintaining an operating surplus. Internal checks must be established to safeguard financial integrity, while properties must be appropriately maintained within the existing funding envelope.

* * * * *

Financial practices were checked as follows:

FINANCIAL REVIEW		✓ YES	✓ NO	✓ N/A
Reporting				
5.01	The monthly board package includes the following reports:			
	• Vacancy Report (For Market and RGI, \$ cost)		✓	
	• Arrears Report		✓	
	• Statement of Revenue / Expenses		✓	
	• Monthly Variance and Year-to-date Variance Report		✓	
5.02	Operational budgets are prepared for periods beyond one year.		✓	
5.03	Three to five year capital budgets are prepared.	✓		
5.04	If the corporation is in an accumulated deficit position, there is a deficit reduction plan.		✓	
5.05	The housing provider has obtained municipal status for HST purposes.	✓		
5.06	HST filings are completed at least annually.	✓		
5.07	Year-end reporting requirements have been met. Regional Directive FIN 2013-02		✓	
5.08	Subsidy estimate requirements have been met. Regional Directive FIN 2013-01		✓	
5.09	Legislated requirement to invest in the pooled capital reserve fund with World Source within 5 months of the fiscal year-end has been met.	✓		
5.10	Corporate tax returns have been filed.	✓		
5.11	Appropriate payroll remittances are being made to Canada Revenue Agency.		✓	
5.12	WSIB premiums are current.	✓		
5.13	For salaried employees, all amounts paid including bonuses, amounts paid for work outside of regular duties, rent concessions, etc. are appropriately T4'd.		✓	
Internal Controls				
5.14	Policies are being followed with respect to:			
	• Collection of arrears (including collection plans)		✓	
	• Purchasing/tendering		✓	
	• Board approved bad debt write off	✓		
	• Capital reserve spending		✓	

FINANCIAL REVIEW cont'd.		✓ YES	✓ NO	✓ N/A
Internal Controls cont'd.				
5.15	Board or designate approval is required for all capital spending.	✓		
5.16	All significant issues from the most recent auditor's management letter for the August 31, 2018 year-end have been or are being addressed by the Board.		✓	
5.17	Alternatives to cash payments are encouraged.	✓		
5.18	Pre-numbered receipts are issued for all cash received.			✓
5.19	Cash / cheques are stored securely.	✓		
5.20	Cheques are immediately endorsed, "For Deposit Only".	✓		
5.21	Two persons count revenue from laundry / vending machines and it is not always the same two people responsible for this task.			✓
5.22	Board approved signing authorities and spending limits are in place.	✓		
5.23	Cheques and supporting invoices / documentation are reviewed by a board member prior to cheque signing.		✓	
5.24	Invoices are marked as "Paid" and the cheque number is entered on the invoice.	✓		
5.25	Purchasing and tendering policies and competitive bid procedures are followed for large purchases.		✓	
5.26	Corporate policies and / or local by-laws are followed for the disposition of corporate assets.	✓		
5.27	All cheques are pre-numbered.	✓		
5.28	Voided cheques are maintained on file.	✓		
5.29	Non-shelter expenses are identified and excluded from the shelter component of operations.	✓		
5.30	Petty cash is kept in a secure location.	✓		
5.31	Receipts are required for all petty cash disbursements.	✓		
5.32	Petty cash re-imbusement cheques and supporting documentation are reviewed and signed off by a board member.	✓		
5.33	Petty cash reimbursement cheques are not made out to "cash".	✓		
5.34	Petty cash is not reimbursed from cash receipts.	✓		
5.35	Provisions have been made for gaining access to corporate records in the event staff is sick, on vacation or there is a change in management.	✓		

FINANCIAL REVIEW conf'd.		✓ YES	✓ NO	✓ N/A
Accounting				
5.36	Accounting entries are current.		✓	
5.37	Accounts payable are up to date.		✓	
5.38	Accounting records are backed up at least weekly and stored off site.		✓	
5.39	Bank statements are reconciled monthly.		✓	
5.40	Bank reconciliations are signed off by someone other than the preparer.	✓		
5.41	Municipal taxes are current (no interest and/or penalties).	✓		
5.42	Utilities are paid within the discount periods.	✓		
5.43	Last month rent deposits are less than or equal to monthly rent as required by the Residential Tenancies Act, Section 105.2 and are consistently applied for:			
	• Market tenants			✓
	• RGI tenants			✓
5.44	Interest is paid on all last month rent deposits. Residential Tenancies Act, Section 106(6)			✓
5.45	Security deposits are held in accordance with the co-operative's by-laws.	✓		
5.46	RGI households paying equivalent to market rent are classified as RGI for revenue and unit activity purposes for a period of 12 months.	✓		
5.47	Vacancy losses are recorded based on the status of the household vacating the unit.	✓		

6.0 REVENUE SUMMARY

Significant member arrears may cause difficulties for cash flow and may put individual households at risk of losing their housing. Arrears should be kept as low as possible to minimize the need for costly legal action and to reduce the potential amount of bad debt write offs.

Gross occupancy revenue per August 31, 2018 AIR	\$1,239,118
Average monthly housing charge (Gross / 12 months)	\$103,260

	<u>Mar 31/18</u>	<u>Apr 8/19</u>
Current member arrears	\$9,701	\$18,250
Current member arrears / average monthly rent	9%	18%
Number of current households with arrears		21
Current member arrears over 30 days -		\$not available
Former member arrears		\$8,373
Backdated housing charges – payable to Region of Durham (i.e. overpayment of subsidies should be separated from arrears)		\$0
Actual bad debt expense versus benchmarked bad debt expense at the year-ended Aug 31, 2018 (Note – RGI overpayments are not to be written off)		\$1,995 vs. \$12,933

Action (Legal or board initiated) is taken within 30 days on all current arrears

Yes No

The Board approves the write-off of significant former member arrears

Yes No

Action is taken to recover former member arrears whether they are recorded as receivables or have been written off

Yes No

7.0 UNIT TURNOVER & VACANCY LOSS

Expediency in minimizing unit turnovers helps keep the cost of vacancy loss down. Ensuring that vacancies are filled according to target plans is also essential in meeting the requirements of the *Housing Services Act*.

An accurate vacancy report is included as part of the monthly board package.

Yes No

A historical summary of vacancy loss has been prepared based on AIR's and the annual audited financial statements filed.

Fiscal Year Ending:		2016	2017	2018*
August 31		\$	\$	\$
Gross Annual Market Revenue	A	959,041	953,468	956,349
Gross Annual RGI Revenue	B	312,412	298,078	282,769
Indexed Market Vacancy Loss		28,478	28,535	28,935
Market Vacancy Loss (as reported)	C	24,341	528	8,829
Market Vacancy as percent of Occupancy Revenue	C / A	2.5%	0.1%	0.9%
RGI Vacancy Loss (as reported)	D	5,179	5,280	5,346
RGI Vacancy as percent of Occupancy Revenue	D / B	1.7%	1.8%	1.9%

*pending settlement

UNIT TURNOVER *		Sep 1, 2017 to Aug 31, 2018		Sep 1, 2018 to Mar 31, 2019	
		Mkt	RGI	Mkt	RGI
Number of move-outs	(i)	3	5	3	2
Number of move-outs with vacancy losses		3	4	3	2
Number of internal transfers due to			0		0
• over housed RGI households	(ii)				
• under housed RGI households	(iii)		1		0
• like-to-like unit RGI transfers	(iv)		0		0
• internal market transfers	(v)	1		1	
Total number of internal transfers	(vi) = (ii+iii+iv+v)	1	1	1	0
Number of internal transfers with vacancy losses		1	1	1	0
Total number of turnovers (Includes move-outs and internal transfers)	(i + vi)	4	6	4	2
Total cost of vacancy losses		\$6,954**	\$10,658	\$3,852**	\$8,968
Number of new households moved in		1	5	4	2
Average length per turnover (in weeks)		6	6	3.5	1

* Based on information provided from the turnover report as prepared prior to the Operational Review and from additional information obtained from site staff during the operational review.

** Member moved out July 1, 2018 and office relocated to unit August 1, 2018. Total 9 months of vacancy loss associated with this unit (\$8,496).

8.0 SELECTION OF TENANTS

Durham Access to Social Housing (DASH) administers the rent-geared-to-income (RGI) and modified unit wait lists in Durham, including new applications and current tenants/co-op members who want to transfer to a different housing provider.

Housing providers are required to select tenants/members for RGI and modified unit vacancies from the DASH wait list. We reviewed turnover reports provided by site staff for compliance with the *Housing Services Act* (HSA) and Regional Directive CWL 2017-01 DASH Wait List Rules, regarding selection of RGI tenants/members. Housing providers may also grant in-situ RGI in accordance with Regional Directive RGI 2017-01 In-situ Application. Many housing providers have policies, guidelines or by-laws regarding internal transfers. We reviewed these to ensure that they comply with the HSA and Regional direction.

Housing providers must notify DASH if they have a vacant RGI unit or modified unit that will be offered to an applicant on the DASH wait list. DASH will post the unit to the DASH Vacancies site for 7 days to allow eligible applicants on the DASH wait list to express interest. After 7 days, DASH will give the housing provider information pertaining to the highest ranked applicant who expressed interest in the vacancy.

The housing provider may offer the unit to the applicant referred by DASH or may refuse to offer the unit in accordance with the HSA. If the housing provider refuses to offer the unit, the applicant must be notified in writing and provided an opportunity to have the refusal reviewed by the housing provider. If the applicant is denied the unit due to ineligibility under occupancy standards, RGI eligibility or does not require the specific unit modifications, the housing provider only needs to notify DASH of the reasons for the denial. DASH will notify the applicant and provide information about the right to request a Regional Review, as applicable. In all cases, the housing provider must notify DASH of the outcome of the referral. It is vital that housing providers notify DASH in a timely manner in order to ensure that applicant status is up-to-date for future offers by other housing providers.

Where members or board members participate in interviewing incoming households, there should be nothing on the file to distinguish the financial status of the household. Confidentiality agreements must be signed by all who have access to personal information.

* * * * *

SELECTION OF TENANTS		✓ YES	✓ NO	✓ N/A
8.01	All applications for RGI (except for in-situ applications) and modified units are forwarded to DASH. Regional Directive CWL 2017-02 Application for RGI and Modified Housing Form	✓		
8.02	DASH is notified of all RGI and modified unit vacancies in accordance with Regional Directive 2017-01 DASH Wait List Rules.	✓		
8.03	RGI eligibility is fully verified at time of offer. Regional Directive CWL 2017-02 Application for RGI and Modified Housing Form	✓		
8.04	RGI Offers:			
	<ul style="list-style-type: none"> DASH is promptly notified when an applicant accepts, refuses or is deemed to have refused an offer of RGI or a modified unit (normally within 72 hours). 	✓		
	<ul style="list-style-type: none"> Denials/refusals to offer comply with conditions outlined in 2017-01 DASH Wait List Rules 	✓		
	<ul style="list-style-type: none"> Records of denials/refusals to offer are available for review. 	✓		
	<ul style="list-style-type: none"> Applicants are notified of denials/refusal to offer, including the reason and the right to request that the housing provider review the decision (except for denials due to occupancy standards, RGI ineligibility or modified unit ineligibility). 	✓		
8.05	Per Directives 2014-04 Regional Review Process and 2017-01 DASH Wait List Rules, a review process is in place to hear appeals of refusals to offer.	✓		
8.06	In-situ Priority process according to Regional Directive 2017-01 In-situ Applications is followed including:			
	<ul style="list-style-type: none"> Use of Regional Application and Consent Forms 	✓		
	<ul style="list-style-type: none"> RGI eligibility determined by housing provider 		✓	
	<ul style="list-style-type: none"> In-situ priority determined by housing provider 		✓	
	<ul style="list-style-type: none"> DASH notified of outcome 		✓	
	<ul style="list-style-type: none"> Notice of decision given to tenant, including the right to request a Regional Review as applicable 	✓		
	<ul style="list-style-type: none"> RGI subsidy available at the time of grant or approval from Housing Services 	✓		
8.07	In-situ applicants requesting consideration of Special Priority Status (SPP) are referred to DASH for application and determination of SPP.	✓		

SELECTION OF TENANTS cont'd.		✓ YES	✓ NO	✓ N/A
8.08	Tenants/co-op members requesting a transfer (or required to transfer because they are overhoused) to a different housing provider are provided with an Application for Transfer Form to be returned to provider. The provider completes the form before sending to DASH.	✓		
8.09	Housing provider has a process to track current tenants/co-op members on the DASH wait list for transfer.		✓	
8.10	DASH is notified when a current tenant/ member is or may be on the DASH wait list and:			
	• In-situ RGI is granted	✓		
	• The applicant is transferred	✓		
	• The applicant no longer requires a transfer	✓		
	• The applicant refuses a transfer	✓		
	• The applicant becomes ineligible for RGI or a modified unit	✓		
	• The applicant moves out	✓		
8.11	No portion of a household was transferred, bypassing the centralized RGI process, unless approved by the Housing Services Division.	✓		
8.12	The housing provider's internal transfer policy is being followed and gives highest priority to overhoused households followed by Special Priority applicants on the internal transfer list.		✓	
8.13	Internal transfer applicants requesting consideration of Special Priority Status (SPP) are referred to DASH for application and determination of SPP.	✓		
8.14	Tenants/co-op members are notified when they become overhoused of the process to move to a smaller unit.		✓	
8.15	DASH is notified of overhoused households per the requirements of Directive 2013-04.		✓	
8.16	Overhoused tenants/co-op members are notified when they are placed on the DASH list		✓	
8.17	DASH is notified when a household moves out with arrears and/or damage charges.	✓		

9.0 RGI FILE REVIEW

The Region of Durham, as the service manager, has entered into service agreements with housing providers to perform all RGI calculations. Tenant/member eligibility for RGI must be reviewed at least once annually and when new information is provided. Participation in quarterly reporting is required for most households with fluctuating income.

Households must meet all eligibility requirements including local income and asset limits. It is imperative that documentation to support each RGI calculation be complete and on the file. We require that every household sign a Consent to Disclose Information form each year as part of renewing eligibility to demonstrate their awareness of the purpose behind collecting the information and the restrictions on the use of that information.

The HSA is very specific about communicating with tenants/members regarding decisions pertaining to RGI. Proper notice of all decisions regarding RGI eligibility and rent/housing charge changes must be given to households and include information regarding the right to appeal the decision.

Directive RGI 2014-03, Sample Standard Letter Templates, provides samples for a variety of letters ensuring that decisions are communicated clearly to tenants/members. Housing providers should continue to ensure that decisions are based on accurate and complete information.

* * * * *

A minimum of 20% of the RGI files have been audited for compliance with the HSA and local policies.

Utility allowances/charges (as per O.Reg 298/01) are included in RGI calculations as follows:

	Electricity Heat \$	Gas Heat \$	Cooking \$	Laundry Power \$	Laundry Equipment \$	Total \$
1 bedroom apt	+\$24		+\$6			+\$30
2 bedroom apt	+\$34		+\$9			+\$43
2 bedroom t/h		-\$37			-\$40	-\$77
3 bedroom t/h		-\$37			-\$47	-\$84
4 bedroom t/h		-\$37			-\$54	-\$91

RGI FILE REVIEW	Number of Files	Percentage of RGI Target
Total number of RGI files checked	14	20%
Total number of RGI households equivalent to market	3	4%
Total number of RGI households at minimum rent	10	14%
RGI Deficiencies	Number of Files Affected	Percentage of Files Checked
Total Deficiencies		
Total number of RGI files with deficiencies	12	86%
Calculations		
Files in which the RGI calculation has been done incorrectly.	8	57%
Files in which either: 1) fluctuating income is not addressed properly per quarterly reporting guidelines; or 2) reasons for averaging other than quarterly are not documented. <i>Regional Directive 2004-04: Quarterly Reporting Reviews</i>	3	25%
Files with a discrepancy between the calculated RGI charge and the rent amount listed on the Rent Roll.	2	17%
Files where RGI review has not taken place within previous 12 months. <i>O. Reg. 367/11, s. 59</i>	0	0%
Documentation		
Files lacking proof of the tenant's status in Canada.	0	0%
Files lacking a current Regional Consent form signed by every member of the household whose income is considered when calculating RGI. <i>Regional Directive 2008-02: Revised Regional Consent Form</i>	1	8%
Files lacking complete verification of the tenant's income.	0	0%
Files lacking complete verification of the tenant's assets.	0	0%
Files containing extraneous information that is not required for RGI purposes.	0	0%
Occupancy Agreement/Leases		
Files lacking a signed lease, or where the lease has not been signed by all members of the household without documented reasons on file. <i>Regional Directive OPR 2015-02: Standards - Leases/Occupancy Agreements</i>	0	0%
Files without a new lease after a tenant has transferred to a new unit. <i>O. Reg. 367/11, s. 96</i>	0	0%

RGI FILE REVIEW cont'd.	Number of Files Affected	Percentage of Files Checked
Modified Units + In Situ		
Households lacking verification of their need for a modified unit and/or no longer eligible for modifications. <i>O. Reg. 367/11, s. 68</i>	0	0%
Files lacking complete documentation demonstrating that the household is eligible for in-situ RGI subsidy.	4	33%
Notices		
Files where notices of decisions have not been given properly. <i>O. Reg. 367/11, s. 61; O. Reg. 298/01, s. 52, 53</i>	0	0%
Files where an RGI change is made effective on the wrong date.	1	8%
Files lacking notice that their RGI charge has been calculated as equivalent to the market rent and advised of the 12-month rule.	0	0%
Notification of requirement to pursue income has not been given to the household without documentation of reasons. <i>O. Reg. 367/11, s 31</i>	0	0%
Household is overhoused and notification has not been issued in accordance with the overhoused directive. <i>Regional Directive RGI 2018-03: Occupancy Standards and Overhoused Households</i>	0	0%
Households no longer eligible for RGI have not been given 90 days' notice for the increase to market rent.	1	8%
Where subsidy has been overpaid, the household has not been notified and/or there is no evidence that collection is taking place. <i>HSA, s. 56 and O. Reg. 367/11, s. 65</i>	0	0%
Appeals and Review Process		
Files that do not contain accurate information on the appeal process. <i>O. Reg. 367/11, s. 61</i> <i>Regional Directive RGI 2014-04: Regional Review Process</i>	3	25%
Files lacking a copy of an appeal request and/or the appeal decision.	0	0%
Files where the housing provider does not reconsider the decision prior to sending it to the Regional review panel.	0	0%
Instances where requests for appeals are not forwarded to Regional Review panel within 10 days.	0	0%

10.0 LEASE/HOUSING/OCCUPANCY AGREEMENT

In addition to the basic formula for doing rent calculations we review RGI files to ensure that legislated and local policies are being followed. Membership agreements and leases should be kept up-to-date with changes in household members with new contracts drawn up when a household moves within the portfolio. Agreements should be updated in accordance with legislation.

OCCUPANCY AGREEMENT		✓YES	✓NO	✓N/A
10.01	As per local standard OPR 2015-02 <i>Standards- Leases and Occupancy Agreements</i> , the RGI lease/occupancy agreement must set out the following provisions:			
	• market rent or housing charge for the unit	✓		
	• the occupants of the unit	✓		
	• the requirement that an RGI household report all changes to income, assets and living circumstances to the housing provider as soon as they occur (Directive OPR 2015-02)	✓		
	• consent to sharing of personal information for the purpose of arrears collection and future RGI eligibility with;			
	o the Region of Durham	✓		
	o access centres and service managers authorized under the <i>Housing Services Act</i>	✓		
	o the Housing Services Corporation	✓		
	o a credit information company	✓		
10.02	Files contain documentation to support that incoming households required to pay hydro are provided with information regarding electricity consumption for the 12-month period before they enter into a proposed tenancy agreement or the period during which a suite meter has been installed in the unit, whichever is less. RTA O.Reg. 394/10 sec 8 (2)			✓

11.0 SITE INSPECTION OBSERVATIONS

In addition to checking maintenance records during our visit, Regional staff took a brief walk around the site to see if there were any discernible maintenance issues. This was not meant to be a thorough inspection but offers a third party's observations. We trust this information will be helpful.

Date and time of the site review – April 10, 2019

Weather conditions – Rainy, cold

SITE INSPECTION OBSERVATIONS	✓ Good	Needs Improvement (comments)
11.01 Overall impression – curb side appearance:		
• No litter on the grounds		Some litter on front lawns
• Garbage enclosure is clean	✓	
• Shrubs, trees are neatly trimmed and healthy	✓	
• Grass is well maintained	N/A	(winter)
• Snow has been cleared from walkways – parking areas	✓	
• Walkways (tripping hazards?)		Interlocking pavers buckling/raised
• Curbs		Front curb deterioration
• Roadways/parking – no ponding or potholes		Potholes throughout complex
• Playground area clean and apparently well maintained	✓	
• Fences – no boards missing	✓	
• No signs of graffiti		Window near daycare spray-painted blue
• Tenant/member yards - front	✓	
• Tenant/member yards - back	✓	
• Retaining walls - condition		Deterioration on wall of townhouses to north of apartment building
• Material Safety Data Sheets are available	✓	

SITE INSPECTION OBSERVATIONS cont'd		✓ Good	Needs Improvement (comments)
11.02	Condition of the building interior public areas		
	• Carpets/floors are clean	✓	
	• Corridor walls are in good repair	✓	
	• Corridor vents are clean	✓	
	• Corridor ceilings are in good repair	✓	
	• Lights are not burnt out or missing	✓	
	• Light fixtures are clean	✓	
	• Common rooms are clean	✓	
	• Public washrooms are clean	✓	
	• Stairwells are clean	✓	
• Chute rooms are clean	✓		
11.03	Cleanliness of service rooms		
	• Garbage room	✓	
	• Boiler room	N/A	
	• Elevator penthouse	✓	
	• Janitorial rooms	✓	
	• Electrical room	✓	
	• Workshop	✓	
• Other (various storage rooms)			
11.04	Building envelope – exterior		
	• Roofs	✓	
	• Walls-brick spalling, efflorescence	✓	
	• Garage doors	✓	
	• Downspouts	✓	
	• Windows – thermal panes fogging, seals broken, screens missing	✓	
	• Paint	✓	
	• Exterior railings	✓	
	• Balconies	✓	
• Out buildings	✓		

SITE INSPECTION OBSERVATIONS cont'd		✓ Good	Needs Improvement (comments)
11.05	Vacant units prepared for occupancy		
	• General appearance	✓	
	• Carpets clean	N/A	Laminate
	• Floors in good condition	✓	
	• Cabinetry clean and in good condition	✓	
	• Windows clean and in good repair	✓	
	• Common areas have been mowed	✓	
	• Walls in good condition	✓	
	• Light fixtures clean	✓	
	• Light switch and duct covers in place	✓	
11.06	Vacant units not yet ready for occupancy: None		
	• How long vacant		
	• General appearance		
	• Expected turnaround time		

12.0 BUILDING ELEMENTS

Building Description

Interest Adjustment
Date

July 1992

Project Description

of Storeys/Blocks

- Walk-up Apartment
- Elevator Building
- Townhouse
- Other (Please describe)

3

15 blocks

Parking

- Surface Underground

Non-Shelter Space

- Yes** **No** If yes, please describe:
- Daycare

In Suite Heating System

Comments

- Yes** **No**
- Gas/Electric Boiler
- Individual furnaces
- Electric baseboards

Service Contract in place?

Name of Service Contractor:

Date last inspected:

Date last cleaned:

Yes **No**

Advantage Airtech
Climate

December 2018

December 2018

Domestic Hot Water System

Comments

- Yes** **No**
- Boiler(s)
- Central storage tank(s)
- Sacrificial anodes
- Tankless water heaters

Boiler Service Contract in place?

Name of Service Contractor:

Date boiler last inspected:

Date tanks last inspected:

Date anodes checked:

Yes **No**

Individual Water Heaters		Comments
Yes	No	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Rented by housing provider
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Owned by housing provider
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Rented by Tenant

Air Make Up System		Comments
Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Roof top system
<input type="checkbox"/>	<input type="checkbox"/>	Located elsewhere
Where: _____		
		Service Contract in place? <input checked="" type="checkbox"/> <input type="checkbox"/>
		Name of Service Contractor: Advantage Airtech Climate
		Date last inspected: February 2019
		Date last cleaned: February 2019
		Last duct cleaning: _____
		Frequency of filter changes: _____

Chiller System		Comments
Yes	No	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Indoors
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Outdoors
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Water treatment program
		Service Contract in place? <input type="checkbox"/> <input type="checkbox"/>
		Name of Service Contractor: _____
		Date last inspected: _____
		Date last cleaned: _____

Generator System		Comments
Location of generator:		
None		Service Contract in place? <input type="checkbox"/> <input checked="" type="checkbox"/>
Fuel tank location:		Name of Service Contractor: _____
None		Date of tank installation: _____
		Weekly, monthly, semi-annual and annual inspections are completed? (CSA-C282) <input type="checkbox"/> <input type="checkbox"/>

Roofing System					
Yes	No	Flat Roofs:	Yes	No	Peaked Roofs:
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Built up tar/asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Asphalt shingles
<input type="checkbox"/>	<input type="checkbox"/>	Modified bitumen	<input type="checkbox"/>	<input type="checkbox"/>	Metal sheeting
<input type="checkbox"/>	<input type="checkbox"/>	Single ply	<input type="checkbox"/>	<input type="checkbox"/>	Clay tiles
<input type="checkbox"/>	<input type="checkbox"/>	Inverted			
Replacement date: 2008		Replacement date: 2008			

Parking

- | Yes | No | | | | |
|-------------------------------------|-------------------------------------|----------------------------|--------------------------|----------------|-------------------------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Underground parking | | | |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Lighting level sufficiency | | | |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Heated ramp | | | |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Surface parking | <input type="checkbox"/> | Tenant/Members | <input type="checkbox"/> |
| | | | | Visitor | <input checked="" type="checkbox"/> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Private garage/carport | | | Both |

Security System

- | Yes | No | |
|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Surveillance camera system in place |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Exterior lighting upgraded |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Computerized access key fobs used |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Crime prevention through environmental design assessment completed |

Mold Prevention

- | Yes | No | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Annual inspections include checking for mould complaints |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Bathroom fans are checked regularly |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Exterior water leaks identified and remedied |
| <input type="checkbox"/> | <input type="checkbox"/> | Other: _____ |

Green Initiatives

- | Yes | No | | Yes | No | |
|-------------------------------------|-------------------------------------|---|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Low flush toilets | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Tankless hot water heating installation |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Energy efficient lighting retrofit (common areas) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Smart Meters |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Energy efficient lighting retrofit (units) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Insulated outer wall receptacles |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Low flow shower heads | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Exterior re-caulking program |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | "Green" roof installed | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Window replacement program |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | High efficiency furnace installation | | | |
| <input type="checkbox"/> | <input type="checkbox"/> | Other: _____ | | | |

13.0 PREVENTIVE MAINTENANCE

A preventive maintenance plan is an important component of keeping overall costs down by addressing problems before they cause more damage (e.g. leaking taps can cause damage to countertops if not addressed). Inspections of some building elements (e.g. elevators, fire protection equipment, smoke detectors, and roof anchors) are required by law, and documentation of these inspections is critical to limiting liability should an incident occur.

For risk management purposes, records should be kept of inspections. Documenting inspections can also provide records of building element deterioration or patterns of vandalism.

* * * * *

The preventive maintenance program was reviewed.

PREVENTIVE MAINTENANCE		✓ YES	✓ NO	✓ N/A
Daily Maintenance Practices				
13.01	There are no outstanding municipal, provincial or fire violation work orders.	✓		
13.02	There is site maintenance staff that does:			
	• unit repairs	✓		
	• grounds maintenance	✓		
	• move-out repairs	✓		
13.03	There is a process for submitting maintenance work orders accessible to all tenants/members.	✓		

PREVENTIVE MAINTENANCE cont'd.		✓ YES	✓ NO	✓ N/A
Inspections				
13.04	Site inspections are conducted on a daily basis to identify potential hazards and records are maintained.	✓		
13.05	There is a preventive maintenance plan in place that includes:			
	• Annual unit inspections	✓		
	• Fire system inspections	✓		
	• Boiler inspections/furnace maintenance	✓		
	• Elevator inspections	✓		
	• Smoke/carbon monoxide detector inspections	✓		
	• Exterior inspection of the building envelope, grounds and exterior components (e.g. fences, retaining walls, paved areas, drainage, etc)	✓		
	• Playground equipment inspections (as completed by the on-site Daycare centre and approved by the insurance company and the board)	✓		
13.06	Carbon monoxide detectors are inspected annually if required by municipal by-law (Pickering & Oshawa).	✓		
13.07	Window locks are in place and are inspected annually if required by municipal by-law (Oshawa, Whitby).	✓		
13.08	The elevator inspection logbook is available on site and is maintained by a TSSA approved contractor	✓		
13.09	A contractor certified under the Ontario Fire Code inspects all life safety systems (e.g. alarm systems, sprinklers, heat detectors, fire extinguishers) annually. (Integrated system buildings only)	✓		
13.10	The contractor conducting fire safety inspections has provided proof of certification to the housing provider.		✓	
13.11	Fire inspection records are properly documented in the fire log and records are maintained in accordance with the Ontario Fire Code. Ontario Fire Code, Sect. 1.1.2.1		✓	
13.12	Door closers are inspected monthly in accordance with the Ontario Fire Code. Ontario Fire Code 2.2.3.4	✓		
13.13	Roof anchor inspections are done annually and a logbook is located on site. (buildings over 3 stories) Occupational Health & Safety Act, O. Reg 859, S. 41 (1)			✓
13.14	Inspections are carried out by ESA staff (as recorded) and records are maintained. Electrical Safety Act, 1998	✓		
13.15	There is an asbestos management program in place that meets legislative requirements. Occupational Health & Safety Act, O. Reg 837/90			✓

PREVENTIVE MAINTENANCE cont'd.		✓ YES	✓ NO	✓ N/A
Inspections Cont'd				
13.16	Playground equipment receives specific attention from the Daycare to ensure that it is safe at all times including:			
	• Playground equipment complies with CSA standards and letters of compliance are retained on site	✓		
	• Playground equipment is inspected weekly by site staff	✓		
	• Playground structures are inspected annually by a certified playground inspector and the written report is retained on file	✓		✓
	• Playground equipment deficiencies are repaired promptly or the equipment is secured to prevent use	✓		
Record Keeping				
13.17	The elevator licence (or copy) is available and is current. Technical Standards & Safety Act, 2000, O. Reg. 209/01, S. 30 (1)	✓		
13.18	A list of tenants requiring assistance in an emergency is available for the Fire Department. Ontario Fire Code Sect. 2.8.2.1.(1)(a)	✓		
13.19	There is an inventory of all equipment and tools that is updated on a regular basis.	✓		
13.20	Maintenance records are kept for each unit.	✓		
13.21	Maintenance records include results of move in/move out inspections.	✓		
13.22	There is a system in place to track work orders.	✓		
13.23	Records are kept of severe weather conditions, action taken to remedy potential hazards (e.g. salting, snow removal).	✓		
13.24	Separate records are maintained of all electrical repairs and installations for the purposes of complying with ESA requirements.	✓		
Emergency Measures				
13.25	There is a 24 hour on-call response system (with access to property management).	✓		
13.26	There is a list of pre-approved contractors who can make emergency repairs in place.	✓		
13.27	Fire drills are conducted in accordance with the Ontario Fire Code. Ontario Fire Code Sect. 2.8.2.1 (1)(d)	✓		
13.28	There are procedures in place for building emergency situations (e.g. water or heat disruption, power failure, elevator breakdown etc.).	✓		
13.29	There is an emergency measures plan in place for external emergencies that includes provisions for building evacuation, back-up generators, alternate staffing arrangements, and tenant/member support (e.g. chemical spill, flu epidemic).	✓		

During the Operational Review the following staff were present:

Housing Provider Representatives: Danica Pierce, Property Manager
Stephanie Canales, Housing
Administrator
Elaine and Willie, On-Site
Superintendents

Region of Durham Reviewers:

Renee Stayner, Senior Financial Analyst
Julie Roza, Senior Financial Analyst
Julie Robertson, Senior Financial Analyst
Brynn Harlock, Housing Co-ordinator
Rebecca Phillips, Housing Co-ordinator

APPENDIX “B”

William Peak Co-operative Homes Inc.
1990 Whites Road, Pickering, ON L1V 6P5

April 9-10, 2019

Notification of Project in Difficulty Triggering Event Report and Operational Review Report Summary

The Board is required to review this Triggering Event Summary and report back to the Region of Durham within 60 days of the date of this letter (December 23, 2019) providing its Action Plan for resolving the deficiencies / breaches leading to this and previous triggering events.

Section 1 “Notification of Project in Difficulty” – April 9-10, 2019

This section outlines the events that have led to the declaration of a subsequent Triggering Event at William Peak Co-operative Homes Inc. (William Peak) at 1990 Whites Road, as a Project in Difficulty under Section 72 of the *Housing Services Act, 2011 (HSA)* and in violation of Sections 69, 75, 80, 81 and 83 of the *HSA*.

This summary provides the Required Actions that the Board of William Peak must complete to remedy the situation. William Peak must comply with the requirements of this notification and provide a satisfactory response that outlines the steps that have been taken by the Board, or that are underway or that will be taken to effectively address the matters described in this notice.

Section 1
“Notification of Project in Difficulty” – April 9-10, 2019

2019 Triggering Events declared under:

Section 83 of Housing Services Act, 2011

- (1) “The housing provider contravenes this Act or the regulations”
- (11) “In the opinion of the service manager, the housing provider has failed to operate a designated housing project properly”.

#	Reference Section	Description of Breach	Detailed Observations	Required Actions
1.	<p>Lack of Financial Records:</p> <ul style="list-style-type: none"> • 2.08 No accounting system has been in operation since August 31, 2018 resulting in no financial records available to date. • 5.11 • 5.13 • 5.36 • 5.37 • 5.38 • 5.39 <p>Fiscal records that were provided for the fiscal year ending August 31, 2018 did not match the year-end audited financial statements.</p> <p>Verification that appropriate payroll remittances were being made to the Canada Revenue Agency (CRA) was not possible.</p> <p>As a result of the accounting software not working the Property Manager has been preparing arrears reports using Excel.</p>	<ul style="list-style-type: none"> • William Peak's NewViews accounting software license expired in July 2018. • The financial statements provided from NewViews during the operational review for the year ended August 31, 2018 showed a surplus of \$256,752 while the audited statements for the same period show a surplus of \$43,927. • HSC InSite software was purchased to replace the accounting system with a "go live" date of August 1, 2018. As of the date of the Operational Review HSC InSite was not fully operational. • There has been no bookkeeper since September 2018. • Internal Financial Statements are not up to date and the last statements presented to the Board were as of August 31, 2018. • The bank has not been reconciled since August 31, 2018. • There is no current accounts payable or arrears listing. While there was verbal indication that payroll remittances are being made to CRA, it could not be determined if remittances are for the correct amounts and are up to date. 	<p>Action #1:</p> <p>The Board must within 60 days:</p> <ol style="list-style-type: none"> 1) Have an operational accounting system in place and populated with data for the current fiscal year. 2) Ensure appropriate bookkeeping services are secured to maintain the books and records of the corporation. 3) Submit the following reports from the accounting system: Balance Sheet, Income Statement and Trial Balance for the year ended August 31, 2018 that agree to the August 31, 2018 audited financial statements. 4) Provide the most current Balance Sheet, Income Statement and Trial Balance prepared since the 2018 year end. 5) Provide the Board's process for ensuring wage increases, payroll processing and payroll remittances are paid in accordance with legal requirements and employment contracts, and verification that payroll remittances are up to date. 	

Section 1
“Notification of Project in Difficulty” – April 9-10, 2019 - continued

#	Reference Section	Description of Breach	Detailed Observations	Required Actions
			<ul style="list-style-type: none"> • Payroll deductions are being calculated using CRA's online calculator but there is no documentation kept evidencing the amount for withholdings to validate against payments and for recording in the accounting system once it is available. • After HSC InSite was purchased and installed it was determined that the system does not provide a payroll module. • It could not be verified if T4s have been issued for salaried employees for 2018. • Cheques are printed using an Excel template, which can be subject to either inadvertent or intentional manipulation prior to being recorded in the general ledger, once it is available. • Petty cash was not reconciled at the time of the review. 	<p>6) Provide a list of all salaried employees and copies of all T4s issued for 2018.</p>
<p>2. 5.14 6.0</p>	<p>Failure to Properly Administer Arrears: Current member arrears were estimated at \$18,250 representing 18% of average monthly occupancy revenue, a significant increase from 9% of average monthly occupancy revenue as noted at the April 2018 operational review.</p>	<ul style="list-style-type: none"> • As a result of the accounting software not working the Property Manager has been preparing arrears reports using Excel. The Property Manager indicated that these reports, that are provided to the Board, are most likely not accurate. • When information regarding arrears was recorded in the Board minutes, we noted that it often did not agree with the Property Manager reports. • The Board minutes contained little to no detail as to how the Board addresses arrears and what actions are taken to make collection a priority. 	<p>Action #2: Within 60 days the Board must submit a current system generated arrears report that agrees to the Trial Balance for the same period.</p>	

Section 1
“Notification of Project in Difficulty” – April 9-10, 2019 - continued

#	Reference Section	Description of Breach	Detailed Observations	Required Actions
3.	2.11 2.12 5.01 7.0	<p>Lack of Board Governance: Based on our review of the minutes, reports critical to guiding the effective operation of the corporation are not provided to the Board and there is no indication that the Board has requested this information. These reports include:</p> <ul style="list-style-type: none"> • Annual operating budget • Audited financial statements • Statement of Revenue / Expenses • Monthly variance and year-to-date variance report • Vacancy report with vacancy losses • Arrears report • Market rent comparatives 	<ul style="list-style-type: none"> • The last financial package provided to the Board was for the month end August 2018 which included a vacancy report, arrears report, Balance Sheet, Income Statement and variance report. • Since August 2018 the only financial information provided to the Board, as noted in the minutes, are bank statements. These are not provided on a regular basis. • There is no evidence that the 2018 audited financial statements were presented to the Board. 	<p>Action #3: The Board must within 60 Days:</p> <ol style="list-style-type: none"> 1) Submit a copy of the current monthly Board package, that includes the items identified below to the Region for our review. 2) Submit a schedule of all upcoming Board meetings. 3) Submit all Board meeting minutes (general and in camera) since our April 2019 Operational Review. <p>A standard property management reporting package includes the following reports:</p> <ul style="list-style-type: none"> • Vacancy Report • Arrears Report • Statement of Revenue / Expenses • Monthly Variance and Year-to-date Variance Report <p>This package must be provided to the Board at each Board meeting and the Board discussion must be documented in the minutes.</p>

Section 1
“Notification of Project in Difficulty” – April 9-10, 2019 - continued

#	Reference Section	Description of Breach	Detailed Observations	Required Actions
4.	2.13 2.14 5.14 5.23 5.25	<p>Non-adherence to Purchasing Policies/By-Laws:</p> <ul style="list-style-type: none"> • Purchasing and spending policies are not being followed. Additionally, there was insufficient documentation for many expenses and cheques issued. • There is no evidence that quotes, when applicable, were received, reviewed or discussed. • Payment for services were made to a Board member and the Board member's company without having obtained additional quotes for the work. • Purchasing and tendering policies and competitive bid procedures are not followed for all large purchases, including the purchase of the new accounting software. 	<ul style="list-style-type: none"> • According to the Property Manager the Co-op had a \$12,000 prepaid credit card to replace a stolen credit card. However, there were no statements provided for review what had been purchased using the new credit card. • Significant payments were made to a Board member and the Board member's company without supporting documentation or invoices, including an advance of \$3,000 for which there was no backup. • Significant payments were made to the same Board member and his company for various capital jobs for which no competing quotes were obtained, nor were the payments to the Board member noted in Board minutes. • Review of the bank statements and invoices indicated that there were many significant capital expenses but there was no evidence of quotes received for the work. • There was no evidence of competitive tendering or approval by the Board for the purchase of the new accounting software, HSC InSite. 	<p>Action #4: The Board must immediately ensure that:</p> <ol style="list-style-type: none"> 1) Cheques have supporting invoices/ documentation that are attached to the cheque stub and that the backup is reviewed and approved prior to issuance of the payment. 2) Documentation of approvals for Capital Reserve Spending and adherence to open and competitive procurement policies are in place as they are key in demonstrating good governance. 3) All quotes received for goods and services and all spending decisions are fully documented in the meeting minutes. <p>Within 60 days, the Board must provide a copy of the Capital Reserve Spending By-law.</p>

Section 1
“Notification of Project in Difficulty” – April 9-10, 2019 - continued

#	Reference Section	Description of Breach	Detailed Observations	Required Actions
5.	5.07 5.08 5.16	<p>Failure to meet reporting requirements:</p> <p>1) Annual Information Return</p> <ul style="list-style-type: none"> • William Peak Co-op failed to submit the 2017/2018 Annual Information Return (AIR) and all required documents by the specified due date. • We could not determine if issues identified on the auditor’s management letter are being addressed as a copy was not available for our review, nor was there any discussion noted in the Board meeting minutes reviewed. <p>2) Subsidy Estimate</p> <ul style="list-style-type: none"> • William Peak Co-op failed to submit the 2018/2019 Subsidy Estimate by the specified due date. 	<ul style="list-style-type: none"> • The 2017/2018 AIR, due to the Region by January 30, 2019, was not received until March 13, 2019. • Two requests were made in writing prior to receipt of the required information. • The AIR received indicated that William Peak had received a Management Letter from the auditors yet it was neither submitted nor made available during our review. • The Management Letter was not noted in any of the Board minutes we reviewed as being discussed. • A detailed list or general ledger printout of both the Market and RGI units that were vacant during the year were omitted from the AIR submission but were subsequently received during the Operational Review. • The general ledger report received did not match the audited financial statements or the AIR that the Board signed. • The 2018/2019 Subsidy Estimate, due to the Region by June 1, 2018, was not received until December 7, 2018. • Two requests were made in writing prior to receipt of the required information. 	<p>Action #5:</p> <p>The Board must ensure that the:</p> <ol style="list-style-type: none"> 1) AIR, audited Financial Statements and all required supplementary information is completed and received by the Region on time, within 5 months of fiscal year-end as required under the HSA and in accordance with Regional Directive FIN 2013-02. 2) Subsidy Estimate is completed and received by the Region on time, 3 months prior to the fiscal year-end as required under the HSA and in accordance with Regional Directive FIN 2013-01. 3) Within 60 days the Board must submit a copy of the Management Letter from auditor for the year ended August 31, 2018 in order to close off the file.

Section 1
“Notification of Project in Difficulty” – April 9-10, 2019 - continued

Reference Section	Description of Breach	Detailed Observations	Required Actions
<p>6. 2.21 3.02 3.03 3.04</p>	<p>Failure to comply with local Directive OPR 2015-01 relating to Conflict of Interest</p> <ul style="list-style-type: none"> A conflict of interest was not documented when William Peak entered into a contract for service with a Board member. A conflict of interest was not documented regarding an externally appointed Board member with ties to the new accounting software system. Signed conflict of interest declarations are not on file for all Board members and staff. 	<ul style="list-style-type: none"> Board members who are related to the on-call staff person participated in conversations regarding this staff's job performance and made decisions regarding their employment. Building repair contracts were awarded to a Board member who took part in discussions regarding upcoming repairs at the co-op and encouraged the Board to hire him/his company to complete required repairs. On some occasions, a Board member was personally paid for services rendered. On other occasions, payments were made to the Board member's company. Some of these repair contracts were not discussed and approved by the Board of Directors. The external Board member who was appointed has ties to the new accounting software program that was recently purchased without documented Board approval. 	<p>Action 6: The Board must, within 60 days;</p> <ol style="list-style-type: none"> Provide signed copies of all conflict of interest declarations for all Board members and staff. Provide documentation disclosing all business dealings and transactions with Board members including payments and related work performed. This information must be recorded in the Board minutes of an upcoming meeting to ensure transparency of information for all co-op members. Provide documentation to clarify the relationship between the external Board member, which is in contravention of the Co-op's By-Laws, and the recently purchased accounting software. This information is to be included in the Board minutes. <p>Note that Board members that will benefit from decisions made regarding the co-op must remove themselves from discussions and votes pertaining to these decisions. In addition, contracts for goods and/or services cannot be entered into with Board members.</p>

Section 2
“Notification as Project in Difficulty in 2007 — Updated Observations and Follow-Up Requirements”

This section identifies factors contributing to the Region of Durham’s declaration of **William Peak** as a Project in Difficulty per Section 18(2)(d) of the *Social Housing Reform Act, 2000* (SHRA) and that were still outstanding as of this latest Operational Review.

(i) 2007 Triggering Event

#	Reference Section	July 2007 Triggering Event Issue	Observations and Required Follow-up Actions from April 9-10, 2019 Operational Review
1.	1.01 5.02 5.04	<p>Social Housing Reform Act, 2000 sec 115 (10) The housing provider incurs an accumulated deficit that is material and excessive, having regard to the normal practices of similar housing providers.</p> <p>Description of Issue:</p> <ul style="list-style-type: none"> Since 2001 the financial position has been steadily deteriorating, and as of August 31, 2006 the accumulated deficit was (\$207,293), comprised of accumulated shelter deficit of (\$234,957) and non-shelter accumulated surplus of \$27,664. <p>Required Actions:</p> <ul style="list-style-type: none"> The Board must develop and undertake a plan to eliminate the accumulated deficit and submit a copy to the Region. 	<p>Observations:</p> <ul style="list-style-type: none"> There is no deficit reduction plan. The accumulated shelter deficit has increased over the last several years from a deficit of (\$239,122) to (\$303,304). Over the same period, the accumulated non-shelter surplus has increased significantly, resulting in a combined overall corporate surplus of \$113,649 in 2018 (from the 2006 deficit of \$207,293). <p>Required Actions:</p> <ul style="list-style-type: none"> A deficit reduction plan addressing the shelter deficit and based on current and verifiable operating results must be created and submitted to the Region. The deficit reduction plan/operational budget should cover a period of 3 to 5 years.

Section 3
“Required Actions”

The Board must develop action plans to address each identified item. The noted deficiencies pertain to elements of social housing business practices that have been legislated and/or represent Region of Durham policies. The Board must respond directly on this summary form. An electronic version is available upon request.

#	Reference Section	Deficient Element	Remedial Action Required	Board Response
1.	2.05	Annual budgets and major capital expenditures are not approved by the membership at the General Membership Meeting (GMM).	The Board must ensure that a draft budget, including planned major capital expenditures, is presented at the annual GMM for voting on and approval by the co-op's members.	
2.	2.07 2.23	We were unable to confirm whether the Board has a succession plan in place to recruit new directors when vacancies on the Board occur, or if the Board had a succession plan or policy in place for the turnover of key staff.	<p>The Board must ensure that William Peak has plans in place for both Board succession and staff turnover in order to comply with the 69(5) of the Housing Services Act (HSA) and as per O.Reg 367/11 s. 87.</p> <p>The following plans (from O.Reg 367/11 sec. 87) are required for a housing project for the purposes of 69(5) of the Act:</p> <ol style="list-style-type: none"> 1) A plan for training staff and volunteers involved in the operation of the designated housing project; 2) If the housing provider has a Board of directors, a succession plan for the Board; 3) If the housing provider is a non-profit housing co-operative, a plan for educating the members about the governance of the co-operative. <p>Tools and/or resources may be available through the Co-operative Housing Federation (CHF) to assist the Board in the creation of these plans.</p>	

Section 3
“Required Actions” - continued

#	Reference Section	Deficient Element	Remedial Action Required	Board Response
3.	2.10 2.16 8.12	<p>Written policies could not be located with respect to the following areas:</p> <ul style="list-style-type: none"> • Capital Reserve Spending • Disposal of Assets • Bad Debt write off • Internal Transfers <p>Internal Review of Refusals to Offer</p>	<p>The Board must ensure that written policies are developed to guide consistent treatment for the applicable matter and to demonstrate accountability in managing the co-op's affairs. The Board must ensure that the policies are made available to staff and that proper procedures are followed.</p> <p>The Board must ensure that an internal transfer policy is established and followed in accordance with Regional Directive CWL 2017-01 DASH Waitlist Rules.</p> <p>This policy must give highest priority to overhoused households followed by Special Priority applicants on the internal transfer list.</p> <p>Policies provide the Board and Property Management guidance when making decisions and operating the co-op on a day-to-day basis.</p>	
4.	2.17	<p>While it appears that in camera sessions are being conducted, many confidential items are being recorded in the general meeting minutes that should be kept in camera.</p> <p>The following confidential items were found in the general meeting minutes:</p> <ul style="list-style-type: none"> • Details about mediation between two members; • Information about Human Rights Tribunal proceedings; • An arrears list with names and unit numbers. 	<p>The Board must ensure that member confidentiality is maintained, and that identifying member information is only recorded in the in-camera minutes and for matters where the detail is necessary.</p>	

Section 3
“Required Actions” - continued

#	Reference Section	Deficient Element	Remedial Action Required	Board Response
5.	3.05	During our review of the minutes we note Board members have been in arrears and have not declared a conflict of interest when arrears are being discussed.	<p>The Board must ensure that Board members who are in arrears declare a conflict of interest and refrain from participating in decision-making regarding member arrears.</p> <p>The conflict should be noted in the minutes along with an explanation that the member declaring the conflict did not participate in the discussion.</p>	
6.	4.04	Policies have not been established personnel management including discipline, termination, and record-keeping.	The Board must develop written personnel management policies that are in compliance with Employment Standards, as a protection for both the Board and staff, to ensure consistency in application of the policies, and as a communication tool in establishing performance expectations.	
7.	8.06	<p>RGI file reviews indicated that the process outlined in Regional Directive 2017-01 In-situ Applications is not being followed.</p> <p>While reviewing William Peak's in-situ grants, the following issues were noted:</p> <ul style="list-style-type: none"> • In-situ was granted to a member who did not have a significant and unforeseen change in circumstances as required by the in-situ criteria. • Two files, including a Board member file, lacked supporting documentation to confirm eligibility for In-situ. • One household was granted in-situ when their rental costs were not more than 50% of their income as required under the Regional Directive and there was no documentation to support a sudden and unexpected change in income. 	<p>The Board must ensure that property management is instructed to follow Regional Directive RGI 2017-01 In-Situ Applications.</p> <p>Special care must be taken with files of Board members to ensure the perception of unfair advantage is not given.</p>	

Section 3
“Required Actions” - continued

#	Reference Section	Deficient Element	Remedial Action Required	Board Response
8.	8.09	A process to track current co-op members on the DASH wait list for transfer is not in place.	<p>The Board must ensure that property management notifies DASH when an RGI co-op member is on the DASH waitlist for transfer and has a change in their status.</p> <p>The Board must ensure a process is developed to track the members who have requested a transfer so that DASH can be notified when the member:</p> <ul style="list-style-type: none"> • No longer wants to transfer or is no longer required to transfer • Moves out • Is no longer eligible for RGI • Accepts an offer of an internal transfer • Refuses an offer of an internal transfer • Changes telephone numbers or other contact information 	
9.	8.14 8.15 8.16	<p>William Peak has a high number of households who are living in units that exceed the occupancy standards, i.e. are “overhoused”.</p> <p>Overhoused members are not being consistently notified of the process to move to a smaller unit. Further, DASH is not notified of overhoused households.</p>	<p>When members become overhoused, they must be immediately notified. If they remain overhoused for 12 months, it is a program requirement to move to a smaller unit.</p> <p>Vacant units must be offered to overhoused members who meet the occupancy standard for the vacant unit. If they refuse the transfer, they must be referred to the DASH waitlist using the process outlined in Regional Directive RGI 2018-03 Occupancy Standards and Overhoused Households.</p> <p>Property management must notify all co-op members of their overhoused status.</p>	

Section 3
“Required Actions” - continued

#	Reference Section	Deficient Element	Remedial Action Required	Board Response
9. (cont'd)			<p>When overhoused households require a unit size that is not available at William Peak (e.g. 1 bedroom non-senior), they must be referred to the DASH waitlist using the process outlined in Directive RGI 2018-03.</p> <p>An overhoused household becomes ineligible for RGI assistance if they:</p> <ul style="list-style-type: none"> • Refuse to move to a smaller unit • Fail to submit an Application to Transfer form to their provider within 10 days • Fail to register on the DASH vacancy site within 10 days of being added to the DASH waitlist • Fail to log in to the DASH system for 6 months • Refuse 3 offers of housing for vacancies in which they have expressed interest (including internal transfer offers) • Fail to express interest in 3 vacancies in the municipality where they currently live 	
10.	9.0	<p>14 files were reviewed, and deficiencies were found in 12 files. The deficiencies were identified as follows:</p> <ul style="list-style-type: none"> • 8 files had errors in RGI calculations. • Quarterly reporting was done incorrectly in 2 files. • 1 file lacked a Regional Consent form signed by all members of the household (dated within the past 14 months) • 2 files had discrepancies between the calculated RGI and rent charged per the Rent Roll. • 10 files lacked appropriate notices of decisions. • 3 files had incomplete information about the Regional Review process. • 1 file was deemed ineligible for RGI and was not given 90 days' notice of the change. 	<p>Detailed information has been forwarded to the Property Manager for remedial action and we have received a satisfactory response indicating remedial actions are underway.</p>	

Section 3
“Required Actions” - continued

#	Reference Section	Deficient Element	Remedial Action Required	Board Response
11.	13.10 13.11	The fire inspection records are not properly maintained in the fire log book in contravention of the Ontario Fire Code. The most recent fire inspection certificate was dated May 2017.	The Board is responsible for ensuring that fire inspections are completed annually by a certified contractor and must ensure that staff are properly trained in inspections, tests, and fire log record-keeping in order to comply with legislation.	

Section 4

“Business Modification Suggestions”

The Board is asked to review the identified items. Although no response from the Board to the Region is required, these suggestions are included to assist the Board in investigating possible solutions for improving business practices.

#	Reference Section	Identified Item	Best Practice Suggestion
1.	11.01	At the time of our site visit, some litter was noted on front lawns. Further, interlocking pavers were buckling/raised on some walkways. Potholes were present throughout the complex and deterioration was noted on the front curb and wall of townhouses to the north of the apartment building. Finally, blue spray paint was present on the window near the daycare.	The Board may want to consider the establishment of a maintenance plan to address affected areas to mitigate against the risk of injury or litigation. Attention should also be given to the curbside appearance that can be critical to improving marketing success for new members.

Operational Review presented to the Board on:

Board acknowledgement of the findings of the April 9-10, 2019 Operational Review:

Signature	Name	Board Position
Signature	Name	Board Position

B

THIS IS EXHIBIT "B" TO THE
AFFIDAVIT OF JOANNE CERMAK
SWORN BEFORE ME THIS 9th DAY
OF JULY, 2020.



A Commissioner etc.
Jeffrey W. Tighe
Barrister and Solicitor

William Peak
 Region Review April 9-10, 2019 Notification of Project in Difficulty- Triggering Event Report Response
 Section 1

Salary employee Mike Hill
 Willy Solonga
 Elaine Shears
 Danica Pierce
 Summer Flint
 Jen O'Neil
 Kathy Scimone
 Copies of T4 attached.

Action #2: Arrears report and Trial Balance Attached for review. (entire Year)

Action #3 1) Copy of Year Board Package
 2) Copy of up coming Board Meetings Attached
 3) Both In Camera and Board Package is attached (for year)
 4) Management has been instructed and review the package to include and document
 Vacancy Report
 Arrears Report
 Statement of Revenue and Expense
 Monthly variance and year to date.
 In all packages

Action #4: 1) all checks will have supported documentation inclusive of Board member initials
 2) all capital expenditures should be inclusive of member sign in sheet and approval of
 the membership
 3) inclusive of the review package should be the original documentation and all
 collected quotes. (capital review spending by-law attached)

Action #5 AIR audited Financials – and management letter are attached for your review

Action # 6 1) Copies of all conflicts of interest are attached
 2)
 3) A. Chatergun has not relationship to William Peak or any Board Member
 With some bias judgement the conversation was had to elect a board member from the
 outside, HSC was part of he Insite software program and it was discussed with C.Reid
 when he came into meet and do training about co-ops he suggested A.Chatergun as she
 was looking to do volunteer with in a board, she was educated and brought before he
 member to be voted in. and was. (see attached AGM Package)
 NOTE: A. Chategun last meeting attended was May 2019 – was not able to make
 emergency meeting in July and did not attend the next Board meeting – she will not be
 returning.

SECTION 2

Trigging Event
 Deficit Reduction Plan

Board meeting held on December 11, 2019 was to discuss the notice of a triggering
 event, the board once again requested to more information as to what the Region is
 asking for, do we owe this money? When did this happen, there is not record at our end
 other then the Region requesting this reduction plan – management has requested the
 assistants of CHF/CHFT to come in the new year an and assist with this process.

Region Review April 9-10, 2019 Notification of Project in Difficulty- Triggering Event Report Response

SECTION #3

- 1) Management completed a 5 year plan for the capital budget that was present to the AGM in the AGM June 2018 this is attached. It was voted and approved by the members during this AGM
- 2) Section 3 – 2 Succession plan was developed and a copy of the board binder that was created for all board members is in the package for review – when CHFC and CHFT this is also part of the onsite training that has been requested.
- 3) Management was unable to locate the capital reserve spending policy, but has added to the list of subjects to completed with CHFT/CHFC along with Bad Debit write off.

3.1) Attached is the current understanding of the internal transfer policy and we have a current list of over housed and under housed units- that take priority of those only requesting a transfer for over aged children or parent requesting a smaller unit.

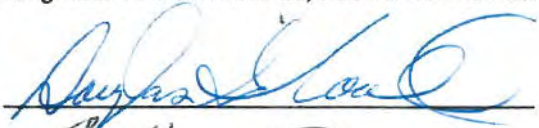
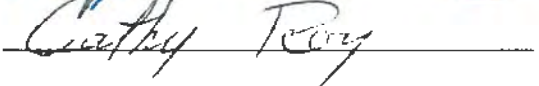



- 4) Regarding IN- Camera sessions and member names or information being included, the packages have been reviewed and updated – personal information will not be included packages.
- 5) Board Arrears – member of the board that are in arrears- now fully understand that they can't be apart of the in-camera segment and will excuse themselves from the meeting, this will be noted as declared. Attached is the copy of the board member arrears by-law
- 6) The board as created a HR policy that follows William Peak and Employment standards, this is part of the board binder and is attached for your review.
- 7) RGI applications INSITU – has bee reviewed with the Region and Board, all insitu applications are being reviewed with the Region prior to approval.
- 8) Process to track current members on the Dash list – William Peak has many over-housed people and we have a current list of people that have been on the list for along time, we also do not have 1 bedrooms for those whom are under 55 – this list have been proved to the region and a copy is in the file for your review.
- 9) Members are informed that they are over housed and that they must register with the Region to transfer, we don't have a system that informs us if they did or did not register. All vacant units are offered internally should it be adequate fit – 4 to a 3 or 2 and etc. again we don t' have 1 bedroom for the member over housed under 55.
 - a. We have followed the process of refusal for a smaller unit
 - b. Have sent notice to member to transfer if they are over housed.
 - c. We don' have a way to know fi they member sent to Region – Will requested copies of the paperwork sent.
 - d. **How can we find out if the member logged into DASH?**

Members that have refused 3X will be sent to/or have been sent to Dash for transfer.

- 10) 14 files that were enlisted to be errors or need correction have been corrected and sent back to the Region – correct information collected to complete the files for review.
- 11) Fire Inspection
 - a. William Peak reviewed the file and found that the was outstanding repair that has been ongoing repair for the last five years – this is a sandpipe

Region Review April 9-10, 2019 Notification of Project in Difficulty- Triggering Event Report Response
 location in the daycare – has been approved for repair and will be
 completed January 2020.

A copy of the board meeting held on December 11, 2019 will be forward via email for your review.

Doug Cornell		December 16, 2019
Cathy Roy		December 16, 2019
Mike Hill		December 16, 2019
Tammy Watson		December 16, 2019
Darren Commisiong		December 16, 2019

The Board put together a package for funding regarding many concerns that was present to the region, a notice was received back from the Region stating that the William Peak was not one of the chosen to receive any funding. We have been working very hard at cleaning up the grounds and making William Peak a great place to live.

C

THIS IS EXHIBIT "C" TO THE
AFFIDAVIT OF JOANNE CERMAK
SWORN BEFORE ME THIS 9th DAY
OF JULY, 2020.



A Commissioner etc.

Jeffrey W. Tighe
Barrister and Solicitor

**PRENTICE
YATES &
CLARK**

CHARTERED
PROFESSIONAL
ACCOUNTANTS*Serving our clients
since 1944*

January 23, 2020

Private and Confidential

The Board of Directors
William Peak Co-operative Homes Inc.
1990 Whites Road
Pickering, Ontario
L1V 6P5

Re: Audit of Financial Statements for the period ending August 31, 2019

Dear Members of the Board:

We have recently completed the audit for William Peak for the fiscal year ending **August 31, 2019**, and are writing to you to communicate some observations we have about your management systems.

The objective of our audit was to express an opinion on the financial statements. Included in our audit was the consideration of internal control relevant to the preparation and fair presentation of the financial statements. This consideration of internal control was for the purpose of designing audit procedures that were appropriate in the circumstances. It was not for the purpose of expressing an opinion on the effectiveness of internal control or for identifying all significant control deficiencies that might exist.

During the course of our audit, we identified deficiencies that met the definition of a significant deficiency. A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance. Communicating significant deficiencies assists those charged with governance in fulfilling their oversight responsibilities.

The significant deficiencies identified are outlined below. Please note that this list includes all the significant deficiencies we have identified.

FINANCIAL STATEMENT ACCURACY AND FINANCIAL STATEMENT REVIEW

For the fiscal year, we proposed 35 adjusting entries to correct the accounting records in order for us to complete this year's audit. This brings into question the accuracy of

the periodic financial statements that are reviewed by the Board. It is important to have accurate financial statements during the year in order to be able to make informed financial decisions.

In order to strengthen the financial statement accuracy we recommend the following:

1. Establish policies and procedures to ensure the accuracy of the financial reporting.
2. Review the Statement of Financial Position and Statement of Operations on a monthly basis to ensure that there are no large unexplained balances. This review should also include a comparison of the previous month with explanations of significant variances.
3. Have someone other than the person preparing the financial statements review and initial them.
4. Add these reviews to your monthly checklist(s).
5. Review receivables on a regular basis to ensure they were collected in the following month.
6. Review prepaids on a monthly basis to ensure they are recorded correctly.
7. Review accounts payable and accrued liabilities on a regular basis to ensure they are being paid in a timely manner.
8. Record deposits in the accounting records to include complete detail deposit information, including amount, type of deposit as well as where the funds were received from.

CASH ADVANCES AND REIMBURSEMENTS

During our audit, we noted that cash advances and reimbursements were made during the year to both staff and Board members. In some instances the advances and reimbursements did not have backup documentation or the backup did not tie to the amount of money being paid. There is a risk that that excess funds owing to the Co-operative will not be returned. All cash advances and reimbursements should be followed by a reconciliation in which invoices plus unspent cash (if applicable) add up to the original cash advance or reimbursement. Any funds in excess of the expenses incurred should be returned and deposited directly in the Co-operative's bank account.

PAYROLL

Approval of payroll payments

During the audit, it came to our attention that payroll calculations are done by staff and are not reviewed by cheque signers. We were also told that staff prepares documentation for direct deposit of payroll amounts to the bank and that no subsequent review is done to ensure that the amounts deposited agree with the payroll calculations. For example, the on-call staff received 34 payments during the year. We did not see formal approval for some of the non-recurring amounts. In addition staff had accrued vacation and accumulated a considerable amount of lieu time. During the year several payouts of these amounts occurred through pre authorized payments

without Board approval. We suggest that the Board confirm with the staff exactly how much time is owed and establish a schedule for taking it. In addition lieu time should be approved by the Board on monthly basis. Any payout of lieu time should also be approved by the Board at the time of payment.

We recommend that completed payroll calculations be attached to a copy of the bank statement. Payroll transactions on the statement should be highlighted and reviewed by two bank signatories. They should confirm the amounts are correct and that all transactions are accounted for, and initial the documents to confirm their approval.

REVIEW OF CREDIT CARD STATEMENTS

During the audit, we noted that there was no indication of the credit card statements being reviewed. The credit card reached the credit limit and there were pre-authorized payments made to reduce the balance outstanding on the card so that it could be continued to be used. In addition, backup documents or invoices to support the charges on the credit card were not available. Without thorough review of the monthly credit card statements, the Co-operative is exposed to the risk of paying for expenses that it did not incur.

Doing a review of the backup documents is one of the most important controls in the purchasing process system. Initialling them after the review indicates that the purchase is acceptable for the Co-operative. We recommend that the cheque signers commence initialling the backup documents, for credit card statements, to confirm that they have reviewed and approved the purchases. We also recommend that the cheque signers initial the individual vouchers attached to the credit card statements to ensure there is supporting documentation for every credit card transaction. Any purchases without backup should be investigated immediately. In addition, the Co-op should consider removing the automatic pre-authorized payments to top up the credit-card, in order to ensure a timely review of the credit card costs is done prior to payment.

HOUSING CHARGE ARREARS

At the Co-operative's fiscal year end, the current member arrears for housing charges were \$24,059 (approx. \$171 per unit). This is very high for a project of your size and is about five times higher than last year. High arrears represent an increased level of risk to the assets of the organization. Prentice Yates and Clark recently analyzed the arrears balances of its Co-operative clients over a one year period and the average current member's arrears was \$130 per unit. We recommend that you review your collection process to determine what changes might be made to reduce the arrears.

HOUSING CHARGE/RENT PAYMENTS BY e-TRANSFER

During the audit, we noted that the Co-operative accepts e-transfer payments from some of its members for their housing charges. An e-transfer is akin to a cash payment in that anyone who has the incoming email can deposit it to any bank account that they want.

The Co-operative has a written policy that says cash will not be accepted in payment of housing charges. We recommend that you consider e-transfers in the same manner as cash payments and stop accepting them. We also suggest that you update your policies to state that the Co-operative will not accept an e-transfer in payment of housing charges so that future members and Boards understand that this is an important control. Should you decide that you wish to accept e-transfers, we recommend that you implement the following compensating controls.

1. Ensure that there is a review of arrears each month, independent from the staff doing the initial calculation and/or entering the RGI into the bookkeeping system (for example, by the Board or an Arrears committee). Send out arrears balance confirmations to all members who have arrears, every month.
2. Set up an email account that is used only for email payments with a name such as payment@name.ca. Send a message to every member that payments should only be sent to this email address (and post a sign in the office to that effect), and have your IT person automatically send a copy of every email that comes to that email address to someone other than the staff doing the initial calculation and/or entering the RGI into the bookkeeping system. Have the independent person periodically do a random check to ensure that payments which have been made have been applied to the right member's account. [Note – this item can be added to a Treasurer's checklist.]
3. Establish a policy that receipts will be sent for all e-transfers and send a notice to members that they should confirm receipt of the payment with the independent reviewer if they do not receive one (not with staff).

APPROVAL OF AUTOMATIC WITHDRAWALS

Each month a number of bills are paid through automatic withdrawals from the bank account. Currently, there is no formal approval of those payments as there is when cheques are signed.

We recommend that copies be made of each bank statement that contains an automatic withdrawal, and that the relevant supplier statement(s) are attached to it. Two cheque signers should initial the statement and backup to indicate that the bills have been approved. They should also confirm that there is a supplier statement attached for every automatic withdrawal.

PREPARATION AND REVIEW OF RECONCILIATIONS

Part of our auditing procedure each year is to review a sample of your monthly bank and investment reconciliations. We notice that the monthly bank reconciliations for the fiscal year never tied to the accounting records. Furthermore, these reconciliations were all created in a short time period after year end, rather than on a monthly basis. As a result they were not reviewed on a timely basis. These reconciliations represent a major item in your internal controls and should be thoroughly reviewed by someone other than the corporation's staff. They should also be prepared monthly.

We recommend that you have a member of the Board (preferably the Treasurer) verify and initial the bank and investment reconciliations on a regular basis, to check for accuracy and to ensure that outstanding items are cleared on a timely basis. The person doing the review should also look at the returned cheques to ensure that they have not been altered in any way.

LOAN TO PROPERTY MANAGER

During the prior year, the Co-operative made a \$2,500 loan to the property manager. We have been told that there no formal payment schedule. There is some risk, under these circumstances, that the loan will not be repaid or will be repaid at a much later date than expected. As of year-end, there is still an amount outstanding of \$500. We suggest that the Board ensure that the loan is repaid on time and, if it is not, prepare a written agreement to be signed by both the Board and staff confirming the remaining amount of the loan, the interest rate, and the repayment terms.

OVERSIGHT ON FINANCIAL LIABILITIES

Receiver general

During the year, we noticed the Co-operative did not remit any source deductions to the CRA for all the employees that work at the Co-operative. As of year-end the Co-op owes \$51,591 plus interest and late fees. By not remitting source deductions on a monthly basis the Co-op is incurring interest and penalties.

Penalties include:

- Interest could be charged on outstanding source deductions owing
- Board of Directors could be liable for outstanding amounts owing, if the Corporation does not pay the liabilities

In addition the Co-operative failed to remit the required 2018 T4 and T4 summary to Revenue Canada. These forms need to be filed by end by February each year as there could be additional late filing penalties.

Lastly bonuses paid to employees did not have source deductions remitted when paid. All bonuses require source deduction to be withheld and remitted to Revenue Canada.

We recommend that the Co-operative use the payroll calculator available in their accounting software, NewViews to estimate the monthly source deductions each month and to remit these amounts to Revenue Canada on a monthly basis.

Property taxes

During the audit, the Co-operative did not pay its property taxes on time. As a result the Co-operative incurred interest on the property taxes. The Board should monitor cash flows throughout the year and ensure that there is enough cash to pay the property taxes by the required deadline.

Capital projects

During the year, the Co-operative undertook several large capital projects and as a result there was a large cash outflow resulting in not enough cash to pay the final project related to the air conditioners. The Board should be monitoring the cash throughout the year and only accept projects if there is enough cash. Furthermore, it is important to have budgets in place and use them as a tool to monitor spending levels.

MONTHLY FINANCIAL STATEMENTS

It is our understanding that the Board of Directors is supposed to receive financial statements on a monthly basis. This did not occur this fiscal year, due to an attempt to change accounting software. Reviewing an up-to-date set of financial statements is one of the most important controls that the Board has over its financial transactions.

We recommend that financial statements are prepared on a timely basis so that the Board can review financial statements monthly, and that an adequate time be devoted to reviewing them at each meeting. The Board should receive a Statement of Operations (Income Statement) that compares budget to actual data, a Statement of Financial Position (Balance Sheet), and a summary of member arrears that shows the changes from the previous month. In the future the old accounting software should be continued to be used for at least a couple of months along with the new accounting software. Month ends should be compared under both systems to ensure accuracy, once both systems agree, then the old system can be terminated.

CONFLICT OF INTEREST RE SUPPLYING SERVICES

During the review of our internal control questionnaire, we were told that the Co-operative does not have a specific conflict of interest policies that prohibit (i) persons from working for the Co-operative who are related to Board members (ii) members from supplying services to the Co-operative and receiving remuneration for them and (iii) non-resident Board members from supplying services to the Co-operative. We were also told that the spouse of one Board member (who is no longer on the Board as of fiscal year-end) is providing on-call services for the Co-operative and that another

Board member is supplying maintenance services (approximately \$42,000 in repairs during the fiscal year). This type of situation can give rise to either perceived or actual conflict of interest and should be dealt with in a transparent way by the Co-operative.

We recommend that you develop a written policy that identifies and deals with these types of conflict. With respect to policy dealing with members supplying services to the Co-operative, some things you might consider in the policy are:

- (i) Is using residents as suppliers an acceptable practice?
- (ii) What tendering or quotation process is required if residents are hired?
- (iii) Who can approve hiring residents?
- (iv) Must residents move out of the Co-operative if they are hired?
- (v) Will the resident be treated as an employee or independent contractor (Canada Revenue Agency has fairly stringent tests to determine this)?

You should also note that any payments made to residents must be included in their income for purposes of calculating eligibility for RGI assistance.

CONFLICT OF INTEREST RE BOARD MEMBERS AND STAFF

It is our understanding that the Co-operative does not have a policy that addresses the potential conflict that arises when a relative of the staff is nominated for Board elections. This type of situation can give rise to either perceived or actual conflict of interest and should be dealt with in a transparent way by the Co-operative. We suggest that you develop a written policy that deals with this type of conflict. It should state whether or not the relative can accept nominations and, if elected, serve on the Board.

POLICY RE BOARD MEMBERS IN ARREARS

During the review of our internal control questionnaire, we were told that the Co-operative changed its bylaws this year to indicate that Board members can be in arrears of their housing charges and still be considered to be in good standing if they have a repayment agreement to which they are adhering. This is not a strong control. It is our experience that directors who are, themselves, in arrears may not be diligent in enforcing the Co-operative's collection policies and, over time, arrears may climb significantly. Good internal controls should prevent or remove the possibility of conflicts such as this from occurring. Many Co-operatives have a policy that a Board member must resign immediately if they go into arrears. We suggest that you review your policy and consider strengthening it.

RENT-GEARED-TO-INCOME (RGI) CALCULATIONS

Each year during our audit, we review a selection of members' files to ensure that subsidy calculations are correct and that income verification documentation is adequate. It is our understanding that a review of some of the calculations is performed by the Region yearly to ensure that they are correct.

We would like to suggest another individual (staff or a Board member) other than the person preparing the calculations review all calculations. The reviewer should **initial** the documents to indicate they have been reviewed and approved. This will give both the Co-operative and the member an assurance that the review has been completed and the calculations are correct.

DAYCARE INVOICING

During the year, we were told that there are disagreements between the Co-operative and Daycare regarding the amounts being charged to the Daycare. As a result, the Daycare is only paying what they believe they owe instead of what is being invoiced, causing a large receivable to the Co-operative. The snow removal percentage is being disagreed on even though there is a contract that states the percentage. It should be made clear to the Daycare that unless there is a signed agreement that supersedes this contract, then the percentage in the current contract needs to be followed. There are also disputes over the utilities. One potential solution, if the Daycare does not agree with the Co-operative's invoicing then the best alternative would be to install/use their own meters and have the bills sent directly to the Daycare. As a result, any disagreements would be between the Daycare and utility company.

HST NUMBER ON INVOICES

During the audit, we found invoices with no HST number of them; however HST was being charged to the Co-operative. The Co-operative cannot claim a HST rebate on HST paid if the vendor does not have a HST number. As a result, the Co-operative is losing out on rebates it could have potentially claimed. We recommend that when cheque signers review the invoices, they verify that an invoice with HST has a corresponding HST number listed on the invoice.

STORAGE OF CREDIT CARDS

During the review of our Internal Control Questionnaire, we were told that the Co-operative's Staples card is carried by the super. This poses a risk that it might become lost, stolen or misused. We recommend that the card be stored in a secure place at the Co-operative when it is not in use.

T4 HOUSING ALLOWANCE

The payroll calculation for the two superintendents did not include the housing allowance as a taxable benefit. Housing allowances are considered to be a taxable benefit and the full 100% should be counted as such and added as a taxable benefit when calculating employee deductions. We recommend that the Co-operative begin to calculate a taxable benefit of 100% of the housing allowance or request a letter from CRA approving a lower allowance.

MEMBER DEPOSITS

The Co-operative has a policy requiring members to have a deposit equal to one month's housing charge, payable at the time of first occupancy. At the time of the audit, not all members had deposits that conformed to this policy. We recommend that the Co-operative implement a procedure whereby deposit balances are reconciled and updated on a regular basis (at least annually). In addition, member deposits should not be applied to arrears until the member has vacated the unit.

TREASURER'S CHECKLIST

We understand that the Co-operative does not have a checklist for the review procedures that should be performed by the Treasurer. It is important for continuity of your operations that someone ensures that your financial processes and procedures continue to function properly. This is something that the Treasurer can/should do. Because a Co-operative's Treasurer frequently changes, setting out the Treasurer's tasks in a checklist can help maintain the continuity.

We recommend that a checklist be compiled of the Treasurer's tasks and that the Treasurer initials the tasks on the checklist to indicate they have been completed. We also suggest the Board of Directors review the checklist monthly to ensure tasks are completed.

HOUSING CHARGES

During the audit, we noticed there were errors in the bookkeeping system regarding the processing of gross (market) housing charges. Some of the RGI units were classified as market units in the bookkeeping system, making both the RGI Housing Charges and Market housing charges incorrect. The adjustment we made was based on the accounting records of RGI subsidy allocated. It was a substantial adjustment and would have affected the accuracy of the monthly financial statements reviewed by the Board. We recommend that, in the future, every RGI subsidy allocated unit be charged the correct gross RGI housing charge for the month. Units that become vacant should remain classified as they were at the time of vacancy, until a new member occupies them. That is, a market unit that becomes vacant remains classed as a market unit while it is vacant even if it subsequently becomes an RGI unit.

OPERATING BUDGETS

During our audit, we were told that the Co-operative does not have a budget for fiscal 2019 and fiscal 2020. We suggest that the Corporation create a budget for fiscal 2020 and for every year thereafter annually. During the year the Board should regularly review a budget-to-actual comparison of the Income Statement and it must actively make decisions regarding changes to revenues and expenses from what was budgeted.

CAPITAL PLANNING

It is our understanding that your current long-term plan has not been used to help manage the capital planning process in the Co-operative. If this is the case, we suggest that you develop an annual capital planning process that parallels the operating budget process and identifies capital replacements that will be undertaken during the coming year. The long-term plan is extremely useful in identifying capital replacement requirements. It can also be used to identify preventive maintenance that can be done that will extend the life of your capital assets.

This communication is prepared solely for the information of William Peak, and is not intended for any other purpose. We accept no responsibility to a third party who uses or relies upon it. This letter should not be used as a performance measure for your staff.

We believe that the implementation of these recommendations will permit **William Peak Co-operative Homes Inc.** to further strengthen its internal controls. We will be pleased to provide any clarification or assistance that may be required to achieve this.

We would like to thank Danica Pierce, Tammy Watson, and Mike Hill for their assistance in completing our questionnaires.

Should you have any questions or comments regarding this letter, please contact us.

Very truly yours,

PRENTICE YATES & CLARK



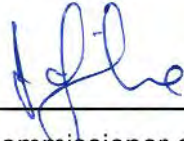
Paul Jaroszko, CPA, CA, LPA

Partner

PJ:pn

D

THIS IS EXHIBIT "D" TO THE
AFFIDAVIT OF JOANNE CERMAK
SWORN BEFORE ME THIS 9th DAY
OF JULY, 2020.



A Commissioner etc.

Jeffrey W. Tighe
Barrister and Solicitor

Receivership Services Agreement

THIS AGREEMENT made in duplicate the 14th day of February, 2020
BETWEEN:

Regional Municipality of
Durham
(hereinafter called the "Service Manager")

-and-

Deloitte Restructuring Inc.
(hereinafter called the "Receiver")

WHEREAS the Region has been designated the Service Manager for the Regional Municipality of Durham for the purposes of the Housing Services Act, 2011 (the "Act") and regulations thereunder;

AND WHEREAS the responsibility for administering and funding the housing program relating to the William Peak Co-operative Homes Inc. (the "Housing Provider") is provided by the Service Manager under the Act;

AND WHEREAS the Housing Provider has failed to operate the subject housing project (the "Housing Project" as defined below) properly;

AND WHEREAS the Housing Provider has failed to comply with the notice of triggering event provided to the Housing Provider dated **October 21, 2019**;

AND WHEREAS in the opinion of the Service Manager, the Housing Provider has failed to operate the Housing Project properly, and based on the January 23, 2020 audit letter of Prentice, Yates & Clark, the Housing Provider has demonstrated that it is unable to pay its debts as they become due;

AND WHEREAS the Service Manager appointed by agreement the Receiver to provide interim receivership and management services under section 95(5) of the Act;

AND WHEREAS the Service Manager appointed the Receiver on February 14, 2020 pursuant to paragraph 6 of section 85 of the Act, as the receiver and manager of the Housing Project and the Service Manager and the Receiver have agreed to execute this Agreement which sets out further terms and conditions of the receivership;

In consideration of the mutual covenants and agreements contained herein and subject to the terms and conditions herein contained, the parties agree as follows:

1) Definitions

For the purposes of this Agreement, the following terms shall, unless the context requires otherwise, have the meanings specified in this article:

"Housing Project" shall mean all or part of the residential accommodation, including facilities used for ancillary purposes, located in one or more buildings used in whole or in part for residential accommodation, owned and operated by the Housing Provider, located at 1990 Whites Road, Pickering, ON, L1V 6P5;

"Property Manager" shall mean a company hired under a property management agreement to manage the Housing Project; or staff of the Housing Provider that have been hired under an employment contract to manage the Housing Project.

"Services" shall mean the services described in the Terms of Reference for Receiver attached to this Agreement as Schedule 1.

"Schedule" - The following schedule is attached (as amended or replaced from time-to-time) and forms an integral part of this Agreement:
Schedule 1 - Terms of Reference for Receiver

2) Obligations of the Receiver

The Receiver shall act in accordance with and provide the Services as described in this Agreement and as found in the Act and its regulations.

The Receiver shall, in accordance with section 95(8) of the Act, provide a copy of this Agreement to the Housing Provider.

The Receiver shall adhere to the reporting requirements to the Housing Provider and Service Manager in accordance with section 95(17) of the Act.

3) Term

This Agreement shall become effective as and from the date Receiver was appointed the interim receiver and manager of the Housing Project and in accordance with Section 95(2) shall terminate within 180 days; unless the Superior Court of Justice orders otherwise on the application of the Service Manager made before the expiry of the 180 day period pursuant to s. 85(7) and 95(3) of the Act.

4) Termination

- a) In the event either party wishes to terminate this Agreement they may do so by providing sixty (60) days prior written notice to the other party. All provisions which by their terms are intended to survive the termination of this Agreement or the appointment of the Receiver as receiver and manager of the Housing Project, shall survive the termination of this Agreement or appointment in accordance with their terms.
- b) The Service Manager reserves the right to terminate this Agreement and the appointment without cause, upon such conditions as the Service Manager may require, on forty-eight (48) hours written notice to the Receiver.
- c) If the Service Manager terminates this Agreement and the appointment prior to its expiration, the Service Manager shall only be responsible for ensuring payment, from the revenues of the Housing Project or from funds provided by the Service Manager, of the Receiver's professional fees and disbursements incurred in connection with this Agreement up to and including the date of termination. Notice of termination may be sent by registered mail or hand delivered to the last known address of the Receiver.
- d) Notwithstanding termination of this Agreement or any appointment, any outstanding obligations of either party under this Agreement shall continue until performed or satisfied.
- e) Upon termination of the appointment pursuant to this Article 4, or the expiry of this Agreement or of the appointment of the Receiver pursuant to Article 3, the Receiver shall return control of all property, assets and books to the Housing Provider, or to another party as directed by the Service Manager, within forty-eight (48) hours of termination. Such property, assets and books include but are not limited to: all keys, invoices, books of account, leases,

operating contracts, working papers, data and information which the Receiver may have in its possession pertaining to the Housing Provider and the Housing Project, either in hard-copy or electronic format. The Receiver acknowledges and agrees that these are the sole and exclusive property of the Housing Provider.

All data and information in electronic format shall be returned to the Housing Provider in a form compatible with the operating system and software of the Housing Provider's computer(s).

5) Fees and Disbursements

- a) The Service Manager shall authorize payment of the Receiver's reasonable professional fees and disbursements from the funds of the Housing Provider derived from the Housing Project, as authorized by subsection 95(13) of the Act, subject to the following conditions:
 - i) The Receiver shall provide the Service Manager with a billing each month showing details of all professional fees and disbursements incurred during the prior month, which is subject to Service Manager's approval; and
 - ii) The Receiver's disbursements shall consist of the Receiver's out-of-pocket expenses incurred in connection with carrying out the Receiver's duties. The nature of such disbursements shall be mutually agreed to by the parties and shall be charged on a direct cost pass through basis with no markup or other charges added.

6) Limitations

- a) The Receiver shall not terminate any of the Housing Provider's agreements without the prior written approval of the Service Manager, nor enter into any new agreements for a term in excess of the term of Receivership without the prior written approval of the Service Manager or as directed in the Schedule.
- b) The Receiver shall not sell or otherwise dispose of any of the assets of the Housing Provider without the express consent of the Service Manager, in accordance with Section 95(10) of the Act.

7) Assignment

The Receiver shall not assign this Agreement or any part thereof, without the prior written approval of the Service Manager.

8) Communication and Notice

- a) The Receiver shall identify in writing one or more contact persons, who are authorized by the Receiver to accept appointments as a receiver or receiver and manager of a Housing Provider and respond on its behalf and who can respond to requests from the Service Manager and receive information from and transmit information to the Service Manager and shall give notice to the Service Manager of any change in the contact person. The initial contact person shall be:
 - i) For the Service Manager: Joanne Cermak
 - ii) For the Receiver: Phil Reynolds
- b) All communications and notices pertaining to this Agreement shall be in writing and will be delivered by electronic mail addressed as follows:
 - i) To the Service Manager:

Region of Durham
605 Rossland Road East, PO Box 623 Whitby, ON L1N 6A3

Attention: Joanne Cermak, Director of Financial Services
 Joanne.cermak@durham.ca

- ii) To the Receiver:
- Phil Reynolds, Senior Vice President
 Deloitte Restructuring Inc.
 8 Adelaide St. W., Suite # 200
 Toronto, ON.
 Telephone (416) 956-9200
 Email: philreynolds@deloitte.ca

9) Liability and Indemnity

- (a) In consideration of the acceptance of the Service Manager's appointment of the Receiver as interim receiver and manager in respect of the assets, property and undertaking of the Housing Provider, the Service Manager hereby agrees to indemnify and save harmless the Receiver, its respective affiliates, employees, officers, directors and agents against and from all loss, cost, damages and expenses incurred, suffered or sustained by the Receiver in connection with such appointment, (other than as a result of negligence or willful misconduct on the part of the Receiver) whether arising as a result of the Service Manager not having had the right to make such appointment or otherwise and other than as a result of the failure of the Receiver to act in a commercially reasonable manner and in accordance with the provisions of the Bankruptcy and Insolvency Act or the Act.

For greater certainty, but without limiting the generality of the paragraph above, the claims, liabilities, costs and expenses in respect of which the Receiver is indemnified and held harmless shall include actual or contingent liabilities arising out of or in connection with environmental-related or employment related legislation, regulations or administrative actions or obligations or responsibilities arising in connection with unions or pension plans pertaining to any such persons; liabilities for amounts deemed by statute to be held in trust for any purpose; remittances or withholdings due to any governmental authority, including but not limited to employee source deductions, G.S.T. and P.S.T., and liabilities for amounts claimed by secured creditors or governmental claimants, and the Receiver's reasonable fees and disbursements including its reasonable legal fees and disbursements and other reasonable professional costs incurred in dealing with any claim or liability.

The Receiver agrees to indemnify and save the Service Manager harmless from all claims, liabilities, costs or expenses that the Service Manager may incur or that may be asserted against the Service Manager arising out of this Agreement to the extent that they are attributable to the negligence or willful misconduct of the Receiver.

10) Insurance

The Receiver shall continuously maintain throughout the term of the Agreement and pay for the following insurance coverage:

- a) Commercial General Liability insurance including personal injury, broad form contractual liability, owners and contractors protective, completed operations, and non-owned automotive liability in an amount of not less than five million dollars (\$5,000,000.00) applying to all contracts for claims arising out of one occurrence; and
- b) Professional Liability (Errors and Omissions) in an amount of not less than two million dollars (\$2,000,000.00) per claim with an aggregate limit of four million dollars (\$4,000,000.00).

The Commercial General Liability policy shall include the Service Manager as an additional insured in respect of all operations performed by or on behalf of the Receiver in relation to the Agreement requirements and be endorsed to provide the owner with not less than thirty (30) days written notice in advance of any cancellation, change or amendment restricting coverage.

11) Conflict of Interest

- a) The Receiver, any sub-contractors and any of their respective advisors, partners, directors, officers, employees, agents and volunteers shall not engage in any activity or provide any services to the Service Manager where such activity or the provision of such services, creates a conflict of interest (actually or potentially in the sole opinion of the Service Manager) with the provision of the Services pursuant to this Agreement. The Receiver acknowledges and agrees that it shall be a conflict of interest for it to use confidential information of the Service Manager relevant to the Services where the Service Manager has not specifically authorized such use.
- b) The Receiver shall disclose to the Service Manager without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.
- c) A breach of this Article 10 by the Receiver shall entitle the Service Manager to immediately terminate this Agreement, in addition to any other remedies that the Service Manager has under this Agreement, in law, or in equity.

12) Confidentiality

The Receiver agrees that all of its employees and/or agents having access to materials and personal information regarding the tenants of the Housing Provide by virtue of this Agreement and its appointment as receiver and manager over the Housing Project, shall treat same as confidential personal information not to be disclosed to third parties or used in any unauthorized way except in accordance with the provisions of the Act. In addition, the Receiver shall not disclose or use any information that the Service Manager cannot or may not wish to disclose or use under the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M56*.

13) Arbitration

- a) In the case of any dispute between the parties as to the meaning of any part of this Agreement or any appointment or about a claim arising hereunder or thereunder, the parties may submit the dispute to a single arbitrator under the *Ontario Arbitration Act, 1991* who shall be (i) an individual agreed to by the Parties if permitted by law; or (ii) if required by applicable law, a judge of the Superior Court of Justice of Ontario in accordance with the provisions of the *Municipal Arbitrations Act, R.S.O. 1990, Chap. M.48, as amended from time to time*;
- b) The arbitrator shall be qualified and licensed to practice in Ontario and shall reside within 50 kilometre radius of the Service Manager's headquarters. The arbitrator may appoint counsel and may submit to him disputed points of law, and the arbitrator may act upon the advice of counsel, and may apportion and charge the cost thereof between the parties hereto.

14) Waiver

The failure by the Service Manager to insist on one or more instances upon the performance by the Receiver of any of the terms or conditions of this Agreement or any appointment shall not be construed as a waiver of Service Manager's right to require future performance of any such terms or conditions, and the obligations of the Receiver with respect to such future performance shall continue in full force and effect. A waiver is binding on the Service Manager only if it is in writing.

15) Enurement

- a) This Agreement will operate to the benefit of and will be binding upon the successors and assigns of the Service Manager and upon the permitted successors of the Receiver.

16) Priority

In the event of a conflict or inconsistencies between the provisions of the various documents which comprise this Agreement, it shall be resolved, in accordance with the following priorities:

- a) Firstly, the provisions of the Schedule;
- b) Secondly, the provisions of the body of this Agreement;
- c) Lastly, the provisions of any other material incorporated by reference into this Agreement.

17) Time of the Essence

Time is of the essence in this Agreement and any dates or deadlines are to be strictly adhered to.

18) Interpretation

- a) This Agreement shall be construed in accordance with the laws of the Province of Ontario.
- b) The headings which precede the paragraphs of this Agreement are merely for the assistance of the reader and do not affect the meaning, effect or construction of the Agreement.
- c) Whenever words that have well known technical or trade meanings are used in this Agreement, they are used in accordance with such recognized meanings.

19) Authority

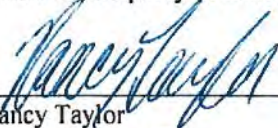
Each party stipulates that it has full authority to enter into and perform under this Agreement, and the person signing this Agreement on behalf of the named party is properly authorized to sign it, and each party further acknowledges that it has read this Agreement, understands it and agrees to be bound by it.

20) General

- a) If any term, covenant or condition of this Agreement be held in whole or in part invalid or unenforceable, the remainder of the Agreement shall not be affected thereby and each term, covenant and condition of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.
- b) This Agreement shall not be modified or amended except, after approval by the Service Manager, by an instrument in writing signed by the parties hereto or by their successors and assigns.

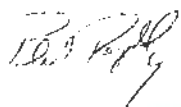
IN WITNESS WHEREOF

The Regional Municipality of Durham

Per: 
Name: Nancy Taylor
Title: Commissioner of Finance

Date of Signing: Feb 19/20

Deloitte Restructuring Inc.

Per: 
Name: Philip J. Reynolds
Title: Senior Vice President

Date of Signing: February 19, 2020

Schedule I

Terms of Reference for Receiver

Services

Scope of Work**Stabilization of Existing Situation**

- Take possession of all bank accounts (including new banking services) and rent rolls; signify to whom rent payments will be made to;
- Identify critical operational issues, including building condition and property management issues;
- Identify critical financial issues, including rental arrears and capital requirements;
- Prepare cash flow forecast and determine additional funding requirements;
- Conduct a process to identify an appropriate Property Manager and make recommendation; and
- Direct the review of all RGI files and re-calculate RGI as necessary

Financial and Governance Review

- Conduct a detailed review of the Housing Provider's financial affairs for the twelve months preceding Deloitte's appointment, including procurement contracts and the application for and disposition of subsidies;
- Prepare a report to the Service Manager setting out the results of the foregoing investigation and, where necessary, prepare information to be provided to law enforcement;
- Conduct a review of the Housing Provider's board of directors' activities and the Housing Provider's governance structure; and
- Prepare a report to the Service Manager including recommended changes to governance structure.

Reporting and Coordination

- Regular reports to the Service Manager setting out the activities of the Receiver;
- Meetings with representatives and/or stakeholders of the Housing Project as needed;
- Assess requirement of forensic audit in consultation with the Service Manager;
- Provide comprehensive report at 60-day mark to facilitate potential next steps prior to the expiry of initial 180 days; and
- Assisting the Service Manager with preparations for a court application to appoint a receiver (manager) or extend the appointment of the Receiver, if necessary.

Maintenance and Transition

- Throughout the engagement, ensure the timely collection of rents and perform regular maintenance;
- Where necessary, engage consultants or experts to evaluate the need for capital repairs and arrange for same to be conducted;
- Other steps necessary to comply the requirements of the Act;
- Identify suitable candidates to serve on a replacement board of directors, where necessary; and
- Facilitate the transfer of control back to a duly appointed board of directors.

Deloitte Hourly Rate Card

Resource Level	Hourly Rate
Partner / Principal / Director	\$550
Senior Manager	\$450
Manager	\$360
Senior Consultant	\$300
Consultant	\$275
Analyst	\$225

E

THIS IS EXHIBIT "E" TO THE
AFFIDAVIT OF JOANNE CERMAK
SWORN BEFORE ME THIS 9th DAY
OF JULY, 2020.



A Commissioner etc.

Jeffrey W. Tighe

Barrister and Solicitor

**FIRST REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS INTERIM RECEIVER OF
WILLIAM PEAK CO-OPERATIVE HOMES INC.**

DATED MARCH 18, 2020

TABLE OF CONTENTS

INTRODUCTION AND PURPOSE OF THIS REPORT	2
TERMS OF REFERENCE	2
BACKGROUND	3
ACTIVITIES OF THE RECEIVER.....	4
COVID-19	6
FINANCIAL POSITION	7
REVIEW OF FINANCIAL AFFAIRS AND ACCOUNTING IRREGULARITIES.....	11
COURT APPOINTMENT	12
ITEMS FOR CONSIDERATION BY THE REGION	13

APPENDICES

APPENDIX “A”:	RECEIVERSHIP SERVICES AGREEMENT
APPENDIX “B”:	NOTICE OF TRIGGERING EVENT
APPENDIX “C”:	RESPONSE TO NOTICE OF TRIGGERING EVENT
APPENDIX “D”:	FORECAST
APPENDIX “E”:	SUMMARY OF PRELIMINARY REVIEW

INTRODUCTION AND PURPOSE OF THIS REPORT

1. On February 14, 2020 (the “**Date of Appointment**”), Deloitte Restructuring Inc. was appointed as interim receiver (the “**Receiver**”) of William Peak Co-Operative Homes Inc. (the “**Company**”) by the Regional Municipality of Durham (the “**Region**”) under section 95(5) of the Housing Services Act, S.O. 2011, c.6 (the “**Act**”). Deloitte and the Region entered into a Receivership Services Agreement dated February 19, 2020 (the “**Agreement**”). A copy of the Agreement is attached hereto as **Appendix “A”**.
2. This is the first report (the “**First Report**”) of the Receiver to the Region. The purpose of this First Report is to provide the Region with information in respect of:
 - a) The Receiver’s activities since the Date of Appointment;
 - b) The financial position of the Company; and
 - c) The results of the Receiver’s preliminary forensic review.

TERMS OF REFERENCE

3. In preparing this First Report, Deloitte has been provided with, and has relied upon, unaudited, draft and / or internal financial information, the Company’s books and records, discussions with the Company’s management, shareholders and employees, and information from third-party sources (collectively, the “**Information**”). Except as otherwise described in this First Report:
 - a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte 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*, and accordingly the Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.

- b) The future oriented financial information referred to in this report was compiled by Deloitte using estimates and assumptions provided by the Company’s management. Readers are cautioned that, since forecasts are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the forecasts, and the variations could be significant.
 - c) Deloitte has filed this First Report solely for the purpose of providing information to the Region. Parties using the First Report other than for the purposes outlined herein are cautioned it may not be appropriate for their purposes.
4. Unless otherwise stated, all dollar amounts contained in this First Report are expressed in Canadian Dollars.

BACKGROUND

- 5. William Peak Co-Operative Homes Inc. operates the William Peak Co-op social housing property located at 1990 Whites Road, Pickering Ontario (the “**Premises**”).
- 6. Between April 9 and 10, 2019, the Region conducted an operational review of the Company and subsequently on October 21, 2019 issued a Notice of Triggering Event (the “**Notice**”) pursuant to section 83 of the Act. A copy of the Notice is attached hereto as **Appendix “B”**. The Notice set out a deadline of December 23, 2019 for the Company to respond with an action plan to address the issues set out in the Notice.

7. On or about December 16, 2019 the board of directors (the “**Board**”) of the Company issued a response (the “**Response**”) to the Notice. A copy of the Response is attached hereto as **Appendix “C”**.
8. The Region determined that the Response did not satisfactorily address the issues raised in the Notice and moved to appoint the Receiver as the interim receiver in accordance with the Act.

ACTIVITIES OF THE RECEIVER

9. Immediately following the Date of Appointment, the Receiver attended at the Premises and met with representatives of Pro Edge Management Inc. (the “**Manager**”), which had been engaged by the Board to provide property management services following the Board’s termination of Danica Pierce (“**Pierce**”), the previous property manager. We note that the Manager has worked with Deloitte on previous social housing receiverships and has considerable experience in this area. The Receiver’s activities since the Date of Appointment have included, *inter alia*, the following:

Conservatory Measures

The principal conservatory measure taken by the Receiver include:

- a) Instructed the Manager to change the locks to the property management office, which houses all of the books and records of the Company;
- b) Took possession of and signified the Company’s rent rolls;

- c) Placed the Company's account at Alterna Savings (the "**Alterna Account**") on a deposit-only basis and transferred the balance of funds to the Receiver's trust account (the "**Trust Account**");
- d) Placed access restrictions on the Company's investments held by Worldsource Financial Management Inc. (the "**Worldsource Account**");
- e) Met with Board members to advise them of the Receiver's appointment and mandate;
- f) Retained counsel to assist the Receiver and address legal issues related to the Premises or the Appointment;
- g) Confirmed and continued the engagement of Pro Edge Management Inc. as property manager; and
- h) Collected property of the Company held by former employees.

Member Communications

- i) Caused the Manager to deliver a notice to each household advising the Members of the Receiver's appointment and mandate;
- j) Met with individual co-operative members (the "**Members**") who had questions or concerns about the Receiver's appointment and mandate;
- k) Caused the Manager to deliver a notice to each household setting out the procedure for payment of housing charges; and

- l) Held an information session for Members on Friday, February 28, 2020 in order to communicate the Receiver's appointment and mandate and provide Members with an opportunity to express concerns and ask questions.

Physical Inspections

- m) Conducted a visual inspection of the Premises, which is generally in good repair other than minor issues with interlocking stone in certain pathways and potholes in some roadways; and
- n) Met with certain Members who advised the Receiver of problems with their units or with previous work done.

Capital Plan and Governance Review

10. The Receiver is currently reviewing the capital plan prepared by the Manager and will provide a copy of the plan to the Region due course. The Receiver is also undertaking a review of the Company's governance structure and will provide a report to the Region setting out recommendations for changes to the Company's governance structure as required by the Agreement.

COVID-19

11. The Receiver and the Manager are actively monitoring the situation around the COVID-19 virus, and will take steps to enact the recommendations of public health and government authorities as they are issued. Steps taken to date include:
 - a) Closure of First Steps Childcare (the "**Daycare**") effective March 17, 2020. The Receiver has received written confirmation from the Daycare that it will be closed

until the provincial government announces licensed child care facilities may reopen;

- b) Engaging a commercial cleaning company to conduct multiple “deep cleanings” of the common areas of the Premises;
- c) Advising Members that the Manager’s offices will be closed to Members until April 5, 2020 and asking Members to arrange for post-dated cheques or pre-authorized payment of housing charges for April and May, 2020;
- d) Restricting unit entry by Company employees to cases of emergency and deferring all non-emergency work orders; and
- e) Instructing the Manager to ensure that its employees work remotely wherever possible.

FINANCIAL POSITION

12. The Manager has raised serious concerns with respect to the integrity of the Company’s financial records, and specifically with respect to the recording of housing charges. The Receiver will work with the Manager over the coming weeks to identify the scope of work necessary to resolve these issues and will advise the Region accordingly.
13. The Receiver, working in concert with the Manager, has prepared a cash flow forecast (the “**Forecast**”) for the period February 28, 2020 to August 28, 2020 (the “**Cash Flow Period**”). A copy of the Forecast is attached hereto as **Appendix “D”**. A summary of the Forecast is set out below.

Receipts	
Housing Charges	\$ 699,824
Funding	869,897
Other Receipts	165,526
Total Receipts	\$ 1,735,247
Disbursements	
Mortgage & Property Taxes	939,566
Professional Fees	402,591
Utilities	193,935
Repairs & Maintenance	191,177
Payroll & Benefits	169,879
General & Administrative	138,866
Capital Reserve	99,413
Total Disbursements	\$ 2,135,426
Change in Cash Position	\$ (400,180)
Opening Cash Balance	\$ 120,688
Change in Cash	(400,180)
Closing Cash Balance	\$ (279,492)

14. As stated above, the Manager and the Receiver have concerns about the accuracy of the Company's accounting records, including whether they accurately reflect the Company's liabilities, among other things. The Receiver will continue to work with the Manager to identify any undisclosed liabilities and other irregularities and will update the Forecast accordingly. In the interim, the Receiver has included a contingency for undisclosed liabilities of 5% of disbursements over the Cash Flow Period. This contingency is allocated in monthly amounts of \$14,583.
15. The Receiver notes that the Forecast indicates a shortfall of \$308,307 over the Cash Flow Period. The Forecast suggests that the Company will have sufficient cash on hand to cover disbursements to the week ending May 22, 2020, and will be in a shortfall position for the

remainder of the Cash Flow Period. The maximum shortfall over the Cash Flow Period is \$308,307.

16. Based on its preliminary review of the Company's financial records, the Receiver believes that, absent restructuring costs and past-due accounts payable, the Company would enjoy positive cash flows on a monthly basis.
17. The Receiver notes the following with respect to specific accounts in the Forecast:

Housing Charges

- a) The Receiver understands the Region has recently completed a review of the rent geared to income ("RGI") calculations for Members' housing charges, and that this review could result in a change to forecasted housing charges. The Receiver has been advised that the Region anticipates issuing the results of its review shortly. The Receiver will provide an updated Forecast after incorporation the results of the review;
- b) The Forecast assumes that housing charge arrears in the approximate amount of \$12,500 will be collected over the Cash Flow Period, as set out in line 10 of the Forecast. The Manager is working to reconcile the housing charge arrears and the Receiver will update the Forecast to reflect the reconciled amount once confirmed. There is a risk that housing charge arrears will not be collected as forecast, particularly in light of the limited availability of courts resulting from COVID-19 closures;

Other Receipts

- c) Members are currently paying monthly charges (the “**AC Charges**”) ranging from \$16 to \$37 per unit to recover the capital costs of installing air conditioners. The Region has advised the Receiver that there may be an issue with the application of the AC Charges to RGI units, which may reduce non-housing charge receipts set out in the Forecast. Furthermore, due to deficiencies in the documentation of the Members’ meeting authorizing the charge, the Company may be unable to enforce collection of the AC Charges;

Professional Fees

- d) The Receiver’s fees as set out in the Forecast do not include fees relating to a full forensic review of the Company’s finances. Should the Region wish to proceed with a review, the Forecast will be updated with additional fees as agreed with the Region;
- e) The Receiver’s fees to date reflect the activities set out above, which correspond to the scope of work set out in the Agreement;
- f) The Receiver’s legal fees assume that counsel will not be involved in protracted litigation or the necessity to seek a court appointment to further support the ability of the Receiver to perform its duties. Should any such disputes or court appointment arise the Forecast may require adjustment;

Repairs and Maintenance

- g) As the Manager has not completed unit inspections, the Receiver has included a contingency of \$5,000 per month for unit repairs and maintenance.

REVIEW OF FINANCIAL AFFAIRS AND ACCOUNTING IRREGULARITIES

18. The Receiver has conducted a preliminary review of transactions between February 1, 2019 and February 28, 2020. A detailed summary of this review is attached hereto as **Appendix “E”**. The Receiver’s review identified the following areas of concern:
- a) Payments to contractors and third party vendors where (i) payments are not commercially reasonable or (ii) the work was not done or was not done properly;
 - b) Payments to parties related to former Board members;
 - c) Payments to Pierce that appear to be in excess of legitimate entitlements;
 - d) Credit card purchases using a Company card that do not appear to reflect legitimate expenses of the Company;
 - e) Conflicts of interest; and
 - f) Potential misappropriation of housing charge payments.
19. The Receiver has reviewed the Company’s insurance policy and notes that it may be possible to recover inappropriate charges to the credit card and certain overpayments to Pierce by way of insurance claim. The Receiver estimates the amount of a potential claim at \$38,000, as set out below. The Receiver recommends further investigation of matters related to Pierce’s entitlements and expense claims and potentially fraudulent credit card charges.

- 12 -

Pierce - Salary	\$ 20,750.00
Pierce - Expenses	\$ 2,471.00
Credit Card	\$ 15,382.00
	<hr/>
	\$ 38,603.00

20. The Receiver is unable without further investigation to quantify the potential loss to the Company arising from issues relating to contractors and vendors. Further investigation would require the Receiver to conduct extensive unit inspections to determine the quality of work done, and potentially to engage third party consultants to assess the quality of capital repairs. Based on the cost involved in investigation and potential litigation and the uncertainty of realization, the Receiver does not recommend any additional investigation into these matters.

COURT APPOINTMENT

21. The Act allows for the appointment of the Receiver as a receiver pursuant to an order of the Ontario Superior Court. A court appointed receiver would have greater powers than the current interim receiver and, being subject to court review, the receiver would also have greater protection against any criticism of its efforts.
22. At this point, the Receiver is reviewing whether such an appointment is merited. As evidenced by this report, the absence of a court appointment has not hindered the ability of the Receiver to perform its mandate to date.
23. The Receiver is mindful of the increased costs that would accompany a court appointment. However, the Receiver notes that a court appointment would provide certain advantages to both the Receiver and the Region:

- a) A court-appointed Receiver would have enhanced powers that would facilitate collection of housing charges;
 - b) Funds advanced to a court-appointed Receiver would enjoy a priority charge over creditors, subject to existing secured creditors and priority charges;
 - c) A court appointed receiver would also have wider investigative powers and the ability to compel production of information from third parties, should that be necessary in this matter. It would also create a stay preventing any parties from taking any steps against the Premises absent court approval; and
 - d) A court appointment would provide a forum for stakeholders to voice objections, and for the court to provide advice and direction, and a means to obtain court approval of the Receiver's actions. As an independent officer of the court, the Receiver would not be an agent of the Region.
24. It may also be necessary to seek a court appointment if further review of the Premises demonstrates that it is unable to meet its obligations as they fall due. There may be a greater risk of this if the COVID 19 virus impacts operations.
25. No steps will be taken at this time to seek court appointment without express instructions from the Region to do so.


ITEMS FOR CONSIDERATION BY THE REGION

26. The Receiver respectfully submits that the Region should consider the following points at its earliest convenience:

- a) Additional funding necessary to address potential cash-flow shortfalls as set out above;
- b) Whether the appointment of a court-appointed receiver is appropriate; and
- c) Whether the Region wishes to expand the scope of the forensic review conducted by the Receiver to date.

All of which is respectfully submitted at Toronto, Ontario this 18th day of March, 2020

DELOITTE RESTRUCTURING INC.,
Solely in its capacity as Interim Receiver
of William Peak Co-Operative Homes Inc.
and without personal or corporate liability



Per:

Phil Reynolds, CIRP, LIT
Senior Vice-President

APPENDIX "A"

Receivership Services Agreement

THIS AGREEMENT made in duplicate the 19th day of February, 2020
BETWEEN:

Regional Municipality of
Durham

(hereinafter called the "Service Manager")

-and-

Deloitte Restructuring Inc.

(hereinafter called the "Receiver")

WHEREAS the Region has been designated the Service Manager for the Regional Municipality of Durham for the purposes of the Housing Services Act, 2011 (the "Act") and regulations thereunder;

AND WHEREAS the responsibility for administering and funding the housing program relating to the William Peak Co-operative Homes Inc. (the "Housing Provider") is provided by the Service Manager under the Act;

AND WHEREAS the Housing Provider has failed to operate the subject housing project (the "Housing Project" as defined below) properly;

AND WHEREAS the Housing Provider has failed to comply with the notice of triggering event provided to the Housing Provider dated **October 21, 2019**;

AND WHEREAS in the opinion of the Service Manager, the Housing Provider has failed to operate the Housing Project properly, and based on the January 23, 2020 audit letter of Prentice, Yates & Clark, the Housing Provider has demonstrated that it is unable to pay its debts as they become due;

AND WHEREAS the Service Manager appointed by agreement the Receiver to provide interim receivership and management services under section 95(5) of the Act;

AND WHEREAS the Service Manager appointed the Receiver on February 14, 2020 pursuant to paragraph 6 of section 85 of the Act, as the receiver and manager of the Housing Project and the Service Manager and the Receiver have agreed to execute this Agreement which sets out further terms and conditions of the receivership;

In consideration of the mutual covenants and agreements contained herein and subject to the terms and conditions herein contained, the parties agree as follows:

1) Definitions

For the purposes of this Agreement, the following terms shall, unless the context requires otherwise, have the meanings specified in this article:

"Housing Project" shall mean all or part of the residential accommodation, including facilities used for ancillary purposes, located in one or more buildings used in whole or in part for residential accommodation, owned and operated by the Housing Provider, located at 1990 Whites Road, Pickering, ON, L1V 6P5;

"Property Manager" shall mean a company hired under a property management agreement to manage the Housing Project; or staff of the Housing Provider that have been hired under an employment contract to manage the Housing Project.

"Services" shall mean the services described in the Terms of Reference for Receiver attached to this Agreement as Schedule 1.

"Schedule" - The following schedule is attached (as amended or replaced from time-to-time) and forms an integral part of this Agreement:

Schedule 1 - Terms of Reference for Receiver

2) Obligations of the Receiver

The Receiver shall act in accordance with and provide the Services as described in this Agreement and as found in the Act and its regulations.

The Receiver shall, in accordance with section 95(8) of the Act, provide a copy of this Agreement to the Housing Provider.

The Receiver shall adhere to the reporting requirements to the Housing Provider and Service Manager in accordance with section 95(17) of the Act.

3) Term

This Agreement shall become effective as and from the date Receiver was appointed the interim receiver and manager of the Housing Project and in accordance with Section 95(2) shall terminate within 180 days; unless the Superior Court of Justice orders otherwise on the application of the Service Manager made before the expiry of the 180 day period pursuant to s. 85(7) and 95(3) of the Act.

4) Termination

- a) In the event either party wishes to terminate this Agreement they may do so by providing sixty (60) days prior written notice to the other party. All provisions which by their terms are intended to survive the termination of this Agreement or the appointment of the Receiver as receiver and manager of the Housing Project, shall survive the termination of this Agreement or appointment in accordance with their terms.
- b) The Service Manager reserves the right to terminate this Agreement and the appointment without cause, upon such conditions as the Service Manager may require, on forty-eight (48) hours written notice to the Receiver.
- c) If the Service Manager terminates this Agreement and the appointment prior to its expiration, the Service Manager shall only be responsible for ensuring payment, from the revenues of the Housing Project or from funds provided by the Service Manager, of the Receiver's professional fees and disbursements incurred in connection with this Agreement up to and including the date of termination. Notice of termination may be sent by registered mail or hand delivered to the last known address of the Receiver.
- d) Notwithstanding termination of this Agreement or any appointment, any outstanding obligations of either party under this Agreement shall continue until performed or satisfied.
- e) Upon termination of the appointment pursuant to this Article 4, or the expiry of this Agreement or of the appointment of the Receiver pursuant to Article 3, the Receiver shall return control of all property, assets and books to the Housing Provider, or to another party as directed by the Service Manager, within forty-eight (48) hours of termination. Such property, assets and books include but are not limited to: all keys, invoices, books of account, leases,

operating contracts, working papers, data and information which the Receiver may have in its possession pertaining to the Housing Provider and the Housing Project, either in hard-copy or electronic format. The Receiver acknowledges and agrees that these are the sole and exclusive property of the Housing Provider.

All data and information in electronic format shall be returned to the Housing Provider in a form compatible with the operating system and software of the Housing Provider's computer(s).

5) Fees and Disbursements

- a) The Service Manager shall authorize payment of the Receiver's reasonable professional fees and disbursements from the funds of the Housing Provider derived from the Housing Project, as authorized by subsection 95(13) of the Act, subject to the following conditions:
 - i) The Receiver shall provide the Service Manager with a billing each month showing details of all professional fees and disbursements incurred during the prior month, which is subject to Service Manager's approval; and
 - ii) The Receiver's disbursements shall consist of the Receiver's out-of-pocket expenses incurred in connection with carrying out the Receiver's duties. The nature of such disbursements shall be mutually agreed to by the parties and shall be charged on a direct cost pass through basis with no markup or other charges added.

6) Limitations

- a) The Receiver shall not terminate any of the Housing Provider's agreements without the prior written approval of the Service Manager, nor enter into any new agreements for a term in excess of the term of Receivership without the prior written approval of the Service Manager or as directed in the Schedule.
- b) The Receiver shall not sell or otherwise dispose of any of the assets of the Housing Provider without the express consent of the Service Manager, in accordance with Section 95(10) of the Act.

7) Assignment

The Receiver shall not assign this Agreement or any part thereof, without the prior written approval of the Service Manager.

8) Communication and Notice

- a) The Receiver shall identify in writing one or more contact persons, who are authorized by the Receiver to accept appointments as a receiver or receiver and manager of a Housing Provider and respond on its behalf and who can respond to requests from the Service Manager and receive information from and transmit information to the Service Manager and shall give notice to the Service Manager of any change in the contact person. The initial contact person shall be:
 - i) For the Service Manager: Joanne Cermak
 - ii) For the Receiver: Phil Reynolds
- b) All communications and notices pertaining to this Agreement shall be in writing and will be delivered by electronic mail addressed as follows:
 - i) To the Service Manager:

Region of Durham
605 Rossland Road East, PO Box 623 Whitby, ON L1N 6A3

Attention: Joanne Cermak, Director of Financial Services
 Joanne.cermak@durham.ca

ii) To the Receiver:

Phil Reynolds, Senior Vice President
 Deloitte Restructuring Inc.
 8 Adelaide St. W., Suite # 200
 Toronto, ON.
 Telephone (416) 956-9200
 Email: philreynolds@deloitte.ca

9) Liability and Indemnity

- (a) In consideration of the acceptance of the Service Manager's appointment of the Receiver as interim receiver and manager in respect of the assets, property and undertaking of the Housing Provider, the Service Manager hereby agrees to indemnify and save harmless the Receiver, its respective affiliates, employees, officers, directors and agents against and from all loss, cost, damages and expenses incurred, suffered or sustained by the Receiver in connection with such appointment, (other than as a result of negligence or willful misconduct on the part of the Receiver) whether arising as a result of the Service Manager not having had the right to make such appointment or otherwise and other than as a result of the failure of the Receiver to act in a commercially reasonable manner and in accordance with the provisions of the Bankruptcy and Insolvency Act or the Act.

For greater certainty, but without limiting the generality of the paragraph above, the claims, liabilities, costs and expenses in respect of which the Receiver is indemnified and held harmless shall include actual or contingent liabilities arising out of or in connection with environmental-related or employment related legislation, regulations or administrative actions or obligations or responsibilities arising in connection with unions or pension plans pertaining to any such persons; liabilities for amounts deemed by statute to be held in trust for any purpose; remittances or withholdings due to any governmental authority, including but not limited to employee source deductions, G.S.T. and P.S.T., and liabilities for amounts claimed by secured creditors or governmental claimants, and the Receiver's reasonable fees and disbursements including its reasonable legal fees and disbursements and other reasonable professional costs incurred in dealing with any claim or liability.

The Receiver agrees to indemnify and save the Service Manager harmless from all claims, liabilities, costs or expenses that the Service Manager may incur or that may be asserted against the Service Manager arising out of this Agreement to the extent that they are attributable to the negligence or willful misconduct of the Receiver.

10) Insurance

The Receiver shall continuously maintain throughout the term of the Agreement and pay for the following insurance coverage:

- a) Commercial General Liability insurance including personal injury, broad form contractual liability, owners and contractors protective, completed operations, and non-owned automotive liability in an amount of not less than five million dollars (\$5,000,000.00) applying to all contracts for claims arising out of one occurrence; and
- b) Professional Liability (Errors and Omissions) in an amount of not less than two million dollars (\$2,000,000.00) per claim with an aggregate limit of four million dollars (\$4,000,000.00).

The Commercial General Liability policy shall include the Service Manager as an additional insured in respect of all operations performed by or on behalf of the Receiver in relation to the Agreement requirements and be endorsed to provide the owner with not less than thirty (30) days written notice in advance of any cancellation, change or amendment restricting coverage.

11) Conflict of Interest

- a) The Receiver, any sub-contractors and any of their respective advisors, partners, directors, officers, employees, agents and volunteers shall not engage in any activity or provide any services to the Service Manager where such activity or the provision of such services, creates a conflict of interest (actually or potentially in the sole opinion of the Service Manager) with the provision of the Services pursuant to this Agreement. The Receiver acknowledges and agrees that it shall be a conflict of interest for it to use confidential information of the Service Manager relevant to the Services where the Service Manager has not specifically authorized such use.
- b) The Receiver shall disclose to the Service Manager without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.
- c) A breach of this Article 10 by the Receiver shall entitle the Service Manager to immediately terminate this Agreement, in addition to any other remedies that the Service Manager has under this Agreement, in law, or in equity.

12) Confidentiality

The Receiver agrees that all of its employees and/or agents having access to materials and personal information regarding the tenants of the Housing Provide by virtue of this Agreement and its appointment as receiver and manager over the Housing Project, shall treat same as confidential personal information not to be disclosed to third parties or used in any unauthorized way except in accordance with the provisions of the Act. In addition, the Receiver shall not disclose or use any information that the Service Manager cannot or may not wish to disclose or use under the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M56*.

13) Arbitration

- a) In the case of any dispute between the parties as to the meaning of any part of this Agreement or any appointment or about a claim arising hereunder or thereunder, the parties may submit the dispute to a single arbitrator under the *Ontario Arbitration Act, 1991* who shall be (i) an individual agreed to by the Parties if permitted by law; or (ii) if required by applicable law, a judge of the Superior Court of Justice of Ontario in accordance with the provisions of the *Municipal Arbitrations Act, R.S.O. 1990, Chap. M.48*, as amended from time to time;
- b) The arbitrator shall be qualified and licensed to practice in Ontario and shall reside within 50 kilometre radius of the Service Manager's headquarters. The arbitrator may appoint counsel and may submit to him disputed points of law, and the arbitrator may act upon the advice of counsel, and may apportion and charge the cost thereof between the parties hereto.

14) Waiver

The failure by the Service Manager to insist on one or more instances upon the performance by the Receiver of any of the terms or conditions of this Agreement or any appointment shall not be construed as a waiver of Service Manager's right to require future performance of any such terms or conditions, and the obligations of the Receiver with respect to such future performance shall continue in full force and effect. A waiver is binding on the Service Manager only if it is in writing.

15) Enurement

- a) This Agreement will operate to the benefit of and will be binding upon the successors and assigns of the Service Manager and upon the permitted successors of the Receiver.

16) Priority

In the event of a conflict or inconsistencies between the provisions of the various documents which comprise this Agreement, it shall be resolved, in accordance with the following priorities:

- a) Firstly, the provisions of the Schedule;
- b) Secondly, the provisions of the body of this Agreement;
- c) Lastly, the provisions of any other material incorporated by reference into this Agreement.

17) Time of the Essence

Time is of the essence in this Agreement and any dates or deadlines are to be strictly adhered to.

18) Interpretation

- a) This Agreement shall be construed in accordance with the laws of the Province of Ontario.
- b) The headings which precede the paragraphs of this Agreement are merely for the assistance of the reader and do not affect the meaning, effect or construction of the Agreement.
- c) Whenever words that have well known technical or trade meanings are used in this Agreement, they are used in accordance with such recognized meanings.

19) Authority

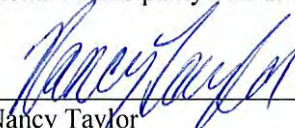
Each party stipulates that it has full authority to enter into and perform under this Agreement, and the person signing this Agreement on behalf of the named party is properly authorized to sign it, and each party further acknowledges that it has read this Agreement, understands it and agrees to be bound by it.

20) General

- a) If any term, covenant or condition of this Agreement be held in whole or in part invalid or unenforceable, the remainder of the Agreement shall not be affected thereby and each term, covenant and condition of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.
- b) This Agreement shall not be modified or amended except, after approval by the Service Manager, by an instrument in writing signed by the parties hereto or by their successors and assigns.

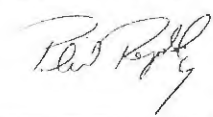
IN WITNESS HEREOF

The Regional Municipality of Durham

Per: 
Name: Nancy Taylor
Title: Commissioner of Finance

Date of Signing: Feb 19/20

Deloitte Restructuring Inc.

Per: 
Name: Philip J. Reynolds
Title: Senior Vice President

Date of Signing: February 19, 2020

Schedule I

Terms of Reference for Receiver

Services

Scope of Work**Stabilization of Existing Situation**

- Take possession of all bank accounts (including new banking services) and rent rolls; signify to whom rent payments will be made to;
- Identify critical operational issues, including building condition and property management issues;
- Identify critical financial issues, including rental arrears and capital requirements;
- Prepare cash flow forecast and determine additional funding requirements;
- Conduct a process to identify an appropriate Property Manager and make recommendation; and
- Direct the review of all RGI files and re-calculate RGI as necessary

Financial and Governance Review

- Conduct a detailed review of the Housing Provider's financial affairs for the twelve months preceding Deloitte's appointment, including procurement contracts and the application for and disposition of subsidies;
- Prepare a report to the Service Manager setting out the results of the foregoing investigation and, where necessary, prepare information to be provided to law enforcement;
- Conduct a review of the Housing Provider's board of directors' activities and the Housing Provider's governance structure; and
- Prepare a report to the Service Manager including recommended changes to governance structure.

Reporting and Coordination

- Regular reports to the Service Manager setting out the activities of the Receiver;
- Meetings with representatives and/or stakeholders of the Housing Project as needed;
- Assess requirement of forensic audit in consultation with the Service Manager;
- Provide comprehensive report at 60-day mark to facilitate potential next steps prior to the expiry of initial 180 days; and
- Assisting the Service Manager with preparations for a court application to appoint a receiver (manager) or extend the appointment of the Receiver, if necessary.

Maintenance and Transition

- Throughout the engagement, ensure the timely collection of rents and perform regular maintenance;
- Where necessary, engage consultants or experts to evaluate the need for capital repairs and arrange for same to be conducted;
- Other steps necessary to comply the requirements of the Act;
- Identify suitable candidates to serve on a replacement board of directors, where necessary; and
- Facilitate the transfer of control back to a duly appointed board of directors.

Deloitte Hourly Rate Card

Resource Level	Hourly Rate
Partner / Principal / Director	\$550
Senior Manager	\$450
Manager	\$360
Senior Consultant	\$300
Consultant	\$275
Analyst	\$225

APPENDIX "B"



October 21, 2019

Mr. Doug Cornell, President
William Peak Co-operative Homes Inc.
64-1990 Whites Rd
Pickering, ON L1V 6P5

The Regional
Municipality
of Durham

605 Rossland Rd. E.
P.O. Box 623
Whitby, Ontario
Canada L1N 6A3
(905) 668-7711
1-800-372-1102

www.durham.ca

Department of
Social Services

Housing Services
Division
Fax: (905) 666-6225

Finance
Department

Financial Services
Division
Fax: (905) 666-6257

Dear Mr. Cornell:

Re: Operational Review – April 9 - 10, 2019 and Notice of Triggering Event –
Failure to Operate a Designated Housing Project Properly

Our team from the Region of Durham conducted an Operational Review of William Peak Co-operative Homes Inc. (William Peak). The attached Operational Review Report details our findings with respect to William Peak's current business practices, financial status, maintenance program and compliance with legislation and Regional policies.

William Peak has been monitored as a Project in Difficulty (PID) since 2004 and was triggered again in 2007. The current Operational Review identified further areas of concern that warrant the issuance of a further triggering event. Contributing to this triggering event are:

1. A failure on behalf of the board to ensure the financial records of the corporation are updated and maintained. Financial reports have not been available for review by the Board since August 2018.
2. Significant payments are being made to a Board member's business, in breach of the Conflict of Interest Guidelines. As well, advances are being made personally to the same Board member with no accompanying support beyond email direction from the President.
3. The failure of the Board to ensure the August 31, 2018 year-end financial documents were provided to the Region by January 31, 2019 as required under Regional Directive 2013-02, including the auditor's management letter, also a mandatory year-end financial requirement.
4. The appointment of an external board member in contravention of the Co-op's by-laws. It was noted that the individual has ties to the new software program that was recently purchased and installed but at the date of the review was unable to provide any financial reports.
5. The issuance of a \$12,000 prepaid credit card that has been fully expended but for which no credit card statements were available for review, and,

"Service Excellence
for our Communities"

If this information is required in an accessible format, please contact the Accessibility Co-ordinator at 1-800-372-1102 ext. 2009.

6. A significant increase in arrears and a failure on behalf of the Board to properly administer the arrears.

Accordingly, the Region is declaring a triggering event under Section 83 of the *Housing Services Act, 2011 (HSA)*, as set out in the following paragraphs and declaring William Peak to be a "Project in Difficulty":

- (1) "The housing provider contravenes this Act or the regulations"; and,
- (11) "In the opinion of the service manager, the housing provider has failed to operate a designated housing project properly".

Section 1 of the attached Notification of Project in Difficulty and Triggering Event Report and Operational Review Summary (Appendix A) details the 2019 Triggering Event Issues and remedial actions required by the Board. **The Board of William Peak has 60 days from the date of this letter (December 23, 2019) to report back to the Region of Durham with a plan of action addressing all the Triggering Issues set out in Summary.**

In addition, the Board is required to take appropriate action to ensure the outstanding and unresolved Triggering Event Issue of 2007 as noted in Section 2 is addressed, as well as the Required Actions as noted in Section 3 of the Operational Review Report Summary.

Should the Board fail to report back with a plan of action to resolve the issues by **December 23, 2019**, the Region will exercise its rights as Service Manager and may commence enforcement remedies in accordance with sections 85, 86 and 87 of the HSA which may include but are not limited to reducing subsidies; performing the duties of the corporation; appointing an operational advisor, an interim receiver, or an interim receiver and manager; and removing and/or appointing directors.

Please provide to the Region, together with the response to this Triggering Event, the Board's meeting schedule for the next 12 months. Copies of all Board agendas, minutes, and reports, including property management reports, are to be sent to the Region every month, once approved for circulation to the Board. We will advise which meetings we will be attending to monitor the Board's progress in addressing all of the outstanding action items.

Regional staff is available to help you address these concerns; however, we strongly urge the Board to obtain assistance from the Co-operative Housing Federation of Canada (www.chfc.ca) (CHF). CHF offers a number of resources to assist non-profit boards in managing the complexity of the social housing business as well as Board mentors.

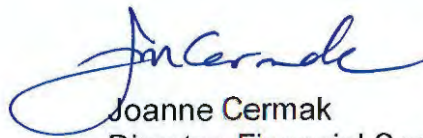
Please contact Beverly Kueper at (905) 668-7711 ext. 2482 to arrange a meeting between Regional staff and the Board to discuss this Triggering Event.

Yours truly,



Alan Robins
Director, Housing Services

Yours truly,



Joanne Cermak
Director, Financial Services

cc: Stella Danos-Papaconstantinou, Commissioner, Social Services
Nancy Taylor, Commissioner, Finance
Alison Coke, Ministry of Municipal Affairs and Housing

Attachments: Appendix "A" – Operational Review Report
Appendix "B" – Operational Review Report Summary
Regional Directive FIN 2013-01
Regional Directive FIN 2013-02

APPENDIX "C"

Region Review April 9-10, 2019 Notification of Project in Difficulty- Triggering Event Report Response
Section 1

Salary employee Mike Hill
 Willy Solonga
 Elaine Shears
 Danica Pierce
 Summer Flint
 Jen O'Neil
 Kathy Scimone
 Copies of T4 attached.

Action #2: Arrears report and Trial Balance Attached for review. (entire Year)

Action #3 1) Copy of Year Board Package
 2) Copy of up coming Board Meetings Attached
 3) Both In Camera and Board Package is attached (for year)
 4) Management has been instructed and review the package to Include and document
 Vacancy Report
 Arrears Report
 Statement or Revenue and Expense
 Monthly variance and year to date.
In all packages

Action #4: 1) all checks will have supported documentation inclusive of Board member initials
 2) all capital expenditures should be inclusive of member sign in sheet and approval of
 the membership
 3) inclusive of the review package should be the original documentation and all
 collected quotes. (capital review spending by-law attached)

Action #5 AIR audited Financials – and management letter are attached for your review

Action # 6 1) Copies of all conflicts of interest are attached
 2)
 3) A. Chatergun has not relationship to William Peak or any Board Member
 With some bias judgement the conversation was had to elect a board member from the
 outside, HSC was part of he Insite software program and it was discussed with C.Reid
 when he came into meet and do training about co-ops he suggested A.Chatergun as she
 was looking to do volunteer with in a board, she was educated and brought before he
 member to be voted in. and was. (see attached AGM Package)
 NOTE: A. Chatergun last meeting attended was May 2019 – was not able to make
 emergency meeting in July and did not attend the next Board meeting – she will not be
 returning.

SECTION 2

Trigging Event
Deficit Reduction Plan

Board meeting held on December 11, 2019 was to discuss the notice of a triggering event, the board once again requested to more information as to what the Region is asking for, do we owe this money? When did this happen, there is not record at our end other then the Region requesting this reduction plan – management has requested the assistants of CHF/CHFT to come in the new year an and assist with this process.

SECTION #3

- 1) Management completed a 5 year plan for the capital budget that was present to the AGM in the AGM June 2018 this is attached. It was voted and approved by the members during this AGM
- 2) Section 3 – 2 Succession plan was developed and a copy of the board binder that was created for all board members is in the package for review – when CHFC and CHFT this is also part of the onsite training that has been requested.
- 3) Management was unable to locate the capital reserve spending policy, but has added to the list of subjects to completed with CHFT/CHFC along with Bad Debit write off.

3.1) Attached is the current understanding of the internal transfer policy and we have a current list of over housed and under housed units- that take priority of those only requesting a transfer for over aged children or parent requesting a smaller unit.

- 4) Regarding IN- Camera sessions and member names or information being included, the packages have been reviewed and updated – personal information will not be included packages.
- 5) Board Arrears – member of the board that are in arrears- now fully understand that they can't be apart of the in-camera segment and will excuse themselves from the meeting, this will be noted as declared. Attached is the copy of the board member arrears by-law
- 6) The board as created a HR policy that follows William Peak and Employment standards, this is part of the board binder and is attached for your review.
- 7) RGI applications INSITU – has bee reviewed with the Region and Board, all insitu applications are being reviewed with the Region prior to approval.
- 8) Process to track current members on the Dash list – William Peak has many over-housed people and we have a current list of people that have been on the list for along time, we also do not have 1 bedrooms for those whom are under 55 – this list have been proved to the region and a copy is in the file for your review.
- 9) Members are informed that they are over housed and that they must register with the Region to transfer, we don't have a system that informs us if they did or did not register. All vacant units are offered internally should it be adequate fit – 4 to a 3 or 2 and etc. again we don t' have 1 bedroom for the member over housed under 55.
 - a. We have followed the process of refusal for a smaller unit
 - b. Have sent notice to member to transfer if they are over housed.
 - c. We don' have a way to know fi they member sent to Region – Will requested copies of the paperwork sent.
 - d. **How can we find out if the member logged into DASH?**

Members that have refused 3X will be sent to/or have been sent to Dash for transfer.

- 10) 14 files that were enlisted to be errors or need correction have been corrected and sent back to the Region – correct information collected to complete the files for review.
- 11) Fire Inspection
 - a. William Peak reviewed the file and found that the was outstanding repair that has been ongoing repair for the last five years – this is a sandpipe

Region Review April 9-10, 2019 Notification of Project in Difficulty- Triggering Event Report Response
location in the daycare – has been approved for repair and will be
completed January 2020.

A copy of the board meeting held on December 11, 2019 will be forward via email for your review.

Doug Cornell

December 16, 2019

Cathy Roy

December 16, 2019

Mike Hill

December 16, 2019

Tammy Watson

December 16, 2019

Darren Commisiong

December 16, 2019

The Board put together a package for funding regarding many concerns that was present to the region, a notice was received back from the Region stating that the William Peak was not one of the chosen to receive any funding. We have been working very hard at cleaning up the grounds and making William Peak a great place to live.

APPENDIX "D"

William Peak Co-Operative Homes Inc.
- Cash Flow Forecast -
February 28, 2020 to August 28, 2020

	28-Feb	27-Mar	24-Apr	29-May	26-Jun	31-Jul	28-Aug	Total
Receipts								
Housing Charges	\$ 3,625	\$ 135,699	\$ 112,100	\$ 112,100	\$ 112,100	\$ 112,100	\$ 112,100	\$ 699,824
Funding	124,271	124,271	124,271	124,271	124,271	124,271	124,271	869,897
Other Receipts	-	91,526	15,070	14,935	14,800	14,665	14,530	165,526
Total Receipts	\$ 127,896	\$ 351,496	\$ 251,441	\$ 251,306	\$ 251,171	\$ 251,036	\$ 250,901	\$ 1,735,247
Disbursements								
Mortgage & Property Taxes	\$ 65,034	\$ 124,084	\$ 124,083	\$ 189,116	\$ 124,083	\$ 189,083	\$ 124,083	\$ 939,566
Professional Fees	-	90,880	56,500	56,500	74,411	-	124,300	402,591
Utilities	-	64,697	20,838	20,838	45,886	20,838	20,838	193,935
Repairs & Maintenance	-	42,400	26,255	24,573	71,333	13,308	13,308	191,177
Payroll & Benefits	-	39,213	36,005	36,350	19,519	21,818	16,972	169,879
General & Administrative	30	33,864	21,110	20,965	20,965	21,085	20,845	138,866
Capital Reserve	-	16,569	16,569	16,569	16,569	16,569	16,569	99,413
Total Disbursements	\$ 65,064	\$ 411,707	\$ 301,361	\$ 364,912	\$ 372,766	\$ 282,702	\$ 336,916	\$ 2,135,426
Change in Cash Position	\$ 62,832	\$ (60,211)	\$ (49,920)	\$ (113,606)	\$ (121,595)	\$ (31,666)	\$ (86,015)	\$ (400,180)
Opening Cash Balance	\$ 120,688	\$ 183,520	\$ 123,308	\$ 73,389	\$ 40,217	\$ 161,812	\$ 193,477	\$ 120,688
Change in Cash	62,832	(60,211)	(49,920)	(113,606)	(121,595)	(31,666)	(86,015)	(400,180)
Closing Cash Balance	\$ 183,520	\$ 123,308	\$ 73,389	\$ (40,217)	\$ (161,812)	\$ (193,477)	\$ (279,492)	\$ (279,492)

TERMS OF REFERENCE

This schedule was prepared by the Receiver based on assumptions provided by Pro Edge Management Inc., in its capacity as property manager of William Peak Co-Operative Homes Inc. (the "Company"). The Receiver has been provided with, and has relied upon unaudited, draft and/or internal financial information, certain books and records, discussions with the Company's employees and management (collectively, the "Information"). The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information, and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information. The future oriented financial information referred to in this report was compiled by Deloitte using estimates and assumptions provided by the Company's management. Readers are cautioned that, since forecasts are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the forecasts, and the variations could be significant. Deloitte has prepared this report solely for the purpose of providing information to the Region. Parties using this report other than for the purposes outlined herein are cautioned it may not be appropriate for their purposes. The Receiver is providing this information on a confidential basis in its capacity as a Receiver of the Company and not in its personal or corporate capacity.

APPENDIX "E"



Summary of Preliminary Observations and Recommendations

Investigation into concerns related to the operations and business practices of William Peak Co-operative Homes Inc.

Private and confidential

March 13, 2020



Table of Contents

1. Introduction and background	1
1.1. Introduction and background	1
2. Scope, limitations in scope and restrictions	3
2.1. Scope of investigation	3
2.2. Procedures performed	3
2.3. Restrictions	4
3. Observations to date and recommended additional procedures	5

1. Introduction and background

1.1. Introduction and background

1. Deloitte Restructuring Inc. ("Deloitte") was appointed by the Regional Municipality of Durham ("the Region"), as the Receiver Manager of William Peak Co-operative Homes Inc. ("the Co-op"). As part of this receivership, Deloitte was asked to perform a preliminary investigation into concerns regarding the operations and business practices of the Co-op.
2. The Region raised concerns pertaining to the operations and business practices of the Co-op in its Operational Review Report and Notice of Triggering Event dated October 21, 2019.
3. The significant concerns raised by the Region include the following:
 - a) **Purchasing and spending practices of the Co-op:**
 - Insufficient documentation for: (i) expenses incurred; (ii) cheques issued; (iii) payment for services rendered to members of the Co-op's Board of Directors ("the Board");
 - A lack of adherence to competitive bidding procedures for large purchases.
 - b) **Conflict of interest:**
 - Conflicts of interest were not documented as required by local policy (Directive OPR 2015-01) when the Co-op entered into a contract for service with a Board member;
 - An externally appointed Board member had apparent ties to a vendor that sold a new accounting software system to the Co-op.
4. Following the Report from the Region, the Co-op's auditor, Prentice Yates & Clark ("PYC") issued a Management Letter to the Co-op's Board of Directors ("the Board") on January 23, 2019 listing similar concerns in relation to the internal controls and governance practices of the Co-op.
5. The significant concerns raised by PYC include the following:
 - a) **Financial Statement Accuracy:** PYC proposed 35 adjusting entries to correct the accounting records during their audit of the financial statements for the fiscal year 2019;
 - b) **Reimbursements:** Cash advances and reimbursements were made to the Co-op staff and Board members without sufficient support;
 - c) **Salary Payments:** Payroll calculations are done by staff and not approved and reviewed by cheque signatories;
 - d) **Loan to Property Manager:** The Co-operative made a \$2,500 loan to the former Property Manager without a formal payment schedule. As per August 2019, there was still an outstanding amount of \$500;
 - e) **Credit Card Charges:** Pre-authorized payments were made to reduce the balance outstanding on the credit card account. Credit card statements were not reviewed by the Co-op or the Board;
 - f) **Arrears:** Housing charge arrears of approximately **\$24,000** at fiscal year-end and housing charge / rent payments received through e-transfer without controls in place to ensure payments are deposited into the Co-op's bank account; and
 - g) **Conflict of interest:** The Co-op does not have a specific policy that prohibits conflicts of interest. Potential conflicts of interest exist in relation to: 1) Board members' involvement in their own Rent Geared Income ("RGI") eligibility determinations; 2) Some Board members - responsible for the collection of arrears - residing in Units in arrears; and 3) Co-op members supplying services to the Co-op.

6. We conducted a preliminary review of information for the period February 1, 2019 to January 31, 2020 (“Review Period”) during the first phase of the receivership. In certain instances, information may have been reviewed outside of our Review Period given the nature of contract or employment periods and they have been separately noted in this report.
7. This report summarises our preliminary observations and recommendations pertaining to the concerns raised.

2. Scope, limitations in scope and restrictions

2.1. Scope of investigation

1. We reviewed the concerns noted above and raised by the Region and PYC as part of the initial phase of the Receivership of the Co-op ("Investigation"). The purpose of the Investigation was to identify evidence, if any, supporting the concerns raised and to recommend to the Region for their consideration, additional investigation procedures to be completed in a subsequent phase of work.
2. This Summary of Preliminary Observations and Recommendations Report ("Report") is based on limited activities performed during the first phase of the Co-op's Receivership between February 25, 2020 and March 6, 2020.

2.2. Procedures performed

1. In preparing this Report, we reviewed and/or relied upon the following information:
 - a) The Region's Operational Review Report and Notice of Triggering dated October 21, 2019;
 - b) The PYC Management Letter dated January 23, 2020 sent to the Region;
 - c) Discussions with the following individuals currently in charge of the administration of the Co-op's daily management activities ("Property Management Staff");
 - Vanessa Ly, President and CEO Pro Edge Management Inc.; and
 - Lovelyn Valdez, Managing Partner Pro Edge Management Inc.
 - d) Property administration files and documentation including available supplier contracts and certain invoices;
 - e) Employees' personnel files;
 - f) Selected accounts payable sub-ledgers relating to employee/board member disbursements and three capital works / maintenance vendors from the accounting system;
 - g) Credit card statements from Alterna Bank from April 2019 to February 2020 pertaining to the corporate credit cards of Doug Cornell (former Board member), Elaine Shears (Superintendent) and Danica Pierce (former Property Manager); and
 - h) Bank statements of the Co-op's bank account (Alterna Savings Bank, account number: 4938437).
2. In addition to reviewing the above documentation, Deloitte collected and forensically imaged two laptops and one personal computer of the Co-op, and collected personal devices used by specified individuals identified during the course of the Investigation. During this preliminary investigation we did not perform a review of any digital data collected and preserved from the Co-op's computers.
3. Deloitte performed public record searches to identify information related to the following suppliers of interest identified during the course of this Investigation:
 - Hill Home Improvements ("Hill Home");
 - DANCON Construction Services Inc. ("DANCON Construction"); and
 - Advantage Airtech Climatecare ("Advantage Airtech").

2.3. Restrictions

1. This Report is not intended for circulation or publication, nor is it to be reproduced for any other purpose than for the use by the Region, without our prior express written permission in each specific instance. We do not assume any responsibility for losses suffered by any party as a result of circulation, publication, or reproduction of this Report contrary to the provisions of this paragraph.
2. We reserve the right, but will be under no obligation, to review this Report, and if we consider it necessary, to revise our Report in light of any information, which becomes known to us after the date of this Report.
3. This work was not designed to identify all circumstances of inappropriate behavior or other irregularities, if any, which may exist. For the purposes of this Report, we have had to assume that the documents or other information disclosed to us are reliable and complete, unless otherwise stated. The observations were identified as a result of the specific procedures used to investigate the allegations.
4. Our Report is private and confidential. We express no opinion as to whether the information presented in this Report is sufficient to establish civil or criminal wrongdoing, as only a court can determine these matters.
5. This Report has been based on the information, documents and explanations that have been provided to us and therefore the validity of any conclusions noted rely on the integrity of such information. Should any of the information provided to us not be factual or correct, or should we be asked to consider different information or assumptions, any conclusions set out in this Report could be significantly different.
6. We have not investigated the accuracy of any third party information, nor have we performed any investigative procedures to independently verify the accuracy of any third party information.
7. A comprehensive controls assessment was not performed and as such, the potential observations identified in this Report will be superseded by subsequent controls assessments. Furthermore, our work did not involve assessing the operating effectiveness of controls.
8. Deloitte was not engaged to, and did not perform, a financial statement audit, review or compilation engagement for the purpose of expressing an opinion on, or creating, historical financial statements in accordance with standards established by Chartered Professional Accountants Canada. Further, our work cannot be used to provide assurance that it revealed all errors, omissions, or irregularities.

3. Observations to date and recommended additional procedures

Subject to the procedures and limitations noted above, we summarize in the table below our observations and recommended additional investigative procedures.

Item	Observation	Recommended Next Steps
Category 1: Potential overpayments to vendors of capital works and maintenance projects	<p>1</p> <p>Payments to Advantage Airtech in excess of contracted amount</p> <ul style="list-style-type: none"> • Our initial review of the accounts payable sub-ledger "Advantage Capital" identified 15 payment transactions posted between October 18, 2018 and May 10, 2020 for a total amount of \$338,921 (including post-dated cheques). We did not verify the amount of payments to Advantage Airtech from the bank statements. • According to an accepted quotation from Advantage Airtech signed and accepted by Danica Pierce ("Danica") and Doug Cornell on May 25, 2019, Advantage Airtech was contracted to supply and install "90+ Central Air-conditioning units". The quoted amount is \$2,846 per unit (total \$256,140 excl. HST). We did not review quotes from other suppliers or board meeting minutes related to the selection of an air-conditioning supplier. • Searches of the vendor files in the Property Management office identified several invoices of Advantage Airtech, however we did not perform a review of these invoices to identify services invoiced. • In addition to capital investment work, Advantage Airtech also provides maintenance work for the Co-op. We did not review the accounts payable sub-ledger related to payments to Advantage Airtech for maintenance during the preliminary investigation. 	<p>We recommend the following additional procedures:</p> <ol style="list-style-type: none"> a. A detailed review of bank statements to verify amounts paid to Advantage Airtech in relation to the capital works performed for the Co-op. b. A review of invoices from Advantage Airtech to identify the nature of expenses invoiced. c. Unit inspections to include a determination of the number of air-conditioning units supplied and installed by Advantage Airtech. d. Interview the former Property Manager and former Board members to understand the reason for potential overpayments to Advantage Airtech. e. Expand the Review Period to include the review of payments to Advantage Airtech prior to February 2019.
2	<p>High construction fees for maintenance works by DANCON Construction warrant further investigation into potential kickbacks or inflated invoicing</p>	<p>We recommend the following additional procedures:</p> <ol style="list-style-type: none"> a. A detailed review of bank statements to verify amounts paid to DANCON construction in the

Item **Observation**

- We reviewed one DANCON Construction invoice dated December 2, 2019 for an amount of **\$4,068** for the replacement of a door to Residence Unit 55. A handwritten note on the invoice says "Back Charge Unit #55 door kicked-in May 2019".
- Discussions with Property Management identified that this invoice relates to the replacement of a front door to the residential unit and that the invoiced amount is higher than would normally be expected for a door replacement. In addition, property management informed us that the fees for the door - which was damaged during a police raid - has not been re-charged to the residents of the unit.
- Our review of the accounts payable sub-ledger for DANCON Construction identified 23 payment transactions posted between February 23, 2018 and January 7, 2020 for a total amount of **\$336,613**. Of these 23 payment transactions, 8 were posted during the Review Period for a total amount of **\$147,284**.
- We did not verify the amount of payments to DANCON Construction from the bank statements during the preliminary investigation.
- We identified several additional invoices of DANCON Construction in the vendor files that we located in the Property Management office; however, we did not review all of these invoices during the preliminary investigation.

Recommended Next Steps

- period of February 23, 2018 and January 7, 2020.
- b. Unit inspections and interviews with former Board members and superintendents to verify a sample of work performed by DANCON construction during the past 12 months.
- c. Review invoices from DANCON to identify the nature of expenses invoiced for the expanded review period of period of February 23, 2018 and January 7, 2020.
- d. Business intelligence searches to identify relations between former Board members and DANCON Construction.
- e. Benchmark fees charged by DANCON Construction to determine fair market value of the services provided.
- f. Interview former Board members to understand relationships, if any, between Board members and DANCON Construction.

3

Payments to Hill Home Improvements (See also Category 4: Potential Conflicts of Interest)

- We identified 13 payment transactions in the accounts payable sub-ledger for Hill Home, posted between October 12, 2018 and December 2, 2019 for a total amount of **\$77,958**.
- We did not identify any invoices from Hill Home in the vendor files that we located in the Property Management office, to support the payments posted in the sub-ledger.

We recommend the following additional procedures:

- a. A detailed review of bank statements to verify amounts paid to Hill Home Improvements in the period October 12, 2018 to December 2, 2019.
- b. Additional searches of documents stored in the Co-op's archives in the storage room to locate the invoices of Hill Home.
- c. If the invoices from Hill Home cannot be found in the archives, we recommend requesting copies of invoices from Hill Home showing the work performed by Hill Home for William Peak.
- d. Facility inspections of the Co-op's premises including interviews with former Board members and the superintendents to verify a sample of

Item **Observation**

Recommended Next Steps

work performed by Hill Home during the past 12 months.

Category 2: Unauthorized payments to Former Property Manager (“Danica”) and salary payments potentially in excess of entitlements

- 4 **Salary payments to Danica potentially in excess of entitlements**
- Our initial review indicates Danica may have been paid salary in excess of her entitlements. We have not performed a detailed review of payments to Danica from the bank statements to verify the amounts of salary paid, however we found the following:
- The payroll sub ledger (March 2019 to current) shows net salary payments to Danica of **\$75,344** while her employment agreement (dated January 2, 2019) states she was entitled to receive a gross annual salary of **\$85,000** and a bonus of 5% over her annual salary; and
 - A T4 slip reviewed for Danica shows her gross employment income over the year 2019 was approximately **\$110,000** (box 14). The T4 slip does not include a box 40.

- We recommend the following additional procedures:
- a. A reconciliation of payroll and bank transactions for the full period of Danica’s employment to determine the total amount of payments (salary, reimbursements, and other payments) to Danica.
 - b. Review supporting documentation and calculation used to create Danica’s T4 Statement to understand the breakdown of her salary and benefits.
 - c. Review signatories on cheques paid to Danica (outside of payroll) to determine who approved the payments.
 - d. Conduct interviews with Danica and former Board members to understand nature of payments and reimbursements to Danica and authorization of payments, if any.
 - e. Perform an eDiscovery review of the forensic images (digital data) collected from the Co-op’s computers.

- 5 **Time in lieu payments to Danica**
- According to Danica’s contract, she is entitled to receive payments in lieu of paid time off when she worked longer hours than necessary to meet the objectives and requirements of the position.
 - We identified a document in Danica’s personnel file with time in lieu payment calculations. According to this document, Danica was entitled to time in lieu payments of **\$6,619** in 2018 (181.5 hrs.) and **\$11,541** in 2019 (272.5hrs.).
 - Based on our review to-date, we have not confirmed: (i) How time in lieu payments were accounted for in payroll or the accounts payable sub-ledgers; (ii) Who approved time in lieu payments to Danica; (iii) Payments to Danica through bank statements.

- 6 **Expense reimbursements to Danica**
- The Co-op’s accounting systems contain an accounts payable sub-ledger titled “Danica Reimbursement”. We performed a review of this sub-ledger

Item Observation

Recommended Next Steps

and noted that an amount of **\$56,554** in payment transactions were posted for the period December 2017 to February 2020.

- A number of transactions found in this sub-ledger account include descriptions such as "parties" and "reim [sic] for Purchase on master Card". The transactions include minimal descriptions and we did not identify supporting documentation or expense reports related to these transactions.
- In the "Danica Reimbursement" ledger we identified a number of accounting transactions requiring further investigation. Three examples of payments posted to this account are listed below:
 - Payment of **\$1,000** on July 12, 2019 labelled as "Dancon" and "reimburse for concrete work";
 - Payment of **\$1,149** on December 5, 2018 labelled as "Danica"; and
 - Payment of **\$601** on June 28, 2019 labelled as "Danica reimbursement".
- We were not able to confirm who approved expense reimbursements paid to Danica.
- We identified a number of cheque payments issued to Danica that appear to be signed by the Co-op's former Board members; however, we have not confirmed if the payments to Danica were approved.
- During this preliminary investigation we did not perform a review of any digital data collected and preserved from the Co-op's computers.

7 **Expense receipts and gift cards identified in the petty cash box in the Management Office appear to be related to Danica**

- We identified 35 receipts in a lock box located in the Management Office used for petty cash, related to various purchases between March 2019 and January 2020 for a total amount of **\$2,471**.
 - The receipts found pertain to purchases made for items such as groceries, food delivery, party items, cigarettes, propane refill, and Christmas items.
 - We were informed during conversations with Property Management staff that the receipts were left in the office by Danica. We have not reconciled the receipts with the payable transactions posted to the Danica reimbursement sub ledger.
- a. We recommend performing a reconciliation of the expense receipts identified with transactions in the payable sub-ledger "Danica Reimbursement".

Item Observation

Recommended Next Steps

Category 3: Non-business related transactions using the Co-op's credit card

- 8 Between April 6, 2019 and June 6, 2019, a total of **\$18,661** of credit card purchases were made using Danica's company credit card (405821XXXXX5028). Of these credit card purchases, we noted an amount of **\$15,382** in credit card purchases for which we are unable to validate if these are Co-op expenses:
- An amount of **\$11,992** represents purchases of online gift cards (i.e. Google Play, Amazon, Xbox) from websites such as www.windercard.com and www.interonlinegifts.com;
 - An amount of **\$1,230** was spent on travel and flight related purchases made on June 4, 2019, including a WestJet flight between Toronto and Calgary for Summer M. Flint. Discussions with Property Management identified Summer Flint is Danica's daughter;
 - An amount of **\$1,264** was spent at Casino Ajax, Blue Heron Casinos in Port Perry and OLG Slots and Casinos in North York;
 - We identified that an amount of **\$556** was spent on fuel at various gas stations in Pickering, Whitby, Oshawa and one fuel purchase in Lake Louise, Alberta on May 28, 2019. A residential address on Danica's T4 indicates she may have lived in Oshawa. It is unclear whether these fuel expenses are valid business expenses;
 - We identified a payment of **\$340** to Trend Financial in Etobicoke which appears to relate to an auto loan related payment.
- We recommend the following additional procedures:
- a. Conduct interview with Danica to understand the nature of credit card transactions we have identified.
 - b. Request invoices and receipts from Danica to support the credit card payments.
 - c. Review the bank statements to identify all credit card payments during the past 12 months to identify potential "hidden" credit card expenses from other credit cards that may have been used.
 - d. Collect and review credit card statements to identify additional credit cards paid for by the Co-op.

9 **Additional credit cards have been paid for by the Co-op**

- Additional credit cards appear to have been paid for by the Co-op. However, we have not performed a detailed review of the bank statements to identify all credit card payments during the past 12 months:
- The Alterna bank statement for the month of February 2019 shows a cheque paid by the Co-op to a Desjardins credit card (9417-0205-6017).
 - We identified two automatic withdrawals in June 2019 from the Co-op's Alterna Savings account entitled "Royal Bank Central Card Centre".

Item	Observation	Recommended Next Steps
	<ul style="list-style-type: none"> We identified a payment to "Staples Credit Card" in June 2019 for an amount of \$689.29 from the Co-op's Alterna Savings account. 	
	Category 4: Potential Conflicts of Interest	
10	<p>Hill Home Improvements</p> <ul style="list-style-type: none"> Discussions with Property Management staff and Superintendents indicated that Mike Hill, the former Board member of the Co-op may be the sole proprietor of Hill Home. Searches of the corporate registry for a corporate profile of Hill Home Improvements did not yield any results, indicating that Hill Home may not be a registered business entity. <p>We found one invoice in the Management Office in a folder labelled "Hill Home Improvements". This invoice does not include any information such as name, logo or contact details to indicate this invoice is from Hill Home.</p>	See also Category 1: Potential overpayments to vendors of capital works and maintenance projects - Item 3 Payments to Hill Home Improvements.
11	<p>Michael Hill Jr. on-call employee of the Co-op</p> <ul style="list-style-type: none"> Based on discussions with Property Management we verified that Michael Hill Jr., the on-call support staff for technical or emergency issues of the Co-op is the son of Michael Hill Sr., former Co-op Board member. According to his employment agreement, Michael Hill Jr. was hired effective January 2, 2019. We have not reviewed the Board minutes to determine whether Michael Hill Jr. was hired during his dad's tenure as Board member. Michael Hill's employment agreement (the employment agreement uses the name "Mike Hill") does not specify any salary amount. Based on the payroll sub-ledger, Michael Hill Jr. was paid a net salary of \$15,022 during the period of March 2019 and March 2020. According to his employment agreement he is required to "work an on-call schedule between 4:30 PM each Friday afternoon until 9:00 AM Monday morning and scheduled holidays". <p>We note the Co-op is currently paying a supplier called "On-Call" for on-call telephone support services for the Co-op's members. It is unclear what specific services are provided to the Co-op by this supplier. We have not reviewed invoices or payments to supplier "On-Call".</p>	<p>We recommend the following additional procedures:</p> <ol style="list-style-type: none"> Conduct interview with the former Board to understand the rationale and decision-making process for the hiring Michael Hill Jr. Review the Co-op's by-laws to identify areas of improvement in relation to the mitigation of conflict of interest breaches. Review the contract and invoices from supplier "On-Call" to determine the salary paid to Michael Hill jr.

Item	Observation	Recommended Next Steps
12	<p>Potential conflict of interest related to purchase of accounting software</p> <ul style="list-style-type: none"> The Region expressed concerns related to an externally appointed Board member with apparent ties to a vendor that sold a new accounting software system to the Co-op. To date, we have not performed interviews or reviewed any information in relation to these concerns. 	<p>We recommend the following additional procedures:</p> <ol style="list-style-type: none"> Conduct interviews with former Board members to understand the facts surrounding the alleged involvement of an external Board member in the purchase of a new accounting software system. Review payments made for the purchase of the new accounting software system. Review the Co-op's by-laws to identify areas of improvement in relation to the mitigation of conflict of interest breaches.
Category 5: Additional items for consideration		
13	<p>Rent payments through e-transfer potentially not received by the Co-op.</p> <p>The Property Management staff shared several emails indicating that two housing charge payments paid through Interac e-transfers may not have been deposited into the account of the Co-op.</p> <p>We received the following documentation:</p> <ul style="list-style-type: none"> Copy of an Interac e-transfer from Amanda Lemon (Unit 91) sent on August 2, 2019 for an amount of \$2,418; and Copy of an email from Michelle Neuhold (Unit 47) sent on May 15, 2019 confirming that she sent a rent payment through email transfer. <p>We have not verified whether the housing charge payments related to the above emails were received by the Co-op. We note that during the receivership, the Co-op stopped accepting Interac payments from its members.</p>	<p>We recommend the following additional procedures:</p> <ol style="list-style-type: none"> Further investigation steps into possible claims from residents that housing charges were paid, but not received by the Co-op. As a result of this review, additional Interac e-transfer payments of housing charges that were not deposited into the bank account may be identified. Review the forensic image obtained from the laptops in the Property Management office to identify emails related to Interac email transfers received from members.
14	<p>Potential errors in rent payment and arrears administration</p> <ul style="list-style-type: none"> The arrears report dated February 21, 2020 shows \$17,496 in housing charge credits (potential overpayments) for 68 Units. Based on discussions with Property Management staff these credits have resulted from potential overpayments by residents or errors in the administration of housing payment collection. These errors include the posting of housing payments to the incorrect Unit or households paying the incorrect rent. 	<ol style="list-style-type: none"> At the request of the Receiver, we have undertaken a reconciliation of 30 high priority rental unit accounts¹ (rent payment records compared with individual rent transactions recorded in the accounting system) The purpose of this exercise is to make recommendations for the remediation of any errors identified in rent administration or payments.

¹ The 30 rental unit accounts were selected by the Property Management team.

Item **Observation**

Recommended Next Steps

- The aforementioned arrears report shows total arrears of **\$37,847** for 48 Units. Based on discussions with Property Management staff, some of the arrears may be the result of errors made in the administration of housing charges such as the posting of housing payments to the incorrect Unit. We have not investigated the root-causes for the housing charge credits and arrears.

**About Deloitte**

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F

THIS IS EXHIBIT "F" TO THE
AFFIDAVIT OF JOANNE CERMAK
SWORN BEFORE ME THIS 9th DAY
OF JULY, 2020.



A Commissioner etc.
Jeffrey W. Tighe
Barrister and Solicitor

Triggering Event	Section	Description of Breach	Receiver's response - June 4, 2020	Satisfactory?
2019	1	Lack of Financial Records	The Co-op is currently utilizing NewViews as the accounting system. The books have been maintained and is current to date with complete reconciliation of the operating account and financial statement as of April 30th, 2020. Arrears Reports are produced monthly and are included in the meeting package. Payroll remittance are up to date with CRA. Last submission was May 1st, 2020 for April 2020 payroll. Record keeping of payroll remittance are currently maintained. All T4s have been issued for salaried employee for 2018 and 2019. Petty cash is reconciled as needed. All cheques are printed using NewViews accounting software program.	Yes
	2	Failure to Properly Administer Arrears	Monthly arrears report is produced as part of the monthly meeting package. The report includes detail information as when notices issued, repayment agreement plan, notice to appears issued and pending evictions. Management is working diligently in reducing the arrears and reconciling members' accounts with credits balances. Please see attached detail arrears report and trial balance as of May 31, 2020.	Yes
	3	Lack of Board Governance	The last Financial Statements submitted by Management to the Region was for the month ending January 31, 2020. Monthly Financial Statement including balance sheet, income statement, and variance report are included with our monthly meeting with the Receiver. Monthly Treasurer Checklist will also be included. Monthly meeting reports also include arrears and vacancy report. Please see attached last meeting package dated May 13, 2020. Please see attached previous meeting minutes for March 9, 2020, April 8, 2020 and May 13, 2020	Yes - however due to COVID-19 Property Management and the Receiver are unable to establish a board of directors. Monthly meetings including Property Management staff and Deloitte staff.
	4	Non-adherence to Purchasing Policies/By-Laws	Please see attached policy for Accounts Payable Procedure (Appendix A) Please see attached copy of Capital Reserve Spending By-law (Appendix B)	Yes, however policies have not been approved by Board / Members as a result of COVID-19.
	5	Failure to meet reporting requirements	2018/2019 AIR, audited Financial Statements and all required supplementary information were completed and submitted on time to Durham Region. 2020-2021 Subsidy Estimate was submitted on time to the Region on May 28, 2020 for the fiscal year 2020-2021	Yes
	6	Failure to comply with local Directive OPR 2015-01 relating to Conflict of Interest	Management will be working closely with CHF Canada to set up training packages for incoming new board members that will include governance and financial training. All current staff have signed conflict of interest declaration. Management will also ensure all incoming elected new Board members to sign conflict of interest declaration	Yes
2007	1	Social Housing Reform Act, 2000 sec 115 (10) The housing provider incurs an accumulated deficit that is material and excessive, having regard to the normal practices of similar housing providers.	Please see attached Deficit Reduction Plan (Appendix C)	Yes, however Deficit Reduction Plan has not been approved by Board / Members as a result of COVID-19.

G

THIS IS EXHIBIT "G" TO THE
AFFIDAVIT OF JOANNE CERMAK
SWORN BEFORE ME THIS 9th DAY
OF JULY, 2020.



A Commissioner etc.

Jeffrey W. Tighe
Barrister and Solicitor

**SECOND REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS INTERIM RECEIVER OF
WILLIAM PEAK CO-OPERATIVE HOMES INC.**

DATED JUNE 10, 2020

TABLE OF CONTENTS

INTRODUCTION AND PURPOSE OF THIS REPORT	2
TERMS OF REFERENCE	2
BACKGROUND	4
ACTIVITIES OF THE RECEIVER.....	4
COVID-19	7
FINANCIAL POSITION	8
REVIEW OF FINANCIAL AFFAIRS AND ACCOUNTING IRREGULARITIES.....	11
FEEs OF THE RECEIVER AND ITS COUNSEL.....	12
COURT APPOINTMENT	12
ITEMS FOR CONSIDERATION BY THE REGION	14

APPENDICES

APPENDIX “A”:	RECEIVERSHIP SERVICES AGREEMENT
APPENDIX “B”:	FIRST REPORT
APPENDIX “C”:	NOTICE OF TRIGGERING EVENT
APPENDIX “D”:	RESPONSE TO NOTICE OF TRIGGERING EVENT
APPENDIX “E”:	CASH FLOW FORECAST
APPENDIX “F”:	RECEIVER’S INVOICES
APPENDIX “G”:	BLANEY’S INVOICES

INTRODUCTION AND PURPOSE OF THIS REPORT

1. On February 14, 2020 (the “**Date of Appointment**”), Deloitte Restructuring Inc. was appointed as interim receiver (the “**Receiver**”) of William Peak Co-Operative Homes Inc. (the “**Company**”) by the Regional Municipality of Durham (the “**Region**”) under section 95(5) of the Housing Services Act, S.O. 2011, c.6 (the “**Act**”). Deloitte and the Region entered into a Receivership Services Agreement dated February 19, 2020 (the “**Agreement**”). A copy of the Agreement is attached hereto as **Appendix “A”**.
2. On March 18, 2020 the Receiver issued its first report (the “**First Report**”) to the Region. A copy of the First Report, without appendices, is attached hereto as **Appendix “B”**.
3. The Receiver has engaged Blaney McMurtry LLP (“**Blaney**”) as its lawyer.
4. This is the second report (the “**Second Report**”) of the Receiver to the Region. The purpose of this Second Report is to provide the Region with information in respect of:
 - a) The Receiver’s activities since the date of the First Report;
 - b) The financial position of the Company;
 - c) The fees and disbursements of the Receiver and its counsel; and
 - d) The Receiver’s recommendations with respect to the appointment of a court-appointed receiver.

TERMS OF REFERENCE

5. In preparing this Second Report, Deloitte has been provided with, and has relied upon, unaudited, draft and / or internal financial information, the Company’s books and records, discussions with the Company’s management, shareholders and employees, and

information from third-party sources (collectively, the “**Information**”). Except as otherwise described in this Second Report:

- a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte 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*, and accordingly the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.
 - b) The future oriented financial information referred to in this report was compiled by Deloitte using estimates and assumptions provided by the Company’s management. Readers are cautioned that, since forecasts are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the forecasts, and the variations could be significant.
 - c) Deloitte has filed this Second Report solely for the purpose of providing information to the Region. Parties using the Second Report other than for the purposes outlined herein are cautioned it may not be appropriate for their purposes.
6. Unless otherwise stated, all dollar amounts contained in this Second Report are expressed in Canadian Dollars.
 7. Other than as expressly set out herein, this document does not include any consideration of the likely impact of Coronavirus (COVID-19) on sales, production, supply chain or any other aspect of the business, which may have an adverse impact on the performance of the

Company. The Region should consider the increasingly broad effects on the financial condition of the Company as a result of the negative impact on the Canadian and global economy and major financial markets from COVID-19.

BACKGROUND

8. William Peak Co-Operative Homes Inc. operates the William Peak Co-op social housing property located at 1990 Whites Road, Pickering Ontario (the “**Premises**”).
9. Between April 9 and 10, 2019, the Region conducted an operational review of the Company and subsequently on October 21, 2019 issued a Notice of Triggering Event (the “**Notice**”) pursuant to section 83 of the Act. A copy of the Notice is attached hereto as **Appendix “C”**. The Notice set out a deadline of December 23, 2019 for the Company to respond with an action plan to address the issues set out in the Notice.
10. On or about December 16, 2019 the board of directors (the “**Board**”) of the Company issued a response (the “**Response**”) to the Notice. A copy of the Response is attached hereto as **Appendix “D”**.
11. The Region determined that the Response did not satisfactorily address the issues raised in the Notice and moved to appoint the Receiver as the interim receiver in accordance with the Act.

ACTIVITIES OF THE RECEIVER

12. The Receiver’s activities since the date of the First Report have included, *inter alia*, the following:

Premises Maintenance

The Receiver has worked with the Pro-Edge Management Inc. (the “**Manager**”) to maintain the Premises to the extent possible in light of the restrictions related to the COVID-19 pandemic. Unit inspections and regular maintenance have been deferred until restrictions are eased. In the interim, the Receiver and the Manager have taken the following steps:

- a) Authorized the completion of emergency repairs to multiple units;
- b) Completed an inspection of common areas;
- c) Arranged for seasonal maintenance, including pest control, cleaning and inspection of fire systems; and
- d) Completed capital repairs including the replacement of the intercom system for the main building.

Member Communications

- e) Notified co-operative members (the “**Members**”) of the indefinite postponement of the annual general members’ meeting;
- f) Responded to questions and concerns posed by individual Members regarding housing charges and issues with the previous board of directors and housing administrator;
- g) Reviewed and approved notices from the Manager to the Members regarding social distancing measures, housing charges and other issues incidental to the management of the Premises;

Cash Management and Financial Review

- h) Produced weekly variance reports against forecasted cash flows;
- i) Reviewed and approved disbursements and executed weekly cheque runs;
- j) Monthly reviews of financial statements, arrears reports and other financial information presented by the Manager, including variance reports against budgeted results; and
- k) Ongoing review and approval of quotations for repairs and other expenses in excess of thresholds set out in the Company's by-laws.

Review and Update of Contractual Agreements

- l) Prepared revised employment agreements for superintendents and on-call maintenance staff;
- m) Entered into a commercial property management contract with the Manager; and
- n) Revised commercial lease between the Company and First Steps Childcare (the "Daycare"), which will be negotiated once COVID-19 restrictions have eased.

Reporting to the Region

- o) Regular conference calls with representatives of the Region to discuss issues faced by the Company and the Receiver and to provide updates to the Region with respect to the Receiver's activities; and
- p) Submission of quotations and contracts for the Region's review and approval.

COVID-19

13. The Receiver and the Manager are actively monitoring the situation around the COVID-19 virus, and will take steps to enact the recommendations of public health and government authorities as they are issued. Steps taken to date include:
- a) Closure of the Daycare effective March 17, 2020. The Receiver has received written confirmation from the Daycare that it will be closed until the provincial government announces licensed child care facilities may reopen. Representatives of the Daycare have attended at the Premises occasionally to inspect the facilities and collect records;
 - b) Engaging a commercial cleaning company to conduct regular “deep cleanings” of the common areas of the Premises;
 - c) Advising Members that the Manager’s offices will be closed to Members until further notice and asking Members to arrange for post-dated cheques, pre-authorized payment or electronic transfer of housing charges until further notice;
 - d) Restricting unit entry by Company employees to cases of emergency and deferring all non-emergency work orders;
 - e) Ensuring that Company employees and external contractors wear personal protective equipment whenever entering Member units;
 - f) Posting information in public areas to provide information on government directives and personal hygiene information; and

- g) Instructing the Manager to ensure that its employees work remotely wherever possible.

FINANCIAL POSITION

14. As set out in the First Report, the Manager advised the Receiver of concerns with respect to the Company's accounting records, specifically with respect to housing charges. In concert with the Manager, the Receiver undertook a thorough and detailed review of the housing charge sub-ledger. The Receiver provided a report to the Manager identifying misallocated housing charge payments and other irregularities among 36 Member units. The Manager is in the process of undertaking corrective steps to rectify the issues identified and is in the process of confirming the amount that will need to be written off as uncollectible.
15. The Receiver, working in concert with the Manager, prepared a cash flow forecast (the "**Forecast**") for the period February 28, 2020 to August 28, 2020 (the "**Cash Flow Period**"). A copy of the Forecast, updated with actual results to May 1, 2020, is attached as **Appendix "E"**. Set out below is a summary of actual results to May 1, 2020 compared to forecasted results at the same date, along with forecasted results to August 28, 2020.

	May 1, 2020 (Actual)	May 1, 2020 (Forecast)	Variance	August 28, 2020 (Forecast)
Receipts				
Housing Charges	\$ 290,623	\$ 341,604	\$ (50,981)	\$ 689,840
Funding	547,084	372,813	174,271	1,044,168
Other Receipts	69,193	121,531	(52,338)	116,393
Total Receipts	\$ 906,900	\$ 835,948	\$ 70,952	\$ 1,850,401
Disbursements				
Mortgage & Property Taxes	\$ (437,285)	\$ (502,317)	\$ 65,032	\$ (939,567)
Professional Fees	(38,555)	(147,380)	108,825	(56,768)
Utilities	(85,426)	(97,843)	12,417	(203,648)
Repairs & Maintenance	(125,785)	(69,201)	(56,584)	(198,680)
Payroll & Benefits	(98,178)	(94,857)	(3,321)	(173,200)
General & Administrative	(38,210)	(70,200)	31,990	(108,480)
Capital Reserve	-	(49,707)	49,707	(99,413)
Total Disbursements	\$ (823,439)	\$ (1,031,505)	\$ 208,066	\$ (1,779,758)
Change in Cash Position	\$ 83,461	\$ (195,557)	\$ 279,018	\$ 70,643
Opening Cash Balance	\$ 119,842	\$ 119,842	\$ -	\$ 119,842
Change in Cash	83,461	(195,557)	279,018	70,643
Closing Cash Balance	\$ 203,303	\$ (75,715)	\$ 279,018	\$ 190,485

16. A discussion of the material variances is set out below.

Housing Charges

- a) The variance of \$50,981 is largely a timing difference, as a significant portion of monthly housing charges are paid in the second week of the month. This payment pattern crystallized following the adoption of e-transfer as a payment method.

Funding

- b) The variance of \$174,271 reflects additional funding provided by the Region in light of the COVID-19 pandemic.

Other Receipts

- c) The variance of \$52,338 reflects a reduction of an HST rebate by Canada Revenue Agency (“CRA”) of approximately \$32,000, which CRA applied as a set-off against arrears of payroll source deductions. As CRA has also cashed cheques issued by the Company to clear the arrears, the Company now has a credit of \$33,792.18.
- d) The balance of the variance reflects (a) timing differences; (b) a reduction in AC charge collection; and (c) difficulties in allocating collections between housing charges and other receipts.

Mortgage & Property Taxes

- e) The variance of \$65,032 reflects a property tax payment due April 28, 2020 that was not made until May 15, 2020. The payment was delayed due to difficulties in obtaining a statement of account from the City of Pickering.

Professional Fees

- f) The variance of \$108,825 reflects the removal of the fees of the Receiver and its counsel from the cash flow forecast. Following discussions with the Region, it was agreed that these fees would be addressed directly by the Region for the time being.

Repairs and Maintenance

- g) The variance of \$56,584 reflects a timing difference, as a \$50,000 payment to Advantage Airtech to clear arrears relating to the installation of air condition units was made earlier than originally forecast.

General and Administrative

- h) The variance of \$31,990 relates to contingencies in the forecast relating to undisclosed liabilities as discussed in the First Report. No undisclosed liabilities were discovered in the period.

Capital Reserve

- i) The variance of \$49,707 reflects a delay in transferring funds from the operating budget to the capital reserve account. The transfer was delayed in order to conserve cash in the expectation that housing charge collection would be impacted by the COVID-19 pandemic. As collections were not impacted as severely as expected, this amount will be transferred to the capital reserve in May, 2020.
17. The Manager has prepared a draft operating budget, subsidy request and deficit reduction plan. The Receiver is in the process of reviewing these documents and will provide them to the Region for approval once its review is complete.

REVIEW OF FINANCIAL AFFAIRS AND ACCOUNTING IRREGULARITIES

18. As discussed in the First Report, the Receiver's preliminary forensic review identified a number of questionable payments and financial transactions. After discussions with the Region, it was determined that the Receiver would pursue an insurance claim (the "**Claim**") under the Company's employee dishonesty and fraud policies in respect to certain transactions alleged to have been undertaken by Danica Pierce ("**Pierce**"), the former housing administrator.

19. The Receiver has filed the Claim with the Company's insurer and has had a preliminary meeting with Durham Police Services ("DPS") in respect of a criminal investigation. DPS has advised the Receiver that additional information will be required for the investigation, but that it does not expect to proceed with the investigation until restrictions around the COVID-19 pandemic are eased.
20. The Receiver has provided the Region with a draft scope of work and expected budget for additional forensic work necessary to support the Claim.

FEES OF THE RECEIVER AND ITS COUNSEL

21. As at the date of this Second Report, the Receiver has submitted invoices totaling \$163,112.19, exclusive of GST/HST. The Receiver's time charges are actual charges relating to the specific tasks set out in the First Report and the Second Report. The rates charged throughout the Receivership are as set out in the Agreement. Copies of the Receiver's invoices are attached hereto as **Appendix "F"**.
22. As at the date of this Second Report, the Receiver's counsel has submitted invoices totaling \$19,307.00. The Receiver believes that the fees and disbursements of Blaney are fair and reasonable in the circumstances. A copy of Blaney's invoice is attached hereto as **Appendix "G"**.

COURT APPOINTMENT

23. The Act allows for the appointment of the Receiver as a receiver pursuant to an order of the Ontario Superior Court. A court appointed receiver would have greater powers than the current interim receiver and, being subject to court review, the receiver would also have greater protection against any criticism of its efforts.

24. In the First Report the Receiver set out the advantages of a court appointment. The Receiver notes that, pursuant to section 95(2) of the Act, its 180 day mandate will expire on August 12, 2020. Given the existing restrictions around the COVID-19 pandemic, and the uncertainty as to when those restrictions will be lifted, it is not clear that the Receiver will be in a position to return control of the Company to a reconstituted board of directors by August 12, 2020.
25. The outstanding tasks to be completed before transferring control include:
 - a) Preparation and approval of policies and processes including board succession and training plan, disposal of asset policy, personnel policies, and internal transfer policies;
 - b) Preparation and approval of operating budget, subsidy request and deficit reduction plan; and
 - c) Identification, selection and training of board members.
26. The Receiver and the Manager are in discussions with the Region and the Co-Operative Housing Federation (“CHF”) to determine the proper course of action with respect to member approval of budgets and board members, given the inability to hold a general members’ meeting.
27. No steps will be taken at this time to seek court appointment without express instructions from the Region to do so.

ITEMS FOR CONSIDERATION BY THE REGION

28. The Receiver respectfully submits that the Region should consider the following points at its earliest convenience:

- a) Whether the appointment of a court-appointed receiver is appropriate; and
- b) Whether the Region will instruct the Receiver to complete the additional forensic work necessary to support the Claim.

All of which is respectfully submitted at Toronto, Ontario this 10th day of June, 2020

DELOITTE RESTRUCTURING INC.,
solely in its capacity as Interim Receiver
of William Peak Co-Operative Homes Inc.
and without personal or corporate liability



Per: _____

Phil Reynolds, CIRP, LIT
Senior Vice-President

A

Receivership Services Agreement

THIS AGREEMENT made in duplicate the 19th day of February, 2020
BETWEEN:

Regional Municipality of
Durham
(hereinafter called the "Service Manager")

-and-

Deloitte Restructuring Inc.
(hereinafter called the "Receiver")

WHEREAS the Region has been designated the Service Manager for the Regional Municipality of Durham for the purposes of the Housing Services Act, 2011 (the "Act") and regulations thereunder;

AND WHEREAS the responsibility for administering and funding the housing program relating to the William Peak Co-operative Homes Inc. (the "Housing Provider") is provided by the Service Manager under the Act;

AND WHEREAS the Housing Provider has failed to operate the subject housing project (the "Housing Project" as defined below) properly;

AND WHEREAS the Housing Provider has failed to comply with the notice of triggering event provided to the Housing Provider dated **October 21, 2019**;

AND WHEREAS in the opinion of the Service Manager, the Housing Provider has failed to operate the Housing Project properly, and based on the January 23, 2020 audit letter of Prentice, Yates & Clark, the Housing Provider has demonstrated that it is unable to pay its debts as they become due;

AND WHEREAS the Service Manager appointed by agreement the Receiver to provide interim receivership and management services under section 95(5) of the Act;

AND WHEREAS the Service Manager appointed the Receiver on February 14, 2020 pursuant to paragraph 6 of section 85 of the Act, as the receiver and manager of the Housing Project and the Service Manager and the Receiver have agreed to execute this Agreement which sets out further terms and conditions of the receivership;

In consideration of the mutual covenants and agreements contained herein and subject to the terms and conditions herein contained, the parties agree as follows:

1) Definitions

For the purposes of this Agreement, the following terms shall, unless the context requires otherwise, have the meanings specified in this article:

"Housing Project" shall mean all or part of the residential accommodation, including facilities used for ancillary purposes, located in one or more buildings used in whole or in part for residential accommodation, owned and operated by the Housing Provider, located at 1990 Whites Road, Pickering, ON, L1V 6P5;

"Property Manager" shall mean a company hired under a property management agreement to manage the Housing Project; or staff of the Housing Provider that have been hired under an employment contract to manage the Housing Project.

"Services" shall mean the services described in the Terms of Reference for Receiver attached to this Agreement as Schedule 1.

"Schedule" - The following schedule is attached (as amended or replaced from time-to-time) and forms an integral part of this Agreement:

Schedule 1 - Terms of Reference for Receiver

2) Obligations of the Receiver

The Receiver shall act in accordance with and provide the Services as described in this Agreement and as found in the Act and its regulations.

The Receiver shall, in accordance with section 95(8) of the Act, provide a copy of this Agreement to the Housing Provider.

The Receiver shall adhere to the reporting requirements to the Housing Provider and Service Manager in accordance with section 95(17) of the Act.

3) Term

This Agreement shall become effective as and from the date Receiver was appointed the interim receiver and manager of the Housing Project and in accordance with Section 95(2) shall terminate within 180 days; unless the Superior Court of Justice orders otherwise on the application of the Service Manager made before the expiry of the 180 day period pursuant to s. 85(7) and 95(3) of the Act.

4) Termination

- a) In the event either party wishes to terminate this Agreement they may do so by providing sixty (60) days prior written notice to the other party. All provisions which by their terms are intended to survive the termination of this Agreement or the appointment of the Receiver as receiver and manager of the Housing Project, shall survive the termination of this Agreement or appointment in accordance with their terms.
- b) The Service Manager reserves the right to terminate this Agreement and the appointment without cause, upon such conditions as the Service Manager may require, on forty-eight (48) hours written notice to the Receiver.
- c) If the Service Manager terminates this Agreement and the appointment prior to its expiration, the Service Manager shall only be responsible for ensuring payment, from the revenues of the Housing Project or from funds provided by the Service Manager, of the Receiver's professional fees and disbursements incurred in connection with this Agreement up to and including the date of termination. Notice of termination may be sent by registered mail or hand delivered to the last known address of the Receiver.
- d) Notwithstanding termination of this Agreement or any appointment, any outstanding obligations of either party under this Agreement shall continue until performed or satisfied.
- e) Upon termination of the appointment pursuant to this Article 4, or the expiry of this Agreement or of the appointment of the Receiver pursuant to Article 3, the Receiver shall return control of all property, assets and books to the Housing Provider, or to another party as directed by the Service Manager, within forty-eight (48) hours of termination. Such property, assets and books include but are not limited to: all keys, invoices, books of account, leases,

operating contracts, working papers, data and information which the Receiver may have in its possession pertaining to the Housing Provider and the Housing Project, either in hard-copy or electronic format. The Receiver acknowledges and agrees that these are the sole and exclusive property of the Housing Provider.

All data and information in electronic format shall be returned to the Housing Provider in a form compatible with the operating system and software of the Housing Provider's computer(s).

5) Fees and Disbursements

- a) The Service Manager shall authorize payment of the Receiver's reasonable professional fees and disbursements from the funds of the Housing Provider derived from the Housing Project, as authorized by subsection 95(13) of the Act, subject to the following conditions:
 - i) The Receiver shall provide the Service Manager with a billing each month showing details of all professional fees and disbursements incurred during the prior month, which is subject to Service Manager's approval; and
 - ii) The Receiver's disbursements shall consist of the Receiver's out-of-pocket expenses incurred in connection with carrying out the Receiver's duties. The nature of such disbursements shall be mutually agreed to by the parties and shall be charged on a direct cost pass through basis with no markup or other charges added.

6) Limitations

- a) The Receiver shall not terminate any of the Housing Provider's agreements without the prior written approval of the Service Manager, nor enter into any new agreements for a term in excess of the term of Receivership without the prior written approval of the Service Manager or as directed in the Schedule.
- b) The Receiver shall not sell or otherwise dispose of any of the assets of the Housing Provider without the express consent of the Service Manager, in accordance with Section 95(10) of the Act.

7) Assignment

The Receiver shall not assign this Agreement or any part thereof, without the prior written approval of the Service Manager.

8) Communication and Notice

- a) The Receiver shall identify in writing one or more contact persons, who are authorized by the Receiver to accept appointments as a receiver or receiver and manager of a Housing Provider and respond on its behalf and who can respond to requests from the Service Manager and receive information from and transmit information to the Service Manager and shall give notice to the Service Manager of any change in the contact person. The initial contact person shall be:
 - i) For the Service Manager: Joanne Cermak
 - ii) For the Receiver: Phil Reynolds
- b) All communications and notices pertaining to this Agreement shall be in writing and will be delivered by electronic mail addressed as follows:
 - i) To the Service Manager:

Region of Durham
605 Rossland Road East, PO Box 623 Whitby, ON L1N 6A3

Attention: Joanne Cermak, Director of Financial Services
 Joanne.cermak@durham.ca

ii) To the Receiver:

Phil Reynolds, Senior Vice President
 Deloitte Restructuring Inc.
 8 Adelaide St. W., Suite # 200
 Toronto, ON.
 Telephone (416) 956-9200
 Email: philreynolds@deloitte.ca

9) Liability and Indemnity

- (a) In consideration of the acceptance of the Service Manager's appointment of the Receiver as interim receiver and manager in respect of the assets, property and undertaking of the Housing Provider, the Service Manager hereby agrees to indemnify and save harmless the Receiver, its respective affiliates, employees, officers, directors and agents against and from all loss, cost, damages and expenses incurred, suffered or sustained by the Receiver in connection with such appointment, (other than as a result of negligence or willful misconduct on the part of the Receiver) whether arising as a result of the Service Manager not having had the right to make such appointment or otherwise and other than as a result of the failure of the Receiver to act in a commercially reasonable manner and in accordance with the provisions of the Bankruptcy and Insolvency Act or the Act.

For greater certainty, but without limiting the generality of the paragraph above, the claims, liabilities, costs and expenses in respect of which the Receiver is indemnified and held harmless shall include actual or contingent liabilities arising out of or in connection with environmental-related or employment related legislation, regulations or administrative actions or obligations or responsibilities arising in connection with unions or pension plans pertaining to any such persons; liabilities for amounts deemed by statute to be held in trust for any purpose; remittances or withholdings due to any governmental authority, including but not limited to employee source deductions, G.S.T. and P.S.T., and liabilities for amounts claimed by secured creditors or governmental claimants, and the Receiver's reasonable fees and disbursements including its reasonable legal fees and disbursements and other reasonable professional costs incurred in dealing with any claim or liability.

The Receiver agrees to indemnify and save the Service Manager harmless from all claims, liabilities, costs or expenses that the Service Manager may incur or that may be asserted against the Service Manager arising out of this Agreement to the extent that they are attributable to the negligence or willful misconduct of the Receiver.

10) Insurance

The Receiver shall continuously maintain throughout the term of the Agreement and pay for the following insurance coverage:

- a) Commercial General Liability insurance including personal injury, broad form contractual liability, owners and contractors protective, completed operations, and non-owned automotive liability in an amount of not less than five million dollars (\$5,000,000.00) applying to all contracts for claims arising out of one occurrence; and
- b) Professional Liability (Errors and Omissions) in an amount of not less than two million dollars (\$2,000,000.00) per claim with an aggregate limit of four million dollars (\$4,000,000.00).

The Commercial General Liability policy shall include the Service Manager as an additional insured in respect of all operations performed by or on behalf of the Receiver in relation to the Agreement requirements and be endorsed to provide the owner with not less than thirty (30) days written notice in advance of any cancellation, change or amendment restricting coverage.

11) Conflict of Interest

- a) The Receiver, any sub-contractors and any of their respective advisors, partners, directors, officers, employees, agents and volunteers shall not engage in any activity or provide any services to the Service Manager where such activity or the provision of such services, creates a conflict of interest (actually or potentially in the sole opinion of the Service Manager) with the provision of the Services pursuant to this Agreement. The Receiver acknowledges and agrees that it shall be a conflict of interest for it to use confidential information of the Service Manager relevant to the Services where the Service Manager has not specifically authorized such use.
- b) The Receiver shall disclose to the Service Manager without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.
- c) A breach of this Article 10 by the Receiver shall entitle the Service Manager to immediately terminate this Agreement, in addition to any other remedies that the Service Manager has under this Agreement, in law, or in equity.

12) Confidentiality

The Receiver agrees that all of its employees and/or agents having access to materials and personal information regarding the tenants of the Housing Provide by virtue of this Agreement and its appointment as receiver and manager over the Housing Project, shall treat same as confidential personal information not to be disclosed to third parties or used in any unauthorized way except in accordance with the provisions of the Act. In addition, the Receiver shall not disclose or use any information that the Service Manager cannot or may not wish to disclose or use under the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M56*.

13) Arbitration

- a) In the case of any dispute between the parties as to the meaning of any part of this Agreement or any appointment or about a claim arising hereunder or thereunder, the parties may submit the dispute to a single arbitrator under the *Ontario Arbitration Act, 1991* who shall be (i) an individual agreed to by the Parties if permitted by law; or (ii) if required by applicable law, a judge of the Superior Court of Justice of Ontario in accordance with the provisions of the *Municipal Arbitrations Act, R.S.O. 1990, Chap. M.48*, as amended from time to time;
- b) The arbitrator shall be qualified and licensed to practice in Ontario and shall reside within 50 kilometre radius of the Service Manager's headquarters. The arbitrator may appoint counsel and may submit to him disputed points of law, and the arbitrator may act upon the advice of counsel, and may apportion and charge the cost thereof between the parties hereto.

14) Waiver

The failure by the Service Manager to insist on one or more instances upon the performance by the Receiver of any of the terms or conditions of this Agreement or any appointment shall not be construed as a waiver of Service Manager's right to require future performance of any such terms or conditions, and the obligations of the Receiver with respect to such future performance shall continue in full force and effect. A waiver is binding on the Service Manager only if it is in writing.

15) Enurement

- a) This Agreement will operate to the benefit of and will be binding upon the successors and assigns of the Service Manager and upon the permitted successors of the Receiver.

16) Priority

In the event of a conflict or inconsistencies between the provisions of the various documents which comprise this Agreement, it shall be resolved, in accordance with the following priorities:

- a) Firstly, the provisions of the Schedule;
- b) Secondly, the provisions of the body of this Agreement;
- c) Lastly, the provisions of any other material incorporated by reference into this Agreement.

17) Time of the Essence

Time is of the essence in this Agreement and any dates or deadlines are to be strictly adhered to.

18) Interpretation

- a) This Agreement shall be construed in accordance with the laws of the Province of Ontario.
- b) The headings which precede the paragraphs of this Agreement are merely for the assistance of the reader and do not affect the meaning, effect or construction of the Agreement.
- c) Whenever words that have well known technical or trade meanings are used in this Agreement, they are used in accordance with such recognized meanings.

19) Authority

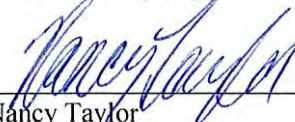
Each party stipulates that it has full authority to enter into and perform under this Agreement, and the person signing this Agreement on behalf of the named party is properly authorized to sign it, and each party further acknowledges that it has read this Agreement, understands it and agrees to be bound by it.

20) General

- a) If any term, covenant or condition of this Agreement be held in whole or in part invalid or unenforceable, the remainder of the Agreement shall not be affected thereby and each term, covenant and condition of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.
- b) This Agreement shall not be modified or amended except, after approval by the Service Manager, by an instrument in writing signed by the parties hereto or by their successors and assigns.

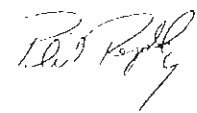
IN WITNESS HEREOF

The Regional Municipality of Durham

Per: 
Name: Nancy Taylor
Title: Commissioner of Finance

Date of Signing: Feb 19/20

Deloitte Restructuring Inc.

Per: 
Name: Philip J. Reynolds
Title: Senior Vice President

Date of Signing: February 19, 2020

Schedule I

Terms of Reference for Receiver

Services

Scope of Work**Stabilization of Existing Situation**

- Take possession of all bank accounts (including new banking services) and rent rolls; signify to whom rent payments will be made to;
- Identify critical operational issues, including building condition and property management issues;
- Identify critical financial issues, including rental arrears and capital requirements;
- Prepare cash flow forecast and determine additional funding requirements;
- Conduct a process to identify an appropriate Property Manager and make recommendation; and
- Direct the review of all RGI files and re-calculate RGI as necessary

Financial and Governance Review

- Conduct a detailed review of the Housing Provider's financial affairs for the twelve months preceding Deloitte's appointment, including procurement contracts and the application for and disposition of subsidies;
- Prepare a report to the Service Manager setting out the results of the foregoing investigation and, where necessary, prepare information to be provided to law enforcement;
- Conduct a review of the Housing Provider's board of directors' activities and the Housing Provider's governance structure; and
- Prepare a report to the Service Manager including recommended changes to governance structure.

Reporting and Coordination

- Regular reports to the Service Manager setting out the activities of the Receiver;
- Meetings with representatives and/or stakeholders of the Housing Project as needed;
- Assess requirement of forensic audit in consultation with the Service Manager;
- Provide comprehensive report at 60-day mark to facilitate potential next steps prior to the expiry of initial 180 days; and
- Assisting the Service Manager with preparations for a court application to appoint a receiver (manager) or extend the appointment of the Receiver, if necessary.

Maintenance and Transition

- Throughout the engagement, ensure the timely collection of rents and perform regular maintenance;
- Where necessary, engage consultants or experts to evaluate the need for capital repairs and arrange for same to be conducted;
- Other steps necessary to comply the requirements of the Act;
- Identify suitable candidates to serve on a replacement board of directors, where necessary; and
- Facilitate the transfer of control back to a duly appointed board of directors.

Deloitte Hourly Rate Card

Resource Level	Hourly Rate
Partner / Principal / Director	\$550
Senior Manager	\$450
Manager	\$360
Senior Consultant	\$300
Consultant	\$275
Analyst	\$225

B

**FIRST REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS INTERIM RECEIVER OF
WILLIAM PEAK CO-OPERATIVE HOMES INC.**

DATED MARCH 18, 2020

TABLE OF CONTENTS

INTRODUCTION AND PURPOSE OF THIS REPORT	2
TERMS OF REFERENCE	2
BACKGROUND	3
ACTIVITIES OF THE RECEIVER.....	4
COVID-19	6
FINANCIAL POSITION	7
REVIEW OF FINANCIAL AFFAIRS AND ACCOUNTING IRREGULARITIES.....	11
COURT APPOINTMENT	12
ITEMS FOR CONSIDERATION BY THE REGION	13

APPENDICES

APPENDIX “A”:	RECEIVERSHIP SERVICES AGREEMENT
APPENDIX “B”:	NOTICE OF TRIGGERING EVENT
APPENDIX “C”:	RESPONSE TO NOTICE OF TRIGGERING EVENT
APPENDIX “D”:	FORECAST
APPENDIX “E”:	SUMMARY OF PRELIMINARY REVIEW

INTRODUCTION AND PURPOSE OF THIS REPORT

1. On February 14, 2020 (the “**Date of Appointment**”), Deloitte Restructuring Inc. was appointed as interim receiver (the “**Receiver**”) of William Peak Co-Operative Homes Inc. (the “**Company**”) by the Regional Municipality of Durham (the “**Region**”) under section 95(5) of the Housing Services Act, S.O. 2011, c.6 (the “**Act**”). Deloitte and the Region entered into a Receivership Services Agreement dated February 19, 2020 (the “**Agreement**”). A copy of the Agreement is attached hereto as **Appendix “A”**.
2. This is the first report (the “**First Report**”) of the Receiver to the Region. The purpose of this First Report is to provide the Region with information in respect of:
 - a) The Receiver’s activities since the Date of Appointment;
 - b) The financial position of the Company; and
 - c) The results of the Receiver’s preliminary forensic review.

TERMS OF REFERENCE

3. In preparing this First Report, Deloitte has been provided with, and has relied upon, unaudited, draft and / or internal financial information, the Company’s books and records, discussions with the Company’s management, shareholders and employees, and information from third-party sources (collectively, the “**Information**”). Except as otherwise described in this First Report:
 - a) Deloitte has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, Deloitte 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*, and accordingly the Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.

- b) The future oriented financial information referred to in this report was compiled by Deloitte using estimates and assumptions provided by the Company’s management. Readers are cautioned that, since forecasts are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the forecasts, and the variations could be significant.
 - c) Deloitte has filed this First Report solely for the purpose of providing information to the Region. Parties using the First Report other than for the purposes outlined herein are cautioned it may not be appropriate for their purposes.
4. Unless otherwise stated, all dollar amounts contained in this First Report are expressed in Canadian Dollars.

BACKGROUND

- 5. William Peak Co-Operative Homes Inc. operates the William Peak Co-op social housing property located at 1990 Whites Road, Pickering Ontario (the “**Premises**”).
- 6. Between April 9 and 10, 2019, the Region conducted an operational review of the Company and subsequently on October 21, 2019 issued a Notice of Triggering Event (the “**Notice**”) pursuant to section 83 of the Act. A copy of the Notice is attached hereto as **Appendix “B”**. The Notice set out a deadline of December 23, 2019 for the Company to respond with an action plan to address the issues set out in the Notice.

7. On or about December 16, 2019 the board of directors (the “**Board**”) of the Company issued a response (the “**Response**”) to the Notice. A copy of the Response is attached hereto as **Appendix “C”**.
8. The Region determined that the Response did not satisfactorily address the issues raised in the Notice and moved to appoint the Receiver as the interim receiver in accordance with the Act.

ACTIVITIES OF THE RECEIVER

9. Immediately following the Date of Appointment, the Receiver attended at the Premises and met with representatives of Pro Edge Management Inc. (the “**Manager**”), which had been engaged by the Board to provide property management services following the Board’s termination of Danica Pierce (“**Pierce**”), the previous property manager. We note that the Manager has worked with Deloitte on previous social housing receiverships and has considerable experience in this area. The Receiver’s activities since the Date of Appointment have included, *inter alia*, the following:

Conservatory Measures

The principal conservatory measure taken by the Receiver include:

- a) Instructed the Manager to change the locks to the property management office, which houses all of the books and records of the Company;
- b) Took possession of and signified the Company’s rent rolls;

- c) Placed the Company's account at Alterna Savings (the "**Alterna Account**") on a deposit-only basis and transferred the balance of funds to the Receiver's trust account (the "**Trust Account**");
- d) Placed access restrictions on the Company's investments held by Worldsource Financial Management Inc. (the "**Worldsource Account**");
- e) Met with Board members to advise them of the Receiver's appointment and mandate;
- f) Retained counsel to assist the Receiver and address legal issues related to the Premises or the Appointment;
- g) Confirmed and continued the engagement of Pro Edge Management Inc. as property manager; and
- h) Collected property of the Company held by former employees.

Member Communications

- i) Caused the Manager to deliver a notice to each household advising the Members of the Receiver's appointment and mandate;
- j) Met with individual co-operative members (the "**Members**") who had questions or concerns about the Receiver's appointment and mandate;
- k) Caused the Manager to deliver a notice to each household setting out the procedure for payment of housing charges; and

- l) Held an information session for Members on Friday, February 28, 2020 in order to communicate the Receiver's appointment and mandate and provide Members with an opportunity to express concerns and ask questions.

Physical Inspections

- m) Conducted a visual inspection of the Premises, which is generally in good repair other than minor issues with interlocking stone in certain pathways and potholes in some roadways; and
- n) Met with certain Members who advised the Receiver of problems with their units or with previous work done.

Capital Plan and Governance Review

10. The Receiver is currently reviewing the capital plan prepared by the Manager and will provide a copy of the plan to the Region due course. The Receiver is also undertaking a review of the Company's governance structure and will provide a report to the Region setting out recommendations for changes to the Company's governance structure as required by the Agreement.

COVID-19

11. The Receiver and the Manager are actively monitoring the situation around the COVID-19 virus, and will take steps to enact the recommendations of public health and government authorities as they are issued. Steps taken to date include:
 - a) Closure of First Steps Childcare (the "**Daycare**") effective March 17, 2020. The Receiver has received written confirmation from the Daycare that it will be closed

until the provincial government announces licensed child care facilities may reopen;

- b) Engaging a commercial cleaning company to conduct multiple “deep cleanings” of the common areas of the Premises;
- c) Advising Members that the Manager’s offices will be closed to Members until April 5, 2020 and asking Members to arrange for post-dated cheques or pre-authorized payment of housing charges for April and May, 2020;
- d) Restricting unit entry by Company employees to cases of emergency and deferring all non-emergency work orders; and
- e) Instructing the Manager to ensure that its employees work remotely wherever possible.

FINANCIAL POSITION

- 12. The Manager has raised serious concerns with respect to the integrity of the Company’s financial records, and specifically with respect to the recording of housing charges. The Receiver will work with the Manager over the coming weeks to identify the scope of work necessary to resolve these issues and will advise the Region accordingly.
- 13. The Receiver, working in concert with the Manager, has prepared a cash flow forecast (the “**Forecast**”) for the period February 28, 2020 to August 28, 2020 (the “**Cash Flow Period**”). A copy of the Forecast is attached hereto as **Appendix “D”**. A summary of the Forecast is set out below.

Receipts	
Housing Charges	\$ 699,824
Funding	869,897
Other Receipts	165,526
Total Receipts	\$ 1,735,247
Disbursements	
Mortgage & Property Taxes	939,566
Professional Fees	402,591
Utilities	193,935
Repairs & Maintenance	191,177
Payroll & Benefits	169,879
General & Administrative	138,866
Capital Reserve	99,413
Total Disbursements	\$ 2,135,426
Change in Cash Position	\$ (400,180)
Opening Cash Balance	\$ 120,688
Change in Cash	(400,180)
Closing Cash Balance	\$ (279,492)

14. As stated above, the Manager and the Receiver have concerns about the accuracy of the Company's accounting records, including whether they accurately reflect the Company's liabilities, among other things. The Receiver will continue to work with the Manager to identify any undisclosed liabilities and other irregularities and will update the Forecast accordingly. In the interim, the Receiver has included a contingency for undisclosed liabilities of 5% of disbursements over the Cash Flow Period. This contingency is allocated in monthly amounts of \$14,583.
15. The Receiver notes that the Forecast indicates a shortfall of \$308,307 over the Cash Flow Period. The Forecast suggests that the Company will have sufficient cash on hand to cover disbursements to the week ending May 22, 2020, and will be in a shortfall position for the

remainder of the Cash Flow Period. The maximum shortfall over the Cash Flow Period is \$308,307.

16. Based on its preliminary review of the Company's financial records, the Receiver believes that, absent restructuring costs and past-due accounts payable, the Company would enjoy positive cash flows on a monthly basis.
17. The Receiver notes the following with respect to specific accounts in the Forecast:

Housing Charges

- a) The Receiver understands the Region has recently completed a review of the rent geared to income ("RGI") calculations for Members' housing charges, and that this review could result in a change to forecasted housing charges. The Receiver has been advised that the Region anticipates issuing the results of its review shortly. The Receiver will provide an updated Forecast after incorporation the results of the review;
- b) The Forecast assumes that housing charge arrears in the approximate amount of \$12,500 will be collected over the Cash Flow Period, as set out in line 10 of the Forecast. The Manager is working to reconcile the housing charge arrears and the Receiver will update the Forecast to reflect the reconciled amount once confirmed. There is a risk that housing charge arrears will not be collected as forecast, particularly in light of the limited availability of courts resulting from COVID-19 closures;

Other Receipts

- c) Members are currently paying monthly charges (the “**AC Charges**”) ranging from \$16 to \$37 per unit to recover the capital costs of installing air conditioners. The Region has advised the Receiver that there may be an issue with the application of the AC Charges to RGI units, which may reduce non-housing charge receipts set out in the Forecast. Furthermore, due to deficiencies in the documentation of the Members’ meeting authorizing the charge, the Company may be unable to enforce collection of the AC Charges;

Professional Fees

- d) The Receiver’s fees as set out in the Forecast do not include fees relating to a full forensic review of the Company’s finances. Should the Region wish to proceed with a review, the Forecast will be updated with additional fees as agreed with the Region;
- e) The Receiver’s fees to date reflect the activities set out above, which correspond to the scope of work set out in the Agreement;
- f) The Receiver’s legal fees assume that counsel will not be involved in protracted litigation or the necessity to seek a court appointment to further support the ability of the Receiver to perform its duties. Should any such disputes or court appointment arise the Forecast may require adjustment;

Repairs and Maintenance

- g) As the Manager has not completed unit inspections, the Receiver has included a contingency of \$5,000 per month for unit repairs and maintenance.

REVIEW OF FINANCIAL AFFAIRS AND ACCOUNTING IRREGULARITIES

- 18. The Receiver has conducted a preliminary review of transactions between February 1, 2019 and February 28, 2020. A detailed summary of this review is attached hereto as **Appendix “E”**. The Receiver’s review identified the following areas of concern:
 - a) Payments to contractors and third party vendors where (i) payments are not commercially reasonable or (ii) the work was not done or was not done properly;
 - b) Payments to parties related to former Board members;
 - c) Payments to Pierce that appear to be in excess of legitimate entitlements;
 - d) Credit card purchases using a Company card that do not appear to reflect legitimate expenses of the Company;
 - e) Conflicts of interest; and
 - f) Potential misappropriation of housing charge payments.
- 19. The Receiver has reviewed the Company’s insurance policy and notes that it may be possible to recover inappropriate charges to the credit card and certain overpayments to Pierce by way of insurance claim. The Receiver estimates the amount of a potential claim at \$38,000, as set out below. The Receiver recommends further investigation of matters related to Pierce’s entitlements and expense claims and potentially fraudulent credit card charges.

- 12 -

Pierce - Salary	\$ 20,750.00
Pierce - Expenses	\$ 2,471.00
Credit Card	\$ 15,382.00
	<hr/>
	\$ 38,603.00

20. The Receiver is unable without further investigation to quantify the potential loss to the Company arising from issues relating to contractors and vendors. Further investigation would require the Receiver to conduct extensive unit inspections to determine the quality of work done, and potentially to engage third party consultants to assess the quality of capital repairs. Based on the cost involved in investigation and potential litigation and the uncertainty of realization, the Receiver does not recommend any additional investigation into these matters.

COURT APPOINTMENT

21. The Act allows for the appointment of the Receiver as a receiver pursuant to an order of the Ontario Superior Court. A court appointed receiver would have greater powers than the current interim receiver and, being subject to court review, the receiver would also have greater protection against any criticism of its efforts.
22. At this point, the Receiver is reviewing whether such an appointment is merited. As evidenced by this report, the absence of a court appointment has not hindered the ability of the Receiver to perform its mandate to date.
23. The Receiver is mindful of the increased costs that would accompany a court appointment. However, the Receiver notes that a court appointment would provide certain advantages to both the Receiver and the Region:

- a) A court-appointed Receiver would have enhanced powers that would facilitate collection of housing charges;
 - b) Funds advanced to a court-appointed Receiver would enjoy a priority charge over creditors, subject to existing secured creditors and priority charges;
 - c) A court appointed receiver would also have wider investigative powers and the ability to compel production of information from third parties, should that be necessary in this matter. It would also create a stay preventing any parties from taking any steps against the Premises absent court approval; and
 - d) A court appointment would provide a forum for stakeholders to voice objections, and for the court to provide advice and direction, and a means to obtain court approval of the Receiver's actions. As an independent officer of the court, the Receiver would not be an agent of the Region.
24. It may also be necessary to seek a court appointment if further review of the Premises demonstrates that it is unable to meet its obligations as they fall due. There may be a greater risk of this if the COVID 19 virus impacts operations.
25. No steps will be taken at this time to seek court appointment without express instructions from the Region to do so.


ITEMS FOR CONSIDERATION BY THE REGION

26. The Receiver respectfully submits that the Region should consider the following points at its earliest convenience:

- a) Additional funding necessary to address potential cash-flow shortfalls as set out above;
- b) Whether the appointment of a court-appointed receiver is appropriate; and
- c) Whether the Region wishes to expand the scope of the forensic review conducted by the Receiver to date.

All of which is respectfully submitted at Toronto, Ontario this 18th day of March, 2020

DELOITTE RESTRUCTURING INC.,
Solely in its capacity as Interim Receiver
of William Peak Co-Operative Homes Inc.
and without personal or corporate liability



Per: _____

Phil Reynolds, CIRP, LIT
Senior Vice-President

C

Region Review April 9-10, 2019 Notification of Project in Difficulty- Triggering Event Report Response
Section 1

Salary employee Mike Hill
 Willy Solonga
 Elaine Shears
 Danica Pierce
 Summer Flint
 Jen O'Neil
 Kathy Scimone
 Copies of T4 attached.

Action #2: Arrears report and Trial Balance Attached for review. (entire Year)

Action #3 1) Copy of Year Board Package
 2) Copy of up coming Board Meetings Attached
 3) Both In Camera and Board Package is attached (for year)
 4) Management has been instructed and review the package to Include and document
 Vacancy Report
 Arrears Report
 Statement or Revenue and Expense
 Monthly variance and year to date.
In all packages

Action #4: 1) all checks will have supported documentation inclusive of Board member initials
 2) all capital expenditures should be inclusive of member sign in sheet and approval of
 the membership
 3) inclusive of the review package should be the original documentation and all
 collected quotes. (capital review spending by-law attached)

Action #5 AIR audited Financials – and management letter are attached for your review

Action # 6 1) Copies of all conflicts of interest are attached
 2)
 3) A. Chatergun has not relationship to William Peak or any Board Member
 With some bias judgement the conversation was had to elect a board member from the
 outside, HSC was part of he Insite software program and it was discussed with C.Reid
 when he came into meet and do training about co-ops he suggested A.Chatergun as she
 was looking to do volunteer with in a board, she was educated and brought before he
 member to be voted in. and was. (see attached AGM Package)
 NOTE: A. Chategun last meeting attended was May 2019 – was not able to make
 emergency meeting in July and did not attend the next Board meeting – she will not be
 returning.

SECTION 2

Trigging Event
Deficit Reduction Plan

Board meeting held on December 11, 2019 was to discuss the notice of a triggering event, the board once again requested to more information as to what the Region is asking for, do we owe this money? When did this happen, there is not record at our end other then the Region requesting this reduction plan – management has requested the assistants of CHF/CHFT to come in the new year an and assist with this process.

SECTION #3

- 1) Management completed a 5 year plan for the capital budget that was present to the AGM in the AGM June 2018 this is attached. It was voted and approved by the members during this AGM
- 2) Section 3 – 2 Succession plan was developed and a copy of the board binder that was created for all board members is in the package for review – when CHFC and CHFT this is also part of the onsite training that has been requested.
- 3) Management was unable to locate the capital reserve spending policy, but has added to the list of subjects to completed with CHFT/CHFC along with Bad Debit write off.

3.1) Attached is the current understanding of the internal transfer policy and we have a current list of over housed and under housed units- that take priority of those only requesting a transfer for over aged children or parent requesting a smaller unit.

- 4) Regarding IN- Camera sessions and member names or information being included, the packages have been reviewed and updated – personal information will not be included packages.
- 5) Board Arrears – member of the board that are in arrears- now fully understand that they can't be apart of the in-camera segment and will excuse themselves from the meeting, this will be noted as declared. Attached is the copy of the board member arrears by-law
- 6) The board as created a HR policy that follows William Peak and Employment standards, this is part of the board binder and is attached for your review.
- 7) RGI applications INSITU – has bee reviewed with the Region and Board, all insitu applications are being reviewed with the Region prior to approval.
- 8) Process to track current members on the Dash list – William Peak has many over-housed people and we have a current list of people that have been on the list for along time, we also do not have 1 bedrooms for those whom are under 55 – this list have been proved to the region and a copy is in the file for your review.
- 9) Members are informed that they are over housed and that they must register with the Region to transfer, we don't have a system that informs us if they did or did not register. All vacant units are offered internally should it be adequate fit – 4 to a 3 or 2 and etc. again we don t' have 1 bedroom for the member over housed under 55.
 - a. We have followed the process of refusal for a smaller unit
 - b. Have sent notice to member to transfer if they are over housed.
 - c. We don' have a way to know fi they member sent to Region – Will requested copies of the paperwork sent.
 - d. **How can we find out if the member logged into DASH?**

Members that have refused 3X will be sent to/or have been sent to Dash for transfer.

- 10) 14 files that were enlisted to be errors or need correction have been corrected and sent back to the Region – correct information collected to complete the files for review.
- 11) Fire Inspection
 - a. William Peak reviewed the file and found that the was outstanding repair that has been ongoing repair for the last five years – this is a sandpipe

Region Review April 9-10, 2019 Notification of Project in Difficulty- Triggering Event Report Response
location in the daycare – has been approved for repair and will be
completed January 2020.

A copy of the board meeting held on December 11, 2019 will be forward via email for your review.

Doug Cornell

December 16, 2019

Cathy Roy

December 16, 2019

Mike Hill

December 16, 2019

Tammy Watson

December 16, 2019

Darren Commisiong

December 16, 2019

The Board put together a package for funding regarding many concerns that was present to the region, a notice was received back from the Region stating that the William Peak was not one of the chosen to receive any funding. We have been working very hard at cleaning up the grounds and making William Peak a great place to live.

D



October 21, 2019

Mr. Doug Cornell, President
 William Peak Co-operative Homes Inc.
 64-1990 Whites Rd
 Pickering, ON L1V 6P5

The Regional
 Municipality
 of Durham

605 Rossland Rd. E.
 P.O. Box 623
 Whitby, Ontario
 Canada L1N 6A3
 (905) 668-7711
 1-800-372-1102

www.durham.ca

Department of
 Social Services

*Housing Services
 Division*
 Fax: (905) 666-6225

Finance
 Department

*Financial Services
 Division*
 Fax: (905) 666-6257

Dear Mr. Cornell:

Re: Operational Review – April 9 - 10, 2019 and Notice of Triggering Event –
 Failure to Operate a Designated Housing Project Properly

Our team from the Region of Durham conducted an Operational Review of William Peak Co-operative Homes Inc. (William Peak). The attached Operational Review Report details our findings with respect to William Peak's current business practices, financial status, maintenance program and compliance with legislation and Regional policies.

William Peak has been monitored as a Project in Difficulty (PID) since 2004 and was triggered again in 2007. The current Operational Review identified further areas of concern that warrant the issuance of a further triggering event. Contributing to this triggering event are:

1. A failure on behalf of the board to ensure the financial records of the corporation are updated and maintained. Financial reports have not been available for review by the Board since August 2018.
2. Significant payments are being made to a Board member's business, in breach of the Conflict of Interest Guidelines. As well, advances are being made personally to the same Board member with no accompanying support beyond email direction from the President.
3. The failure of the Board to ensure the August 31, 2018 year-end financial documents were provided to the Region by January 31, 2019 as required under Regional Directive 2013-02, including the auditor's management letter, also a mandatory year-end financial requirement.
4. The appointment of an external board member in contravention of the Co-op's by-laws. It was noted that the individual has ties to the new software program that was recently purchased and installed but at the date of the review was unable to provide any financial reports.
5. The issuance of a \$12,000 prepaid credit card that has been fully expended but for which no credit card statements were available for review, and,

"Service Excellence
 for our Communities"

If this information is required in an accessible format, please contact the Accessibility Co-ordinator at 1-800-372-1102 ext. 2009.

6. A significant increase in arrears and a failure on behalf of the Board to properly administer the arrears.

Accordingly, the Region is declaring a triggering event under Section 83 of the *Housing Services Act, 2011 (HSA)*, as set out in the following paragraphs and declaring William Peak to be a "Project in Difficulty":

- (1) "The housing provider contravenes this Act or the regulations"; and,
- (11) "In the opinion of the service manager, the housing provider has failed to operate a designated housing project properly".

Section 1 of the attached Notification of Project in Difficulty and Triggering Event Report and Operational Review Summary (Appendix A) details the 2019 Triggering Event Issues and remedial actions required by the Board. **The Board of William Peak has 60 days from the date of this letter (December 23, 2019) to report back to the Region of Durham with a plan of action addressing all the Triggering Issues set out in Summary.**

In addition, the Board is required to take appropriate action to ensure the outstanding and unresolved Triggering Event Issue of 2007 as noted in Section 2 is addressed, as well as the Required Actions as noted in Section 3 of the Operational Review Report Summary.

Should the Board fail to report back with a plan of action to resolve the issues by **December 23, 2019**, the Region will exercise its rights as Service Manager and may commence enforcement remedies in accordance with sections 85, 86 and 87 of the HSA which may include but are not limited to reducing subsidies; performing the duties of the corporation; appointing an operational advisor, an interim receiver, or an interim receiver and manager; and removing and/or appointing directors.

Please provide to the Region, together with the response to this Triggering Event, the Board's meeting schedule for the next 12 months. Copies of all Board agendas, minutes, and reports, including property management reports, are to be sent to the Region every month, once approved for circulation to the Board. We will advise which meetings we will be attending to monitor the Board's progress in addressing all of the outstanding action items.

Regional staff is available to help you address these concerns; however, we strongly urge the Board to obtain assistance from the Co-operative Housing Federation of Canada (www.chfc.ca) (CHF). CHF offers a number of resources to assist non-profit boards in managing the complexity of the social housing business as well as Board mentors.

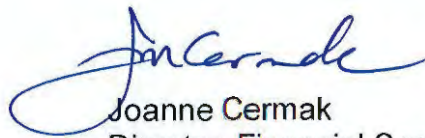
Please contact Beverly Kueper at (905) 668-7711 ext. 2482 to arrange a meeting between Regional staff and the Board to discuss this Triggering Event.

Yours truly,



Alan Robins
Director, Housing Services

Yours truly,



Joanne Cermak
Director, Financial Services

cc: Stella Danos-Papaconstantinou, Commissioner, Social Services
Nancy Taylor, Commissioner, Finance
Alison Coke, Ministry of Municipal Affairs and Housing

Attachments: Appendix "A" – Operational Review Report
Appendix "B" – Operational Review Report Summary
Regional Directive FIN 2013-01
Regional Directive FIN 2013-02

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William Peak Co-Operative Homes Inc.
- Cash Flow Forecast -
February 28, 2020 to August 28, 2020

	28-Feb	27-Mar	24-Apr	29-May	26-Jun	31-Jul	28-Aug	Total
Receipts								
Housing Charges	\$ 3,625	\$ 119,786	\$ 120,530	\$ 109,600	\$ 112,100	\$ 112,100	\$ 112,100	\$ 689,840
Funding	124,271	298,542	-	248,542	124,271	124,271	124,271	1,044,168
Other Receipts	-	7,694	61,499	3,205	14,800	14,665	14,530	116,393
Total Receipts	\$ 127,896	\$ 426,022	\$ 182,028	\$ 361,347	\$ 251,171	\$ 251,036	\$ 250,901	\$ 1,850,401
Disbursements								
Mortgage & Property Taxes	\$ 65,034	\$ 124,084	\$ 124,084	\$ 189,117	\$ 124,083	\$ 189,083	\$ 124,083	939,567
Professional Fees	-	17,662	20,893	303	17,911	-	-	56,768
Utilities	-	35,520	47,316	33,251	45,886	20,838	20,838	203,648
Repairs & Maintenance	-	50,201	69,802	38,579	13,483	13,308	13,308	198,680
Payroll & Benefits	-	41,701	37,123	36,067	19,519	21,818	16,972	173,200
General & Administrative	30	24,512	13,506	7,536	20,965	21,085	20,845	108,480
Capital Reserve	-	-	-	49,707	16,569	16,569	16,569	99,413
Total Disbursements	\$ 65,064	\$ 293,678	\$ 312,723	\$ 354,559	\$ 258,416	\$ 282,702	\$ 212,616	\$ 1,779,758
Change in Cash Position	\$ 62,832	\$ 132,343	\$ (130,695)	\$ 6,788	\$ (7,245)	\$ (31,666)	\$ 38,285	\$ 70,643
Opening Cash Balance	\$ 119,842	\$ 182,673	\$ 315,016	\$ 184,321	\$ 191,110	\$ 183,865	\$ 152,199	\$ 119,842
Change in Cash	62,832	132,343	(130,695)	6,788	(7,245)	(31,666)	38,285	70,643
Closing Cash Balance	\$ 182,673	\$ 315,016	\$ 184,321	\$ 191,110	\$ 183,865	\$ 152,199	\$ 190,485	\$ 190,485

TERMS OF REFERENCE

This schedule was prepared by the Receiver based on assumptions provided by Pro Edge Management Inc., in its capacity as property manager of William Peak Co-Operative Homes Inc. (the "Company"). The Receiver has been provided with, and has relied upon unaudited, draft and/or internal financial information, certain books and records, discussions with the Company's employees and management (collectively, the "Information"). The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information, and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information. The future oriented financial information referred to in this report was compiled by Deloitte using estimates and assumptions provided by the Company's management. Readers are cautioned that, since forecasts are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the forecasts, and the variations could be significant. Deloitte has prepared this report solely for the purpose of providing information to the Region. Parties using this report other than for the purposes outlined herein are cautioned it may not be appropriate for their purposes. The Receiver is providing this information on a confidential basis in its capacity as a Receiver of the Company and not in its personal or corporate capacity.

William Peak Co-Operative Homes Inc.
- Cash Flow Forecast -
February 28, 2020 to August 28, 2020

NOTE - SEE TERMS OF REFERENCE BELOW

William Peak Co-op Weekly Cash Flow																													
ISAO	28-Feb	6-Mar	13-Mar	20-Mar	27-Mar	3-Apr	10-Apr	17-Apr	24-Apr	1-May	8-May	15-May	22-May	29-May	5-Jun	12-Jun	19-Jun	26-Jun	3-Jul	10-Jul	17-Jul	24-Jul	31-Jul	7-Aug	14-Aug	21-Aug	28-Aug	Total	
RECEIPTS																													
Municipality of Durham Funding	124,271			174,271	124,271					124,271			124,271					124,271			124,271						124,271	1,044,168	
Tenant Rental Income	3,625	112,905	3,826	3,055		93,055	15,382	9,393	2,700	46,083	57,437	5,480					87,680	16,440	5,480		87,680	16,440	5,480		2,500	87,680	16,440	5,480	682,340
Recovery of rental arrears																												7,500	
Non-rental income		132			4,357										670					670						670		6,499	
AC charges															2,900					2,900						2,900		8,700	
Cable charges															7,755					7,755						7,755		23,265	
Estimated Late fees															270					135								405	
HST Receivable										55,538																		55,538	
Commercial Income		3,205								5,961			3,205							3,205						3,205		21,986	
TOTAL RECEIPTS	127,896	116,242	3,826	177,326	128,628	93,055	15,382	70,891	2,700	170,954	60,642	5,480	124,271		104,980	16,440	5,480	124,271	104,845	16,440	5,480	124,271		104,710	16,440	129,751	1,850,401		
DISBURSEMENTS																													
PAYROLL & BENEFITS																													
Management fee			(12,789)		(2,351)					12,789		(248)								(12,789)								(79,334)	
Supervisor's Payroll		(1,392)		(2,868)	(29)	(1,982)		360	(1,982)	(399)	(2,134)			(2,423)					(2,423)		(2,423)				(2,423)		(2,423)	(28,101)	
WSIB					(4,763)				(462)											(124)								(5,349)	
Benefits			(143)			(336)				(264)					(260)					(260)						(260)		(1,523)	
GENERAL & ADMINISTRATIVE	(1,392)	(12,932)	(2,868)	(7,144)	(2,318)	(13,149)	(2,443)	(640)	(2,398)		(2,423)			(12,789)	(2,483)				(2,423)	(12,913)	(2,483)			(2,423)	(15,212)	(260)	(2,423)	(12,789)	114,307
Mortgage payment	(124,084)				(124,084)					(124,084)										(124,083)								(744,500)	
Property Tax	(65,034)										(65,033)											(65,000)						(195,067)	
Hydro			(8,707)			(9,210)					(6,400)											(6,400)						(66,689)	
Water			(18,811)						(18,333)	(2,156)																		(62,192)	
Enbridge (Gas)					(108)	(3,248)	(92)				(2,130)	(2,130)										(2,130)						(14,098)	
Heating and plumbing											(12,000)											(4,000)						(24,000)	
Lawn care	(11,357)							(3,786)	(3,786)		(4,000)											(4,000)						(24,928)	
Pest control					(565)		(141)			(141)												(141)						(1,411)	
Fire protection	(350)				(1,512)					(1,210)	(121)											(121)						(3,556)	
Miller waste removal										(3,500)	(5,500)											(5,500)						(12,500)	
Rogers Cable TV					(7,893)				(7,893)		(8,000)											(8,000)						(55,680)	
Rogers Wireless					(332)			(298)	(435)													(308)						(1,989)	
ADT Security								(85)	(348)	(959)												(348)						(2,083)	
D&O Insurance	(10,400)						(5,211)			(5,211)												(5,200)						(41,623)	
Bank Fees and Other Bank Activity Fees	(30)	(39)								(75)												(50)						(344)	
Interac Fee																						(20)						(80)	
ESA Safety Program					(3,661)																	(20)						(3,661)	
Accounting software fee					(378)		(124)				(145)																	(647)	
Courier service					(465)						(120)	(120)										(120)						(1,425)	
Printer Lease			(301)		(374)						(380)	(380)										(380)						(2,576)	
Cintas Mat cleaner					(247)				(87)	(87)												(144)						(854)	
Contingency - Undisclosed liabilities										(2,670)												(14,583)						(46,420)	
CRA Arrears	(16,410)					(16,411)																						(50,177)	
Monthly remittance CRA	(755)					(981)			(981)	(16,956)																		(33,365)	
PYC Audit Fee	(16,950)					(16,415)																						(22,388)	
Year-end audit FY2020									(4,478)													(8,955)						(16,600)	
Capital Reserve											(49,707)											(16,569)						(99,413)	
Garage repair and service									(396)													(175)						(571)	
Intercom					(4,927)																							(4,927)	
Kitchen appliances																												(4,000)	
Contingency - Unit Repairs					(2,065)	(3,031)	(266)			(1,281)	(2,997)											(5,000)						(29,641)	
BCA Estimate																												(3,000)	
Elevator					(1,06)						(446)																	(1,992)	
PAST DUE	(65,064)	(180,544)	(27,819)		(22,304)	(164,425)	(23,231)	(8,957)	(36,683)	(150,576)	(143,730)	(21,992)		(9,570)	(177,656)	(21,872)	(120)	(40,748)	(154,118)	(36,455)	(120)	(65,000)	(6,690)	(152,012)	(21,872)	(120)	(23,139)	(1,554,817)	
Advantage Airtech Residential				(8,265)		(18,837)	(50,000)	(10,434)				(2,513)																(98,114)	
Classic Fire																												(1,209)	
Dorco						(1,209)																						0	
Break away																												(81)	
Cintas cleaning services																												(356)	
Office computer						(356)																						(812)	
Deposit for move-out (Unit 308)			(812)																									(1,005)	
Home Depot						(1,005)																						(1,015)	
Lawyer												(303)																(30)	
Postage																												(2,479)	
Co-operative housing federation membership																												(10,544)	
TOTAL DISBURSEMENTS	(65,064)	(190,227)	(49,016)	(2,868)	(51,567)	(216,860)	(46,814)	(11,727)	(37,323)	(152,974)	(146,546)	(32,680)		(22,359)	(180,339)	(21,872)	(2,543)	(53,662)	(156,801)	(36,455)	(2,543)	(65,000)	(21,902)	(152,272)	(21,872)	(2,543)	(35,928)	(1,779,758)	
NET CASH INFLOW/OUTFLOW	62,832	(73,986)	(45,190)	174,458	77,061	(123,805)	(31,432)	59,165	(34,623)	17,981	(85,904)	(27,200)	124,271	(22,359)	(75,359)	(5,432)	2,937	70,609	(51,956)	(20,015)	2,937	59,271	(21,902)	(47,562)	(5,432)	127,208	(35,928)	70,643	
OPENING CASH BALANCE	119,842	182,673	108,687	63,497	237,955	315,016	191,212	159,780	218,945	184,321	202,302	116,398	89,198	213,469	191,110	115,750	110,318	113,255	183,865	131,909	111,894	114,831	174,102	152,199	104,637	99,205	226,413	119,842	
CLOSING CASH BALANCE	182,673	108,687	63,497	237,955	315,016	191,212	159,780	218,945	184,321	202,302	11																		

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Invoice 8001140394
Deloitte Restructuring Inc.

Bay Adelaide Centre
8 Adelaide Street West, Suite 200
Toronto ON M5H 0A9

ATTN: Joanne Cermak
Regional Municipality of Durham
605 Rossland Road East
Whitby ON L1N 6A3
Canada

Tel: (416) 601-6150
Fax: (416) 601-6151
www.deloitte.ca

Date: April 24, 2020
Client No.: 1124601
WBS#: REG00291
Engagement Partner: Philip Reynolds

HST Registration : 122893605RT0001

For professional services rendered
Fees

Rendered by Deloitte Restructuring Inc. for the period February 18, 2020 to March 13, 2020, in its capacity as Interim Receiver of William Peak Co-Operative Homes Inc. pursuant to a Restructuring Services Agreement dated February 19, 2020.

Please see attached appendices.

Expense
Sales Tax

HST applicable 102,162.00

HST applicable 105.47

HST at 13.00% 13,294.77

Total Amount Due (CAD) 115,562.24

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Regional Municipality of Durham	1124601	8001140394	115,562.24	Payment for invoice 8001140394

Contact:

Please send payment confirmation by email to: receivablesdebitors@deloitte.ca, and reference the invoice number(s) paid

Payment Options

1. EFT Payments(remittance email mandatory) :

Preferred Method

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

CAD Payment

Transit – Institution : 47696-002

Account Number : 1590219

USD Payment

Transit – Institution : 47696-002

Account Number : 1363514

2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

CAD Payment

Account Number : 476961590219

Swift Code : NOSCCATT

USD Payment, Beneficiary Bank (Bank of Nova Scotia) :

Account Number : 476961363514

Swift Code : NOSCCATT

Clearing Code : CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

USD Payment, Intermediary Bank (Bank of America NA) :

Address: 222 Broadway, New York, NY 10038

Account Number : 476961363514

Swift Code : BOFAUS3N

ABA Routing Number : 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

Please note we do not accept Interac e-Transfers.

4. Cheque payments, please mail to :

For CAD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP

c/o T04567C

PO Box 4567, Stn A

Toronto ON M5W 0J1

For USD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP

c/o T04567U

PO Box 4567, Stn A

Toronto ON M5W 0J1



Appendix #1
Summary of Fees

Name	Level	Hours	Rate	Amount
Reynolds, Philip	Partner	16.0	550.00	8,800.00
Correia, Lynn	Partner	4.0	550.00	2,200.00
Peeters, Margie	Partner	2.0	550.00	1,100.00
Hristow, Catherine	Director	0.4	550.00	220.00
Williams, Richard	Senior Manager	72.2	450.00	32,490.00
Casey, Brian	Senior Manager	3.0	450.00	1,350.00
Schaafsma, Wilhelminus	Manager	78.0	360.00	28,062.00
Keene, Ashley	Senior	8.0	300.00	2,400.00
Borzellino, Krista	Senior	38.0	300.00	11,400.00
Brown, Rose	Consultant	7.4	275.00	2,035.00
Dey, Siddharth	Analyst	32.3	225.00	7,267.50
Lodhy, Nabela	Analyst	11.5	225.00	2,587.50
Starkman, Mallory	Analyst	10.0	225.00	2,250.00
Total Professional Hours and Fees		282.8		102,162.00
Out-of-pocket Expenses				105.47
Total Fees and Expenses (CAD)				102,267.47

Appendix #2
Work performed from February 18, 2020 to March 13, 2020

Date	Name	Narrative	Hours
2/18/2020	Reynolds, Philip	Review of engagement acceptance matters and draft engagement material from precedent information and otherwise; address certain scope of work matters.	2.0
2/20/2020	Reynolds, Philip	Review of backgrounder documents provided by Durham Region.	1.0
2/21/2020	Williams, Richard	Review of documents provided by client, including notice of triggering event and board response.	1.8
2/21/2020	Reynolds, Philip	Further review of background materials provided by Durham region representatives.	1.0
2/24/2020	Williams, Richard	Review documents provided by Region. Conference call with Region. T/c P. Reynolds and staff to arrange attendance tomorrow.	3.0
2/24/2020	Brown, Rose	Trust Banking Administration - Request open RBC Bank Account.	0.3
2/24/2020	Schaafsma, Wilhelminus	reading audit report and materials from municipality	3.0
2/24/2020	Reynolds, Philip	Prepare for and attend in-person meeting at the offices of Durham Region to discuss mandate (timing, communications, Receiver's preliminary plan of action, reporting etc.); telephone conversation with V. Ly of the property manager's office re: upcoming receivership proceedings and cooperation.	1.5
2/25/2020	Brown, Rose	Confirm account is open and prepare Wire instruction sheet and send to R Williams.	0.4
2/25/2020	Williams, Richard	Attend at premises. Meeting with property manager. Meetings with board members and employees. Correspond with bank, investment firm, CRA and City of Pickering to take control of accounts. Coordinate staff activities. Reporting call with Region.	5.0
2/25/2020	Williams, Richard	T/c and emails with bank and investment account managers. Meeting with property manager to discuss RGI and rent issues.	1.5
2/25/2020	Borzellino, Krista	First meeting with management (L. Valdez, V. Ly, Z. Hafeez) to discuss scope of engagement. Prepared first draft of cash flow forecast with L. Valdez. Prepared first draft of Notice to Tenants announcing rental collection process.	8.0
2/25/2020	Keene, Ashley	Estate and bank account setup in Ascend; file management, document admin and fax.	1.9
2/25/2020	Schaafsma, Wilhelminus	day one of receivership	5.5
2/25/2020	Reynolds, Philip	Attend at premises. Meeting with property manager. Meetings with board members, employees, others.	3.5
2/26/2020	Schaafsma, Wilhelminus	Review of payables ledger to prepare cash flow forecast. Review third party contracts. Discussions with property managers.	6.0
2/26/2020	Keene, Ashley	Wire and bank administration.	4.3
2/26/2020	Borzellino, Krista	Meeting with R. Williams discussing update on cash flow forecast. Addressed initial comments on cash flow forecast	2.0

Date	Name	Narrative	Hours
2/26/2020	Williams, Richard	Review employment agreements and forward same to D. Ullman. Review Jan 2020 board minutes and consider governance issues. Review and comment on member notice re: housing charges. Conference call with Region. Attend at Alterna bank re: wire payment.	3.5
2/26/2020	Williams, Richard	Attend premises. Arrange banking facilities. Meeting with J. Roberts. Review cash controls and rent issues. Reporting emails. Email with Region re PM. Schedule meeting with director. Meet with tenants and PM, contractors.	3.5
2/26/2020	Brown, Rose	Discuss with A Keene regarding transfer of funds to Trust Account.	0.3
2/27/2020	Hristow, Catherine	Review email from R. Williams regarding banking procedures and discuss same as well as operational matters; further email to R. Williams.	0.4
2/27/2020	Brown, Rose	Trust Banking Administration - Confirmation banking and set up of deposit at RBC in Pickering, Send cheque template to Property Management company and various discusses.	1.6
2/27/2020	Williams, Richard	Attend premises. Meet property manager. Review budget and forecast. Meet P. Reynolds, D. Cornell. Engaged with banking arrangements. Meet property manager re: capital plan. T/c and emails with members. Call with D. Ullman. Emails with insurer.	5.0
2/27/2020	Williams, Richard	Reporting call with Region. Meet V. Ly to discuss RGI cases. Review and edit cash flow forecast.	2.3
2/27/2020	Borzellino, Krista	Addressed comments on Notice to Tenants that was distributed. Updated cash flow forecast based on discussions with R. Williams and L. Valdez.	2.0
2/27/2020	Keene, Ashley	TC and emails regarding banking process with R. Williams, Lovelyn and R. Brown; cheque and courier prep.	1.3
2/27/2020	Schaafsma, Wilhelminus	Review third party contracts. Meeting with property managers to review rental arrears. Information collection and initial review (board minutes, employment contracts, accounting ledgers)	6.0
2/28/2020	Reynolds, Philip	Prepare for and attend in-person meeting at the offices of Durham Region to discuss mandate (timing, communications, Receiver's preliminary plan of action, reporting etc.); telephone conversation with V. Ly of the property manager's office re: upcoming re	2.0
2/28/2020	Schaafsma, Wilhelminus	Chain of custody forms / eDiscovery planning. Discussions with property management. Review of legal file. Prepare letter for board members. Information session with coop members.	7.1
2/28/2020	Williams, Richard	Meet L. Valdez re: payments to issue. Emails to Alterna. Prepare for and members' general information session. Meet with Region representatives.	2.8
2/28/2020	Keene, Ashley	Wire tracking; estate management and emails regarding same.	0.5
2/28/2020	Williams, Richard	Attend premises. T/c and emails D. Ullman re: employee issues, insurance and privacy concerns. Meet W. Schaafsma re: preservation of electronic evidence. Take possession of gift cards. Arrange payments. Update cash flow forecast.	2.5
2/28/2020	Borzellino, Krista	Information session with members of the Co-operative, with P. Reynolds, R. Williams, Counsel, and ProEdge Management	4.0

Date	Name	Narrative	Hours
2/28/2020	Brown, Rose	Trust Banking Administraiton - Check and confirm wire received, Input in wire into Ascend and prepare Disbursement cheques.	1.2
3/1/2020	Williams, Richard	Emails with V. Ly.	0.6
3/2/2020	Borzellino, Krista	Updated the cash flow forecast based on discussions with L. Valdez	2.0
3/2/2020	Schaafsma, Wilhelminus	Scanning of invoices / contracts needed for forensic review. Initial review of selected invoices. Discussions with property management. Review of expense receipts in petty cash box. Collection of unit ledgers (with arrears/credits).	6.0
3/2/2020	Casey, Brian	Data Collection Coordination	1.0
3/2/2020	Dey, Siddharth	Analysis of payables ledgers (including expenses / payroll) from accounting system.	4.5
3/2/2020	Brown, Rose	Trust Banking Administration - Disbursement cheques and courier to Property Management Company, Various telephone to RBC and Property Management contact to clarify bank arrangements and depositing.	2.0
3/2/2020	Williams, Richard	Receipt and review of insurance certificate. Receipt and review of statement of claim by mortgage broker. Forwarded same to counsel.	0.8
3/2/2020	Williams, Richard	Revise disbursement journal and email R. Brown. Review emails from W. Schaafsma re: IT and forensics. Email exchange P. Reynolds re: staffing. Email K. Moosaie re: account and cc statements. T/c and emails re: disbursements.	1.3
3/3/2020	Reynolds, Philip	Prepare for and attend call with representative of Durham Region. Discuss status, deliverables, issues with staff.	2.0
3/3/2020	Schaafsma, Wilhelminus	Review of payables /expenses / payroll of former property manager analysis and discussions. Review of credit card transactions analysis. Call with J. Roberts - accountant	6.0
3/3/2020	Dey, Siddharth	Analysis of payables ledgers from accounting system William Peak (continued). Quick scan of bank statements. Analysis of credit card statements. Call with J. Roberts - accountant.	6.0
3/3/2020	Williams, Richard	T/c and emails with K. Moosaie re: credit card issues and online banking. Review of online banking transactions. T/c and emails with property manager and Region re: MCAP payment. Email to MCAP. Began drafting report to Region.	0.5
3/3/2020	Williams, Richard	Emails with L. Valdez re: cash management issues. Updated cash flow forecast and sent to P. Reynolds for review. Emails from D. Ullmann re: legal issues outstanding. Update call with Region. Call with counsel re: outstanding issues. Revised cashflow.	3.2
3/3/2020	Brown, Rose	Liaison with Property Management company - cheque template and deposits, Send copies of cheque #1 and incoming wire back up.	0.8
3/4/2020	Lodhy, Nabela	Liaising with Client to organize logistics for on-site collections.	0.5

Date	Name	Narrative	Hours
3/4/2020	Williams, Richard	Drafted report to Region. Call with P. Reynolds to provide update. Emails with V. Ly, L. Valdez. Call with Lorrie at daycare re: documentation and lease. Emails W. Schaafsma and K. Moosaie re: credit cards. Finalized cash flow forecast and sent same to Re	3.0
3/4/2020	Williams, Richard	T/c G. Mejury at MCAP re: mortgage payment. T/c S. Charmley re: air conditioning contract. Email to Region re: termination letter and auditor approval.	0.8
3/4/2020	Correia, Lynn	Review draft reporting; discussions with team.	1.0
3/4/2020	Dey, Siddharth	Bank Statement and Credit Card Analysis	5.3
3/4/2020	Casey, Brian	Data Collection Coordination/Project Mgt	1.0
3/4/2020	Schaafsma, Wilhelminus	Reporting	6.0
3/4/2020	Reynolds, Philip	Review file status, various emails and have discussions with Receiver's team.	1.0
3/4/2020	Borzellino, Krista	Addressed comments from R. Williams on the cash flow forecast	2.0
3/5/2020	Brown, Rose	Prepare Wire and send confirmation to W Peak, Scan copy of cheque/wire prepare and email to property Management company.	0.5
3/5/2020	Schaafsma, Wilhelminus	Reporting	6.0
3/5/2020	Starkman, Mallory	Fact checking	3.0
3/5/2020	Correia, Lynn	Review draft report.	1.1
3/5/2020	Casey, Brian	Data Collection Coordination/Project Mgt	1.0
3/5/2020	Williams, Richard	Finalized draft report to Region. Receipt and review of draft forensic review. Emails with V. Ly, W. Schaafsma, D. Ullman. Emails with G. Mesury re: mortgage payment. Emails K. Borzellino and L. Valdez re: disbursements. T/c and emails with creditors.	3.0
3/5/2020	Lodhy, Nabela	Kit Prep, Travel to and From Client site and onsite forensic preservations and troubleshooting	8.0
3/6/2020	Starkman, Mallory	Fact checking	1.0
3/6/2020	Lodhy, Nabela	Evidence Management and Email Exports	3.0
3/6/2020	Schaafsma, Wilhelminus	Report QA and updates	2.3
3/6/2020	Peeters, Margie	QA review of draft Summary of Prelim Observations report re William Peak	2.0
3/6/2020	Reynolds, Philip	Review draft reports to Durham Region.	2.0
3/6/2020	Borzellino, Krista	Addressed comments from R. Williams on the cash flow forecast	2.0
3/6/2020	Williams, Richard	Emails R. Brown, G. Mejury, L. Valdez re: payment arrangements. Email to insurer requesting copy of commercial policy.	1.2
3/9/2020	Williams, Richard	Attend Premises. Review financial statements at January 31, 2020 and monthly management report. Attend management meeting. Meeting with engagement team. Emails with V. Ly, L. Valdez and W. Schaafsma. Revise draft report and cash flow.	6.0

Date	Name	Narrative	Hours
3/9/2020	Williams, Richard	Emails D. Ullmann re: property management contract.	0.2
3/9/2020	Dey, Siddharth	Summary Reporting	3.0
3/9/2020	Borzellino, Krista	Monthly management meeting at William Peak with Proedge Management and R. Williams. Addressed queries with L. Valdez with respect to the cash flow forecast	4.0
3/9/2020	Schaafsma, Wilhelminus	Management meeting incl. minutes, rent remediation	3.8
3/10/2020	Schaafsma, Wilhelminus	Preliminary report and rent remediation	4.5
3/10/2020	Borzellino, Krista	Corresponded with R. Williams with respect to variance reporting for first week of disbursements for William Peak. Corresponded with ProEdge Management to address any queries from R. Williams with L. Valdez.	4.0
3/10/2020	Dey, Siddharth	Summary Reporting & Ad Hoc Analysis	1.5
3/10/2020	Williams, Richard	Email D. Ullmann re review of agreement. Email J. Fice re: call today. Conference call with Region. Emails V. Ly, L. Valdez and K. Borzellino re updates to cash flow. T/c CRA - left voicemail. T/c C. Buchanan re: payment plan.	1.5
3/10/2020	Williams, Richard	Email L. Valdez re: action plan from management call. Reviewed and provided comments on policies and by-laws. Reviewed and commented on management meeting minutes. Revised cash flow and sent same to K. Borzellino. T/c and emails K. Borzellino, L. Valdez.	1.7
3/10/2020	Brown, Rose	Send property management copy of wire done on Mar 5.	0.1
3/11/2020	Schaafsma, Wilhelminus	Preliminary report and rent remediation	6.0
3/11/2020	Borzellino, Krista	Corresponded with R. Williams with respect to variance reporting for first week of disbursements for William Peak. Corresponded with ProEdge Management to address any queries from R. Williams with L. Valdez.	4.0
3/11/2020	Dey, Siddharth	On-site Unit Ledger Remediation	6.0
3/11/2020	Brown, Rose	Trust Banking Administration - Send online banking report and GL to RW.	0.1
3/11/2020	Williams, Richard	Receipt and review of revised capital plan. Edited plan to adjust for inflation and emailed same to V. Ly with questions. Emails and t/c with V. Ly regarding reporting of housing arrears collections.	1.5
3/11/2020	Williams, Richard	Reviewed and analyzed rent roll in light of Region's concerns on housing charge estimates. Attend at Alterna to process wire payment. Email V. Ly re: M. Hill termination. Review capital plan and request revision. Emails A. Robbins and V. Ly re: arrears.	1.8
3/11/2020	Williams, Richard	Attend premises. Review variance report and disbursement schedule and provide comments on same. Meet V. Ly to discuss payment schedule. Reconciled bank accounts to disbursement schedule and updated cash flow forecast.	4.0
3/12/2020	Schaafsma, Wilhelminus	Review of analysis rent payments (arrears/credits) performed. Collection of additional unit ledgers (in total 36 collected). Discussion with property management.	3.8
3/12/2020	Correia, Lynn	Review client deliverable	1.1

Date	Name	Narrative	Hours
3/12/2020	Borzellino, Krista	Corresponded with R. Williams with respect to variance reporting for first week of disbursements for William Peak. Corresponded with ProEdge Management to address any queries from R. Williams with L. Valdez	4.0
3/12/2020	Brown, Rose	Check online for incoming wire and confirm received to property management company and RW.	0.1
3/12/2020	Williams, Richard	Call with D. Ullman to discuss management contract. Investigate NSF payments. Reviewed and updated variance reports. Emails with V. Ly re: info requests. Review of Advantage Airtech documents and ledger. Finalized variance reports and updated cashflow.	4.2
3/12/2020	Williams, Richard	Receipt and review of variance report. T/c K. Borzellino to discuss report and provide comments. Emails L. Valdez re: disbursements. T/c P. Reynolds re: liquidity and staffing. Prepared execution copy of PM contract. Emails with PM staff.	2.0
3/13/2020	Williams, Richard	Receipt and review of revised forensic report. Revised draft report to Region and cash flow and sent same to P. Reynolds. Review of insurance policies. T/c and emails V. Ly.	2.5
3/13/2020	Williams, Richard	Review of daycare leases and invoices. Emails with PM regarding daycare charges. Review of revised PM contract. Prepared execution copy and sent same to V. Ly. Emails with counsel and Region re: COVID19.	1.5
3/13/2020	Dey, Siddharth	On-site Unit Ledger Remediation	6.0
3/13/2020	Starkman, Mallory	Payment verification	6.0
3/13/2020	Correia, Lynn	Review client deliverable	0.8
3/13/2020	Schaafsma, Wilhelminus	Rent remediation / report finalization	6.0
Total			282.8


Invoice 8001226749
Deloitte Restructuring Inc.

Bay Adelaide Centre
8 Adelaide Street West, Suite 200
Toronto ON M5H 0A9

ATTN: Joanne Cermak, CPA, CA
Regional Municipality of Durham
605 Rossland Road East
Whitby ON L1N 6A3
Canada

Tel: (416) 601-6150
Fax: (416) 601-6151
www.deloitte.ca

Date: June 09, 2020
Client No.: 1124601
WBS#: REG00291
Engagement Partner: Philip Reynolds

HST Registration : 122893605RT0001

For professional services rendered
Fees

Rendered by Deloitte Restructuring Inc. for the period March 14, 2020 to April 30, 2020, in its capacity as Interim Receiver of William Peak Co-Operative Homes Inc. pursuant to a Restructuring Services Agreement dated February 19, 2020.

Please see attached appendices.

Expense

Out of pocket Expenses

Sales Tax

HST applicable 59,892.50

HST applicable 952.22

HST at 13.00% 7,909.81

Total Amount Due (CAD) 68,754.53

Accounts shall be due and payable when rendered. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an account which remains unpaid from thirty(30) days after the invoice date to the date on which the entire account is paid.

Use the following payment methods and ensure your payment contains the details provided in the example.

Client Name	Client#	Invoice#	Amount (CAD)	Comments
Regional Municipality of Durham	1124601	8001226749	68,754.53	Payment for invoice 8001226749

Contact:

Please send payment confirmation by email to: receivablesdebitors@deloitte.ca, and reference the invoice number(s) paid

Payment Options

1. EFT Payments(remittance email mandatory) :

Preferred Method

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

CAD Payment

Transit – Institution : 47696-002

Account Number : 1590219

USD Payment

Transit – Institution : 47696-002

Account Number : 1363514

2. Wire Payment :

Bank of Nova Scotia: 44 King Street West, Toronto, Ontario M5H 1H1

CAD Payment

Account Number : 476961590219

Swift Code : NOSCCATT

USD Payment, Beneficiary Bank (Bank of Nova Scotia) :

Account Number : 476961363514

Swift Code : NOSCCATT

Clearing Code : CC000247696

Address: P.O. Box 4234 STN A, Toronto ON M4W 5P6

USD Payment, Intermediary Bank (Bank of America NA) :

Address: 222 Broadway, New York, NY 10038

Account Number : 476961363514

Swift Code : BOFAUS3N

ABA Routing Number : 026009593

Note: Intermediary Bank information may not be required for payments coming from outside the US

3. Online Payment :

Select either Deloitte LLP or Deloitte S.E.N.C.R.L./s.r.l. through your financial institution and quote the seven digits of the Client No. shown above.

Please note we do not accept Interac e-Transfers.

4. Cheque payments, please mail to :

For CAD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP

c/o T04567C

PO Box 4567, Stn A

Toronto ON M5W 0J1

For USD Dollar (\$) Payments :

DELOITTE MANAGEMENT SERVICES LP

c/o T04567U

PO Box 4567, Stn A

Toronto ON M5W 0J1



Appendix #1

Summary of Fees

Name	Level	Hours	Rate	Amount
Hristow, Catherine	Director	0.2	550.00	110.00
Williams, Richard	Senior Manager	64.8	450.00	29,160.00
Casey, Brian	Senior Manager	0.5	450.00	225.00
Schaafsma, Wilhelminus	Manager	15.0	360.00	5,400.00
Borzellino, Krista	Senior	52.0	300.00	15,600.00
Keene, Ashley	Senior	0.2	300.00	60.00
Brown, Rose	Consultant	4.5	275.00	1,237.50
Starkman, Mallory	Analyst	16.0	225.00	3,600.00
Dey, Siddharth	Analyst	20.0	225.00	4,500.00
Total Professional Hours and Fees		173.2		59,892.50
Out-of-pocket Expenses				952.22
Total Fees and Expenses (CAD)				60,844.72


Appendix #2
Work performed from March 14, 2020 to April 30, 2020

Date	Name	Narrative	Hours
3/16/2020	Williams, Richard	Reconcile deposit journals to bank account. Attend premises and meet with property manager to develop plans around COVID-19. Sign cheques. Meet V. Ly to resolve deposit discrepancies. Emails to team members re: COVID19 measures.	2.5
3/16/2020	Casey, Brian	Review of options for scanning paper records.	0.5
3/16/2020	Dey, Siddharth	Plan review of unit housing charge credits. Review and analysis of credits to unit housing charges, including payment verification and analysis of allocation of payments to units.	4.0
3/16/2020	Starkman, Mallory	Review and analysis of rental arrears credits. Verify payments from units; review and summarize allocation of housing charge payments between units.	4.0
3/17/2020	Schaafsma, Wilhelminus	Collect boxes from William Peak, arranging scan-in by third party vendor, instruct associates with respect to payment verification.	2.0
3/17/2020	Starkman, Mallory	Review and analysis of rental arrears credits. Verify payments from units; review and summarize allocation of housing charge payments between units.	4.0
3/17/2020	Borzellino, Krista	Prepared variance reporting for the week ended March 13.	1.0
3/17/2020	Dey, Siddharth	Review and analysis of credits to unit housing charges, including payment verification and analysis of allocation of payments to units. Moneris data reconciliation.	4.0
3/17/2020	Williams, Richard	Review of email correspondence between tenant and PM.	0.2
3/17/2020	Williams, Richard	Consider impact of COVID and associated risks. Email from C. Stayner attaching CMS info. Verified payments cleared account and sent same to PM. Call with tenant. Call with Region. Revised draft report.	2.0
3/17/2020	Williams, Richard	Prepared sensitivity analysis. Emails with Property Manager re: COVID response and accounting issues. Drafted correspondence to Region. Emails P. Reynolds and D. Ullmann re: call with Region.	2.5
3/18/2020	Schaafsma, Wilhelminus	Verification of rental payments and allocation of housing charges.	4.0
3/18/2020	Starkman, Mallory	Review and analysis of rental arrears credits. Verify payments from units; review and summarize allocation of housing charge payments between units.	2.0
3/18/2020	Borzellino, Krista	Revisions to variance report.	2.0

Date	Name	Narrative	Hours
3/18/2020	Williams, Richard	Emails L. Valdez and K. Borzellino re: disbursements and service provider quote. Emails D. Ullmann. Emails S. Divakar re: insurance.	1.1
3/18/2020	Brown, Rose	Confirm cheque with RBC.	0.1
3/18/2020	Dey, Siddharth	Review and analysis of credits to unit housing charges, including payment verification and analysis of allocation of payments to units. Moneris data reconciliation. Review of scanned paper ledgers.	4.0
3/18/2020	Williams, Richard	Review comments on draft report. T/c P. Reynolds to discuss comments. Revised report and sent same to D. Ullman for final review. Emails with Daycare and L. Valdez. Emails R. Brown re trust account.	3.2
3/19/2020	Schaafsma, Wilhelminus	Rent payment verification activities	4.0
3/19/2020	Starkman, Mallory	Review and analysis of rental arrears credits. Verify payments from units; review and summarize allocation of housing charge payments between units.	4.0
3/19/2020	Dey, Siddharth	Review and analysis of credits to unit housing charges, including payment verification and analysis of allocation of payments to units. Moneris data reconciliation. Review of scanned paper ledgers.	4.0
3/19/2020	Borzellino, Krista	Reconciled rent deposits with the rent roll and split between the various specific charges for each member (AC/Cable etc.)	1.0
3/19/2020	Keene, Ashley	Compile materials for First Report.	0.2
3/19/2020	Williams, Richard	Finalized report to Region and appendices. Emails with S. Divakar. Email to Region attaching report. Setup update call. Emails B. Martin. Emails L. Valdez and P. Reynolds re: cleaning quote. Emails J. Fice and L. Valdez re: funding and disbursements.	1.5
3/19/2020	Williams, Richard	Emails J. Fice and L. Valdez re: advance funding. Email R. Brown re: mortgage payment.	0.3
3/20/2020	Williams, Richard	Review and update deliverables from management meeting and circulate action listing to PM and staff. Email to J. Fice and H. Quantrill re: auditor. Email PM re: capital plan. Emails L. Valdez and review of Daycare receivables. Emails V. Ly and W. Schaafsm	1.5
3/20/2020	Borzellino, Krista	Reconciled rent deposits with the rent roll and split between the various specific charges for each member (AC/Cable etc.)	1.0
3/20/2020	Williams, Richard	Call with Region. T/c and emails with S. Divakar re: insurance. T/c W. Schaafsma re: forensic review. Review updated capital plan. Emails B. Harlock re: NTA and hearings.	1.4
3/20/2020	Dey, Siddharth	Summary of unit ledger findings. Summary of next step procedures for unit ledgers with discrepancies.	4.0

Date	Name	Narrative	Hours
3/20/2020	Starkman, Mallory	Review and analysis of rental arrears credits. Verify payments from units; review and summarize allocation of housing charge payments between units.	2.0
3/20/2020	Schaafsma, Wilhelminus	Review results of rent payment verification, call with Vanessa (Property Management) to discuss status of rental credits/arrears, Client call to discuss report.	4.0
3/23/2020	Borzellino, Krista	Drafted variance report for the week ended March 20 including disbursements and receipts from the entity.	2.0
3/23/2020	Williams, Richard	Email from D. Ullmann re: suspension of evictions and review of notice. Email to D. Ullmann re: impact on cash flow. Review draft correspondence from PM office and return edits.	0.8
3/23/2020	Williams, Richard	Email from T. Cocuzzo re: real estate best practices around COVID and consideration of same. Emails M. Ames re: capital reserve. Emails P. Reynolds, V. Ly re: NTA notices. T/c email S. Divakar re: premium payment. Emails V. Ly re: auditor and NTA notices	1.0
3/24/2020	Williams, Richard	Emails with V. Ly re: capital reserve. Receipt and review of on-call documents; forward D. Ullmann for review. Follow up on daycare invoicing. Bank statement review and emails with Region. Emails K. Borzellino L. Valdez re: disbursements, variance reports.	1.5
3/24/2020	Williams, Richard	Emails L. Valdez re: disbursements, daycare invoicing. Emails D. Ullmann re: lease, on-call agreements. Email V. Ly re management contract. Emails PYC, C. Hristow re HST obligations.	1.3
3/24/2020	Borzellino, Krista	Addressed comments from R. Williams pertaining to the variance report.	1.0
3/25/2020	Borzellino, Krista	Corresponded with L. Valdez pertaining to outstanding queries related to the variance report.	2.0
3/25/2020	Williams, Richard	T/c tenant re: e-transfer policy. T/c emails K. Borzellino, L. Valdez re: ODSP payment.	0.5
3/25/2020	Brown, Rose	Discussion with Krista regarding rent cheque.	0.1
3/25/2020	Williams, Richard	Emails re: e-transfer option. Review on-call docs and emails with counsel, V. Ly. Emails PYC re: HST obligation. Create e-transfer procedures and draft memo. Emails re: daycare.	2.2
3/26/2020	Williams, Richard	Review variance report and reconcile account. Review memo re: landlord obligations in COVID. T/c I. Cerra re: HST on rent. Emails V. Ly, L. Valdez re: reconciliation issues. Tenant emails. Daycare invoicing.	2.5
3/26/2020	Brown, Rose	Trust account reporting - email to R. Williams attaching GL.	0.1
3/26/2020	Williams, Richard	Emails P. Jaroszko re: HST issue. T/c S. Divakar re: insurance premiums. Emails L. Valdez re: o/s chqs.	0.7

Date	Name	Narrative	Hours
3/26/2020	Borzellino, Krista	Corresponded with the ODSP pertaining to a member of the Co-op and their payment arrangements. Addressed comments from R. Williams on the variance report	1.0
3/27/2020	Schaafsma, Wilhelminus	QA review of housing charge analysis and verification.	1.0
3/27/2020	Borzellino, Krista	Bank account reconciliation - Alterna and RBC accounts.	2.0
3/27/2020	Brown, Rose	Contact RBC to confirm deposit was credited to account and confirm same to R. Williams.	0.2
3/27/2020	Williams, Richard	T/c and emails D. Ullmann, M. Merrill re: daycare lease. Emails re: disbursements and rent collection.	1.0
3/27/2020	Williams, Richard	Emails K. Borzellino, PM, R. Brown. Variance reporting and cash flow update. Review and approve disbursement request. Emails V. Ly and Region re: eviction. Emails P. Reynolds, S. Charmley re: Advantage payments.	1.8
3/30/2020	Borzellino, Krista	Email correspondence with L. Valdez surrounding disbursements for the week. Updating EFT reconciliation.	2.0
3/30/2020	Brown, Rose	Prepare disbursements and wire instructions. Email reporting to R. Williams.	0.4
3/30/2020	Williams, Richard	Emails L. Valdez re: disbursements. Emails R. Brown re: Advantage wire. Emails with counsel re: rent. Review and sign disbursements. Emails re: EFT for rent.	1.5
3/30/2020	Williams, Richard	Review support for additional payments and approve revised payment listing. Emails L. Valdez and Lorie re: daycare billings. Emails L. Valdez and R. Brown re: bank deposits. Review bank deposits and prepare wire instruction form for Alterna. Attend branch.	2.0
3/31/2020	Williams, Richard	Emails K. Borzellino re: EFT rec. Review draft lease. T/c M. Merrill re: lease. Emails S. Divakar, K. Borzellino re: insurance claim.	2.1
3/31/2020	Brown, Rose	Trust Banking Administration - Print and prepare wires for April 1, 2020 -- Check account online for incoming wire receipt.	0.6
3/31/2020	Williams, Richard	Emails L. Valdez, Z. Hafeez. T/c Alterna to reset account. Emails K. Borzellino re: EFT deposits.	0.8
3/31/2020	Borzellino, Krista	Updating EFT reconciliation based on support sent by L. Valdez as transfers were processed. Prepared variance report for the week ended March 27.	2.0
4/1/2020	Borzellino, Krista	Updated EFT reconciliation as transfers were process through Alterna account. Updated cash flow forecast to reflect variance report for week ended March 27.	2.0
4/1/2020	Brown, Rose	Trust Banking Administration - confirming incoming wire received, Prepare and send out wires to signed and fax one to RBC.	0.8

Date	Name	Narrative	Hours
4/1/2020	Williams, Richard	Review disbursement reconciliation. Tenant correspondence. Emails R. Brown, C. Hristow re: wire payment. Email S. Charmley re: Advantage reconciliation. T/c K. Moosaie re: account maintenance. Review and comment on capital plan. Emails L. Carroll.	1.4
4/1/2020	Hristow, Catherine	Review disbursement request; email R. Williams for additional information; approve wire transfers and send for signature.	0.2
4/2/2020	Borzellino, Krista	Addressed comments on variance report for week ended March 27.	2.0
4/2/2020	Williams, Richard	Emails L. Valdez, Advantage Air re: disbursements and outstanding invoices. Email L. Carroll re: lease. Emails L. Valdez re: move-out procedures.	1.0
4/2/2020	Brown, Rose	Trust Banking Administration - Send wire to RBC for MCAP, Confirm incoming wire received and scan/send back up for wires to Property Mgmt company.	0.7
4/2/2020	Williams, Richard	Emails L. Valdez re: disbursements. Review and comment on variance report. Emails L. Carroll re: access to daycare premises. Review revised lease and send same to P. Reynolds for review. Emails R. Brown re: wire transfers. Email P. Reynolds re: lease.	1.0
4/3/2020	Williams, Richard	Review of weekly disbursement register. T/c K. Borzellino re: monthly management meeting. Review and approve variance reports. Review and approve weekly disbursements. Email Z. Hafeez re: capital plan.	1.2
4/3/2020	Borzellino, Krista	Prepared variance report for week ended April 3 rd .	2.0
4/4/2020	Williams, Richard	Emails D. Cornell.	0.2
4/6/2020	Williams, Richard	Review and comment on draft memo to residents. Email K. Borzellino re: DPS call tomorrow. Review email from L. Valdez re: daycare billing. Review revised capital plan and email P. Reynolds. Emails to reschedule monthly management meeting.	0.6
4/6/2020	Williams, Richard	Email Region to provide capital plan and schedule update call. Review and approval of weekly disbursements.	0.7
4/6/2020	Borzellino, Krista	Addressed comments with respect to variance report from the week ended March 27	-
4/7/2020	Borzellino, Krista	Call with R. Williams and Detective B. Taylor regarding police investigation. Reviewed Property Management report for monthly meeting. Updated variance report and cash flow for the week ended April 3	3.0

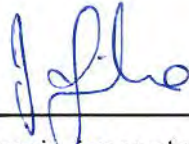
Date	Name	Narrative	Hours
4/7/2020	Williams, Richard	Email V. Ly re: rent deferrals. Revised on-call agreement and sent same to L. Valdez. Review redacted forensic review and forward same to claims adjuster. Arrange update call with Region. Call with police re: credit card fraud. Review call summary.	1.5
4/8/2020	Borzellino, Krista	Reconciled EFT payments for housing charges for the month of March.	2.0
4/8/2020	Williams, Richard	T/c M. Abramowitz. Emails R. Brown re: trust account. Review and comment on legal account.	0.7
4/8/2020	Brown, Rose	Trust Banking Administration - Pull online banking report and send to RW.	0.3
4/8/2020	Williams, Richard	Email L. Carroll re: daycare lease. Emails R. Brown, K. Borzellino. Review package in advance of management meeting. Attend monthly management meeting. T/c, email M. Abramowitz. Emails V. Ly re: emergency repairs. Email S. Charmley re: payments.	2.0
4/9/2020	Williams, Richard	Email V. Ly re: arrears investigation. Email L. Valdez re: disbursements. Review variance report. Review minutes of monthly management meeting. Email P. Jaroszko, L. Valdez re: auditor payment.	0.9
4/9/2020	Borzellino, Krista	Call with Proedge Management, R. Williams, and W. Schaafsma for monthly management meeting. Prepared and distributed minutes. EFT reconciliation	3.0
4/12/2020	Williams, Richard	Emails L. Valdez, S. Charmley re: payments. Review 2016 daycare lease. Forward lease M. Merrill for review.	0.7
4/13/2020	Borzellino, Krista	Email correspondence with L. Valdez. Updated variance report for the week ended April 3.	1.5
4/13/2020	Brown, Rose	Trust Administration - send online banking report to RW.	0.1
4/13/2020	Williams, Richard	Emails R. Brown, K. Borzellino re: trust account and reconciliations. Review HST receivable account, email P. Jaroszko. Review property tax ledger, email City of Pickering. Review AP ledger, email L. Valdez. Emails M. Merrill re: lease. Email L. Carroll.	1.6
4/14/2020	Williams, Richard	Emails P. Jaroszko, L. Valdez re: HST. Emails S. Charmley, L. Valdez re: payments. Email V. Ly re: legal fees. Review revised lease. Emails L. Valdez re: commercial credit.	1.5
4/14/2020	Borzellino, Krista	Prepared variance report for the week ended April 10, updated cash flow forecast to reflect same.	2.0
4/15/2020	Borzellino, Krista	Email correspondence with L. Valdez surrounding disbursements for the week. Updated EFT rec.	2.0

Date	Name	Narrative	Hours
4/15/2020	Williams, Richard	Email to Region with meeting agenda. Emails R. Brown, L. Valdez re: Advantage cheque, bank reconciliations, HST. Conference call with Region. Email L. Valdez re: CRA arrears and HST refund.	1.7
4/15/2020	Brown, Rose	Review GL received from Property Management company - Discuss detail with Lovelyn regarding cheque # 2 and bank reconciliation revisions needed.	0.8
4/16/2020	Williams, Richard	Review weekly disbursements and email comments to L. Valdez. Emails Z. Hafeez, R. Stayner re: capital plan. Review updated cash flow report and variance. Emails L. Valdez re: daycare rent. Review COVID materials from Region and email V. Ly.	1.8
4/16/2020	Borzellino, Krista	Prepared for management meeting. Email correspondence with L. Valdez surrounding EFT's for the end of the month.	2.5
4/17/2020	Williams, Richard	Emails Z. Hafeez re: capital plan. Review emails b/w L. Valdez, V. Ly and K. Borzellino.	0.4
4/20/2020	Williams, Richard	Project management, review workplan. Followup email re: property taxes. Emails L. Valdez re: payments, unit repairs. Review and analysis of deficit reduction plan; comments to L. Valdez. Email V. Ly re: WSIB. Revise management contract.	1.9
4/20/2020	Borzellino, Krista	Prepared weekly variance report for the week ended April 17	2.0
4/21/2020	Borzellino, Krista	Reconciled tenant rental income with the bank accounts and with WPC's records.	2.0
4/21/2020	Williams, Richard	Review L. Valdez comments. Revise DRP and reconcile to YE statements. Email L. Valdez. T/c L. Valdez re: DRP. Review and approve weekly disbursements.	2.6
4/22/2020	Williams, Richard	Signed cheques. Review variance report. Emails K. Borzellino, L. Valdez re: distributions and reconciliation report.	0.7
4/22/2020	Borzellino, Krista	Addressed comments from R. Williams with respect to the variance report.	1.5
4/23/2020	Borzellino, Krista	Prepared variance report for the week ended April 24. Email correspondence with L. Valdez with respect to HST reporting	2.0
4/23/2020	Williams, Richard	Review unit inspection quotes and forward same to A. Robins with recommendation. Review revised capital plan. Review superintendent employment and tenancy contracts and email L. Valdez. Email from A. Robins approving quote; advise V. Ly. T/c L. Valdez.	1.2
4/23/2020	Williams, Richard	Emails M. Abramowitz re: superintendent contract.	0.3
4/24/2020	Williams, Richard	Review letter from Region re: subsidy advance. Emails K. Moosaie. Wire instruction to Alterna. Emails L. Carroll, L. Valdez.	0.5

Date	Name	Narrative	Hours
4/27/2020	Borzellino, Krista	Updated variance reporting for the week ended April 17, reflected same in cash flow forecast.	2.0
4/28/2020	Brown, Rose	Prepare transfer between accounts and sent to RBC and input into Ascend. Obtain online bank report and send to RW.	0.2
4/28/2020	Williams, Richard	Review M. Abromowitz email re: superintendent employment agreement and consider same. Email M. Abramowitz re: new agreement. T/c and emails C. Mackay re: wire transfer. Emails L. Valdez re: disbursements, cleaning provider. Emails R. Brown re: MCAP wire.	1.1
4/28/2020	Borzellino, Krista	Addressed comments with respect to April 17 variance reporting with cash flow forecast.	1.5
4/29/2020	Brown, Rose	Send copy of incoming wire to RW.	0.1
4/29/2020	Borzellino, Krista	Reconciled transfers that were received with the Alterna bank account for the month of May. Communicated with tenants.	2.0
4/30/2020	Williams, Richard	Emails K. Mossaie, R. Brown re wire payment. Emails L. Valdez, L. Carroll re : daycare billing. Review and comment on super agreement. Emails M. Abramowitz re: court appointment. Review and approve cheques. Execute cheques / agreements.	1.7
Total			173.2

НН

THIS IS EXHIBIT "H" TO THE
AFFIDAVIT OF JOANNE CERMAK
SWORN BEFORE ME THIS 9th DAY
OF JULY, 2020.



A Commissioner etc.

Jeffrey W. Tighe
Barrister and Solicitor



The Regional
Municipality
of Durham

605 Rossland Rd. E.
P.O. Box 623
Whitby, Ontario
Canada L1N 6A3
(905) 668-7711
1-800-372-1102

www.durham.ca

Department of
Social Services

Housing Services
Division
Fax: (905) 666-6225

Finance
Department

Financial Services
Division
Fax: (905) 666-6257

June 18, 2020

Mr. Richard Williams
William Peak Co-operative Homes Inc.
1990 Whites Rd
Pickering, ON L1V 6P5

Dear Mr. Williams:

Re: Notice of the decision to seek a court appointed receiver

As you are aware on February 14, 2020, the Region appointed Deloitte Restructuring Inc. as interim Receiver at William Peak Co-operative Homes Inc. (William Peak) in accordance with the *Housing Services Act* (HSA) and as a result of the October 21, 2019 triggering event.

Since the appointment of the interim receiver, progress has been made towards the stabilization of William Peak's financial position. However, given the current COVID-19 pandemic and emergency declarations, we acknowledge that the Interim Receiver will be unable to carry out the necessary actions to ensure that William Peak can operate effectively once independent from the receiver at this time.

Specifically, the following critical actions have been restricted and will not be completed within the receiver's 180-day term:

- Unit inspections to determine the physical condition and expected costs associated with potential deficiencies and;
- The appointment of a Board of Directors and establishment of a governance structure.

As a result, the Region has decided to seek a court appointed receiver in accordance with *HSA s. 85*. This remedy will ensure that the Receiver has adequate time to complete the work at William Peak.

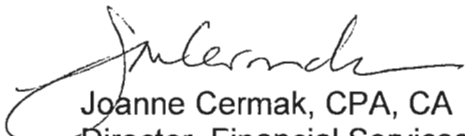
William Peak has 60 days from the date of this letter (August 18, 2020) to make a written submission with regards to this proposed course of action. Once a response is received, or the 60 days has passed, the Region's Legal department will file an application with the courts to request the appointment of a receiver.

"Service Excellence
for our Communities"

If this information is required in an accessible format, please contact the Accessibility Co-ordinator at 1-800-372-1102 ext. 2009.

Regional staff is available should you have any questions or concerns. Please contact John Fice or me if you would like to discuss this matter.

Yours truly,



Joanne Cermak, CPA, CA
Director, Financial Services

c: Alan Robins, Director Housing Services
Nadine Scott, Ministry of Municipal Affairs and Housing



THIS IS EXHIBIT "I" TO THE
AFFIDAVIT OF JOANNE CERMAK
SWORN BEFORE ME THIS 9th DAY
OF JULY, 2020.



A Commissioner etc.

Jeffrey W. Tighe
Barrister and Solicitor



Deloitte Restructuring Inc.
 Bay Adelaide East
 8 Adelaide Street West,
 Suite 200
 Toronto ON M5H 0A9
 Canada

Tel: 416-956-9200
 Fax: 416-601-6690
 www.deloitte.ca

June 19, 2020

VIA EMAIL – joanne.cermak@durham.ca

Regional Municipality of Durham
 PO Box 623
 Whitby ON L1N 6A3

Attn: Joanne Cermak, Director Financial Services

Re: William Peak Co-Operative Homes Inc.

Ms. Cermak:

Deloitte Restructuring Inc., in its capacity as interim receiver (the "Receiver") of William Peak Co-Operative Homes Inc. ("WPC"), confirms receipt of your letter dated June 18, 2020 with respect to the decision by the Regional Municipality of Durham (the "Region") to appoint a court-appointed receiver in accordance with the *Housing Services Act*.

The Receiver concurs with the Region's assessment of the challenges created by the current COVID-19 pandemic and associated emergency declarations, as well as the impact of those challenges on the Receiver's ability to address the actions set out in your letter.

The Receiver takes no position with respect to the Region's decision to appoint a court-appointed receiver.

Yours truly,

Deloitte Restructuring Inc.
 solely in its capacity as Interim Receiver
 of William Peak Co-operative Homes Inc.
 and not in its personal capacity

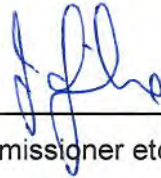
Per:

Richard Williams CIRP, LIT
 Vice-President

cc: Phil Reynolds, Deloitte Restructuring Inc.
 Alan Robins, Regional Municipality of Durham
 Nadine Scott, Ministry of Municipal Affairs and Housing

J

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OF JULY, 2020.



A Commissioner etc.

Jeffrey W. Tighe
Barrister and Solicitor



The Regional
Municipality
of Durham

605 Rossland Rd. E.
P.O. Box 623
Whitby, Ontario
Canada L1N 6A3
(905) 668-7711
1-800-372-1102

www.durham.ca

Department of
Social Services

Housing Services
Division
Fax: (905) 666-6225

Finance
Department

Financial Services
Division
Fax: (905) 666-6257

June 25, 2020

Mr. Richard Williams
William Peak Co-operative Homes Inc.
1990 Whites Rd
Pickering, ON L1V 6P5

Dear Mr. Williams:

Re: Notice of the decision to seek a court appointed receiver

Thank you for your response to our letter dated June 18, 2020 with respect to the Region's decision to seek a court appointed receiver at William Peak Co-operative Homes Inc. (William Peak).

As outlined in our previous letter and confirmed by William Peak's response to the Region, there are several critical actions that were required to resolve the triggering event that have been restricted due to the COVID-19 pandemic. Completion of these actions in a satisfactory manner prior to the expiry of the appointment of the interim receiver and manager is not considered a possibility.

Consequently, this letter serves as notice that the Region will be seeking a court appointed receiver in accordance with the *HSA s. 85* and will be filing an application with the courts to request the appointment of a receiver at William Peak.

Regional staff is available should you have any questions or concerns. Please contact John Fice or me if you would like to discuss this matter.

Yours truly,


Joanne Cermak, CPA, CA
Director, Financial Services

c: Alan Robins, Director Housing Services
Jeffrey Tighe, Solicitor
Nadine Scott, Ministry of Municipal Affairs and Housing

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K

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OF JULY, 2020.



A Commissioner etc.

Jeffrey W. Tighe
Barrister and Solicitor



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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #40

PAGE 1 OF 2

PREPARED FOR SMathews
ON 2020/06/30 AT 15:33:24

26357-0174 (LT)

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

PROPERTY DESCRIPTION: PT LT 29, CON 1, PICKERING, PT 1, 40R12467; T/W D433857 ; PICKERING

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1998/10/26

OWNERS' NAMES
WILLIAM PEAK CO-OPERATIVE HOMES INC.

CAPACITY SHARE
BENO

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE	2000/07/29	THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1998/10/26 ON THIS PIN				
WAS REPLACED WITH THE		"PIN CREATION DATE" OF 1998/10/26				
** PRINTOUT		INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **				
**SUBJECT,		ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:				
**		SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *				
**		AND ESCHEATS OR FORFEITURE TO THE CROWN.				
**		THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF				
**		IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY				
**		CONVENTION.				
**		ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.				
**DATE OF CONVERSION TO		LAND TITLES: 1998/10/26 **				
CO94360	1961/05/17	BYLAW			WARREN	C
		REMARKS: PLANNING ACT FOR SUBDIVISION CONTROL DELETED				
40R12467	1989/08/21	PLAN REFERENCE				C
D346497	1990/07/19	AGREEMENT			THE REGIONAL MUNICIPALITY OF DURHAM	C
D350127	1990/09/21	TRANSFER	\$4,500,000		WILLIAM PEAK CO-OPERATIVE HOMES INC.	C
D419704	1993/09/29	AGREEMENT				C
D423310	1993/11/29	AGREEMENT			H. M. THE QUEEN IN RIGHT OF THE PROVINCE OF ONT. AS REPRESENTED BY THE MINISTER OF HOUSING	C
D433857	1994/06/01	CHARGE	\$21,344,133		BANK OF MONTREAL	C

233

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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PAGE 2 OF 2
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ON 2020/06/30 AT 15:33:24

26357-0174 (LT)

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
D433858	1994/06/01	ASSIGNMENT GENERAL		WILLIAM PEAK CO-OPERATIVE HOMES INC.	BANK OF MONTREAL	C
LT905190	1999/06/25	TRANSFER OF CHARGE		BANK OF MONTREAL	THE TORONTO-DOMINION BANK	C
LT905191	1999/06/25	NOTICE		BANK OF MONTREAL	THE TORONTO-DOMINION BANK	C
LT1016870	2001/03/15	NOTICE		TRILLIUM CABLE COMMUNICATIONS LIMITED	ROGERS CABLE INC.	C

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A Commissioner etc.
Jeffrey W. Tighe
Barrister and Solicitor

Ministry File # (NPTS#):	C00273	Supp. Housing (Agency - Type):	-
Housing Provider:	William Peak Co-operative Homes Inc.		
Address:	1990 Whites Road, Pickering, ON L1V6P5		
Name & Title:	Dawn McBride , Manager		
Phone: 9058372920	Ext:	Fax: 9058372922	Email: williampeakehomes@yahoo.ca
Housing Program:	HN1	Year of Commitment:	1989
		Housing Provider Year End:	31-Aug-98
Project Name:	William Peak Co-Operative Homes Inc. - Whites Rd./Finch Ave.		
Project Address:	1990 Whites Rd., Pickering, ON L1V6P5		
Building Type:	RH (96 2-storey TH; 45 3-storey Walkup)		No. of Units: 141
Fire Insurer & Policy No:	The Co-operators		
Project's Insurance Broker:	The Co-operators		
Corporate & Contact Name:	Lily Ng		
	Phone: 9058404288	Ext:	Fax: 9058404293
Legal Description:	Part of Lot 29, Concession 1, designated as Part 1, Plan 40R-12467, Town of Pickering, Regional Municipality of Durham, Registry Division of Durham (No. 40).		
PIN #:			
Land Registry:	Whitby (Durham LRO No. 40)		Type of TENURE:
Comments:	Old Maturity Date: Apr 1, 2010 with CLMS.Housing Administrator - Pet Peterson @(905) 305-4047.As of June 1/95 -Loan Balance \$21,147,978.33 RAM : 374. Emil Remark was previous housing provider's contact.		
Original Final Capital Cost:	\$21,442,873.00	NHA Insurance Policy #:	51924397
Original Interest Adjustment Date:	01-Aug-91	Original AM Period:	420 months
Current Mortgage Start Date:	01-Jun-99	Current Maturity Date:	01-Jun-24
Current Term:	25 years 0 months	Bal of Amort@Maturity:	26 months
Current Lender (Legal Name):	The Toronto-Dominion Bank		
Mortgage Loan No:	1997342		
Current Lender Contact Name & Title	Patricia Coelho, Team Leander - Commercial Mortgages		
	Phone: 4165915240	Ext:	
	Fax:	Email:	patricia.coelho@mcap.com
Lender Branch:	c/o MCAP, #400 - 200 King Street West, Toronto, ON M5H3T4		
Loan Amount @ Start of Current Term:	\$19,886,870.25	Current Amort. Period:	326 months
Current Interest Rate:	6.1% (per annum, calculated semi-annually not in advance)		
Current Monthly P&I Payment:	\$124,083.80	Realty Tax Portion:	\$0.00
Total Monthly Payment:	\$124,083.80	Escrow Amount (if applicable):	
Balance @ Maturity of Current Term:	\$3,021,601.33	assuming mortgage & tax payments current	

M

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Jeffrey W. Tighe
Barrister and Solicitor

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Enquiry Result

Beginning of the form

File Currency: 29JUN 2020



All Pages

Page Number

Next Page or Last Page

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Type of Search Business Debtor

Search Conducted

On WILLIAM PEAK CO-OPERATIVE HOMES INC.

File Currency 29JUN 2020

File Number	Family	of Families	Page	Pages	Expiry Date	Status
851977494	1	1	1	3	11JUN 2025	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Cautious Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
-------------	-----------------	---------	-------------	------------------------	---------------------	------------------	---------------------

851977494 01 001 19990611 1434 9065 9882 P PPSA 6

Individual Debtor
Date of Birth **First Given Name** **Initial** **Surname**
Business Debtor **Business Debtor Name** **Ontario Corporation Number**
 WILLIAM PEAK CO-OPERATIVE HOMES INC.
Address **City** **Province** **Postal Code**
 1990 WHITES ROAD PICKERING ONT L1V 6P5

Individual Debtor
Date of Birth **First Given Name** **Initial** **Surname**
Business Debtor
Business Debtor Name **Ontario Corporation Number**
Address **City** **Province** **Postal Code**

Secured Party
Secured Party / Lien Claimant
 THE TORONTO-DOMINION BANK
Address **City** **Province** **Postal Code**
 P.O. BOX 1, TD CENTRE TORONTO ONT M5K 1A2

Collateral Classification
Consumer Goods **Inventory** **Equipment** **Accounts** **Other** **Motor Vehicle Included** **Amount** **Date of Maturity** **or** **No Fixed Maturity Date**
 X X X X X

Motor Vehicle Description
Year **Make** **Model** **V.I.N.**

General Collateral Description

GENERAL ASSIGNMENT OF RENTS AND GENERAL SECURITY AGREEMENT REGARDING

General Collateral Description
1990 WHITES ROAD, PICKERING

Registering Agent

Registering Agent

DALE & LESSMANN (T. DOUGLAS BRADY)

Address

P.O. BOX 73, TD CENTRE

City
TORONTO

Province
ONT.

Postal Code
M5K 1E7

CONTINUED

Type of Search Business Debtor

Search Conducted On WILLIAM PEAK CO-OPERATIVE HOMES INC.

File Currency 29JUN 2020

File Number
851977494

Family
1

of Families
1

Page
2

of Pages
3

FORM 3C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

Registration Number

20050606 1424 0043 0741

Record Referenced 851977494

File Number
B RENEWAL

Change Required
10

Renewal Years

First Given Name

Initial

Surname

Individual Debtor

Ontario Corporation Number

Business Debtor Name

WILLIAM PEAK CO-OPERATIVE HOMES INC.

Business Debtor

Registering Agent / Secured Party/ Lien Claimant

THE TORONTO-DOMINION BANK MBS DEPT.

Address

55 KING ST. W., 39TH FLOOR, TD TOWER,

City

TORONTO

Province

ON

Postal Code

M5K 1A2

CONTINUED

Type of Search Business Debtor

Search Conducted

On WILLIAM PEAK CO-OPERATIVE HOMES INC.

File Currency 29JUN 2020

File Number	Family	of Families	Page	of Pages
851977494	1	1	3	3

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

Caution

Filing	Page of	Total Pages	Schedule Attached	Registration Number	Registered Under
	001	001		20150506 1434 1862 7615	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
851977494		X		B RENEWAL	10	

Reference Debtor/Transferor

First Given Name

Initial

Surname

Business Debtor Name

WILLIAM PEAK CO-OPERATIVE HOMES INC.

Other Change

Other Change

Reason / Description

Reason / Description

Debtor / Transferee

Date of Birth

First Given Name

Initial

Surname

Debtor / Transferee

Business Debtor Name

Ontario Corporation Number

Address

City

Province Postal Code

Assignor Name

Assignor Name

Secured Party

Secured party, lien claimant, assignee

Address

City

Province Postal Code

Collateral Classification

Consumer Goods

Inventory Equipment

Accounts

Other

Included

Amount

Motor Vehicle

Date of Maturity

or

No Fixed Maturity Date

V.I.N.

Model

Make

Year

Motor Vehicle Description

General Collateral Description

General Collateral Description

Registering Agent or Secured Party/ Lien Claimant

Registering Agent DALE & LESSMANN LLP (TDB)

Address

181 UNIVERSITY AVENUE, SUITE 2100

City

TORONTO

Province ON

Postal Code M5H 3M7

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[BACK TO TOP](#)



All Pages

Page Number

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THE REGIONAL MUNICIPALITY OF DURHAM

Applicant

-and-

Respondent

WILLIAM PEAK CO-OPERATIVE HOMES INC.

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
Oshawa**

AFFIDAVIT OF JOANNE CERMAK

THE REGIONAL MUNICIPALITY OF DURHAM
Legal Department
605 Rossland Road East
Whitby, Ontario
LIN 6A3

Jeffrey Tighe (LSUC # 41971S)
Telephone: 905.668.4113 x3695
Facsimile: 905.668.4752
Lawyer for the Applicant

3

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

THE REGIONAL MUNICIPALITY OF DURHAM

Applicant

and

WILLIAM PEAK CO-OPERATIVE HOMES INC.

Respondent

**APPLICATION PURSUANT TO SECTION 85 (7)
OF THE HOUSING SERVICES ACT, 2011, S.O. 2011, c. 6, AS AMENDED**

CONSENT

The undersigned, Deloitte Restructuring Inc. (“**Deloitte**”), hereby consents to the appointment of Deloitte as receiver, without security, of all of the assets, undertakings and properties of William Peak Co-Operative Homes Inc. pursuant to the provisions of subsection 85(7) of the *Housing Services Act*, 2011, S.O. 2011, c. 6, as amended and the terms of orders substantially in the forms filed in the above proceeding.

DATED at Toronto, this 6th day of July, 2020.

DELOITTE RESTRUCTURING INC.

Per:



Name: Richard Williams CIRP, LIT
Title: Vice President

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Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE)		
)	DAY, THE	
JUSTICE)	DAY OF	, 2020

THE REGIONAL MUNICIPALITY OF DURHAM

Applicant

- and -

WILLIAM PEAK CO-OPERATIVE HOMES INC.

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 85 (7) OF THE
HOUSING SERVICES ACT, 2011, S.O. 2011, c. 6, AS AMENDED

ORDER
(appointing Receiver)

THIS APPLICATION for an Order pursuant to section 85(7) of the *Housing Services Act*, 2011, S.O. 2011, c. 6, , as amended (the "Act") appointing Deloitte Restructuring Inc. as receiver (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of William Peak Co-operative Homes Inc. (the "Respondent"), was heard this day at 150 Bond St. E., Oshawa, Ontario, L1G 0A2 via telephone or video conference.

ON READING the Application Record, including the affidavit of Joanne Cermak sworn July 9, 2020 and the Exhibits thereto, and on hearing the submissions of counsel for the Regional Municipality of Durham, and Deloitte Restructuring Inc., the proposed receiver, no one appearing for anyone else, although duly served as appears from the affidavit of service of

[NAME] sworn [DATE], and on reading the consent of Deloitte Restructuring Inc. (“Deloitte”) to act as Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 85(7) of the Act, Deloitte is hereby appointed Receiver, without security, of all of the current and future assets, undertakings and properties of the Respondent, of every kind and nature whatsoever, and wherever situate including all proceeds thereof (the "Property").

3. THIS COURT ORDERS that the Receiver is appointed agent of the Respondent and the Applicant is not responsible for the acts or omissions of the Receiver.

4. THIS COURT ORDERS that the Respondent shall be deemed to ratify and confirm whatever the Receiver does in the course of the receivership, so long as it is done in accordance with the Act and the regulations thereto, and the terms of the appointment herein, and the Receiver shall not be required to consult with, obtain the approval of or have its actions ratified by the Respondent.

5. THIS COURT ORDERS that the Respondent shall be deemed to release and discharge the Receiver, the Applicant, and every person who for either of them would be responsible, from every claim of any nature arising by reason of any act or omission on the part of any of them, other than:

A claim for accounting of the money and other Property received by the Receiver in the course of the receivership; and

A claim that is the direct and proximate result of negligence, dishonesty or fraud by the Receiver or by any other person for whom either the Receiver or the Applicant would be responsible.

RECEIVER'S POWERS

6. 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 provided that the Receiver in carrying out the said acts continues to comply with the terms of the appointment and the Act:

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;

to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

to manage, operate, and carry on the business of the Respondent, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Respondent;

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;

to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Respondent or any part or parts thereof;

to receive and collect all monies and accounts now owed or hereafter owing to the Respondent and to exercise all remedies of the Respondent in collecting such monies, including, without limitation, to enforce any security held by the Respondent;

to settle, extend or compromise any indebtedness owing to the Respondent;

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 Respondent, for any purpose pursuant to this Order;

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 Respondent, 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;

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;

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;

to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

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 Respondent;

to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondent, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Respondent;

to exercise any shareholder, partnership, joint venture or other rights which the Respondent may have;

to dispense with member consents or approvals that may be required and to carry out any of the powers conferred by this Order;

to increase housing charges, rents and any other fees and charges to occupants or members of or at the housing project (as that term is defined in the Act) as the Receiver deems appropriate under the circumstances;

to terminate the occupancy and/or membership of a member;

to act exclusively as the Respondent with respect to the housing project under its control and the assets and liabilities of the Respondent relating to the housing project; and

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 Respondent, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

7. THIS COURT ORDERS that (i) the Respondent, (ii) all of its 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.

8. 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 Respondent, 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.

9. 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

10. 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 RESPONDENT OR THE PROPERTY

11. THIS COURT ORDERS that no Proceeding against or in respect of the Respondent 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 Respondent or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. THIS COURT ORDERS that all rights and remedies against the Respondent, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act* ("BIA"), and further provided that nothing in this paragraph shall (i) empower the Receiver or the Respondent to carry on any business which the Respondent is not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondent 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

13. 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 Respondent, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

14. THIS COURT ORDERS that all Persons having oral or written agreements with the Respondent 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 Respondent 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 Respondent's 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 Respondent 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

15. 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 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

16. THIS COURT ORDERS that all employees of the Respondent shall remain the employees of the Respondent until such time as the Receiver, on the Respondent's 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*.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. 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

18. 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, including the Act, or by law.

RECEIVER'S ACCOUNTS

19. 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.

20. 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 Ontario Superior Court of Justice.

21. 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

22. 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 \$500,000 (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.

23. 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.

24. 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.

25. 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.

26. THIS COURT ORDERS that the Receiver, for and on behalf of the Respondent, shall be at liberty and is hereby empowered to execute and deliver a general assignment of rents and leases to the Applicant pursuant to this Order and to register, file and record same against the

Property in the Land Registry Office and wherever necessary in order to perfect the security interest created and granted therein.

SERVICE AND NOTICE

27. THIS COURT ORDERS that the **The Guide Concerning Commercial List E-Service** (the “**Guide**”) is approved and adopted by reference herein as applicable, and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) 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 11 of the Guide, service of documents in accordance with the Protocol will be effective on transmission.

28. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Guide 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 Respondent's creditors or other interested parties at their respective addresses as last shown on the records of the Respondent 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

29. 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.

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

31. 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.

32. 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.

33. 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.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "Receiver") of the assets, undertakings and properties William Peak Co-operative Homes Inc. acquired for, or used in relation to a business carried on by the Respondent, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ___ day of _____, 2020 (the "Order") made in an action having Court file number __-CL-_____, 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 _____.

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__.

Deloitte Restructuring Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

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Court File No.

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ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE) DAY, THE
JUSTICE)
) DAY OF , 2020

THE REGIONAL MUNICIPALITY OF DURHAM

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Applicant

- and -

WILLIAM PEAK CO-OPERATIVE HOMES INC.

Respondent

~~IN THE MATTER OF AN APPLICATION PURSUANT TO UNDER SECTIONS 85 (7);
PARAGRAPH 7, 87(b) AND 95(3) OF OF THE HOUSING SERVICES ACT, 2011, S.O. 2011,
c. 6, Sched. 1, AS AMENDED~~

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ORDER
(appointing Receiver)

~~THIS APPLICATION MOTION made by the Applicant Plaintiff[†] for an Order pursuant to sections 243(1)85, paragraph (7), 8 7(b) and 95(3) of the *Housing Services Act, 2011, S.O. 2011, c. 6, Sched. 1 Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*, as amended (the "Act/BIA") and section 101 of the *Courts of Justice Act, R.S.O. 1990, c. C.43*, as amended (the "CJA") appointing [RECEIVER'S NAME] Deloitte Restructuring Inc. -as receiver -[and manager] (in~~

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[†]Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

such capacityies, the "Receiver") without security, of all of the assets, undertakings and properties of William Peak Co-operative Homes Inc. [DEBTOR'S NAME] (the "~~DebtorRespondent~~") ~~acquired for, or used in relation to business carried on by the DebtorRespondent~~, was heard this day at 150 Bond St. E., Oshawa, 330 University Avenue, Toronto, Ontario, L1G 0A2 via telephone or video conference.

ON READING the ~~Notice of Application Record~~ dated Julyne XX, 2020, including the affidavit of Joanne Cermak [NAME] sworn Julyne 9XX, 2020 [DATE] and the Exhibits thereto, and on hearing the submissions of counsel for the Regional Municipality of Durham ~~[NAMES]~~, and Deloitte Restructuring Inc., the proposed receiver, no one appearing for ~~the Respondent~~ anyone else, [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE], and on reading the consent of ~~[RECEIVER'S NAME]~~ Deloitte Restructuring Inc. ("Deloitte") to act as ~~the~~ Receiver,

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SERVICE

1. THIS COURT ORDERS that the time for service of the ~~Notice of Application Motion and the Application Motion Record~~ is hereby abridged and validated² so that this ~~application motion~~ is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to sections ~~85(7) and 87(b)~~ 243(1) of the ~~Act BIA and section 101 of the CJA~~, Deloitte [RECEIVER'S NAME] is hereby appointed Receiver, without security, of all of the current and future assets, undertakings and properties of the ~~DebtorRespondent~~ ~~acquired for, or used in relation to business carried on by the DebtorRespondent~~, of every kind and nature whatsoever, and wherever situate including all proceeds thereof (the "Property") ~~and such appointment shall continue from and after the date of this Order until terminated by an Order of this Court.~~

² If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.

- 3 -

3. THIS COURT ORDERS that the Receiver is appointed agent of the Respondent and the Applicant is not responsible for the acts or omissions of the Receiver.

4. THIS COURT ORDERS that the Respondent shall be deemed to ratify and confirm whatever the Receiver does in the course of the receivership, so long as it is done in accordance with the Act and the regulations thereto, and the terms of the appointment herein, and the Receiver shall not be required to consult with, obtain the approval of or have its actions ratified by the Respondent.

5. THIS COURT ORDERS that the Respondent shall be deemed to release and discharge the Receiver, the Applicant, and every person who for either of them would be responsible, from every claim of any nature arising by reason of any act or omission on the part of any of them, other than:

A claim for accounting of the money and other Property received by the Receiver in the course of the receivership; and

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2- A claim that is the direct and proximate result of negligence, dishonesty or fraud by the Receiver or by any other person for whom either the Receiver or the Applicant would be responsible.

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RECEIVER'S POWERS

3-6. 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 provided that the Receiver in carrying out the said acts continues to comply with the terms of the appointment and the Act:

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;

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to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it,

- 4 -

the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

to manage, operate, and carry on the business of the ~~Debtor~~Respondent, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the ~~Debtor~~Respondent;

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;

to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the ~~Debtor~~Respondent or any part or parts thereof;

to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Respondent and to exercise all remedies of the ~~Debtor~~Respondent in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Respondent;

to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Respondent;

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 ~~Debtor~~Respondent, for any purpose pursuant to this Order;

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 ~~Debtor~~Respondent, the Property or the Receiver, and to settle or compromise any such proceedings.³ 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;

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³ ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the DebtorRespondent, or to consent to the making of a bankruptcy order against the DebtorRespondent. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

~~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;~~

~~to sell, convey, transfer, lease, rent, or assign the Property or any part or parts thereof out of the ordinary course of business,~~

~~without the approval of this Court in respect of any transaction not exceeding \$500,000, \$ [redacted], provided that the aggregate consideration for all such transactions does not exceed \$1,000,000, \$ [redacted]; and~~

~~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, [or section 31 of the Ontario Mortgages Act, as the case may be,]⁴ shall not be required, and in each case the Ontario Bulk Sales Act shall not apply.~~

~~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;~~

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;

to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

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⁴ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- 6 -

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 ~~Debtor~~Respondent;

to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~Respondent, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the ~~Debtor~~Respondent;

to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Respondent may have;

~~and to dispense with member consents or approvals that may be required and to carry out any of the powers conferred by this Order;~~

~~to increase housing charges, rents and any other fees and charges to occupants or members of or at the housing project (as that term is defined in the Act) as the Receiver deems appropriate under the circumstances;~~

~~to terminate the occupancy and/or membership of a member;~~

~~to act exclusively as the Respondent with respect to the housing project under its control and the assets and liabilities of the Respondent relating to the housing project; and~~

~~to make an assignment in bankruptcy on behalf of the Respondent, including executing any necessary documents to effect such an assignment in bankruptcy, consent to the issuance of a bankruptcy order and the Receiver may take such proceedings under the *Bankruptcy and Insolvency Act* as the Receiver may deem appropriate; and~~

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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 ~~Debtor~~Respondent, and without interference from any other Person.

- 7 -

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4.7. THIS COURT ORDERS that (i) the ~~Debtor~~Respondent, (ii) all of its 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.

5.8. 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 ~~Debtor~~Respondent, 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.

6.9. 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

- 8 -

access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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

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NO PROCEEDINGS AGAINST THE RECEIVER

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~~8.10.~~ 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 ~~DEBTOR~~RESPONDENT OR THE PROPERTY

~~9.11.~~ THIS COURT ORDERS that no Proceeding against or in respect of the ~~Debtor~~Respondent 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 ~~Debtor~~Respondent or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

~~10.12.~~ THIS COURT ORDERS that all rights and remedies against the ~~Debtor~~Respondent, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and*

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- 9 -

Insolvency Act ("BIA"), and further provided that nothing in this paragraph shall (i) empower the Receiver or the DebtorRespondent to carry on any business which the DebtorRespondent is not lawfully entitled to carry on, (ii) exempt the Receiver or the DebtorRespondent from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11.13. 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 DebtorRespondent, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12.14. THIS COURT ORDERS that all Persons having oral or written agreements with the DebtorRespondent 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 DebtorRespondent 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 DebtorRespondent's 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 DebtorRespondent or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13.15. 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

- 10 -

Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

~~14.16.~~ THIS COURT ORDERS that all employees of the DebtorRespondent shall remain the employees of the DebtorRespondent until such time as the Receiver, on the DebtorRespondent's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

~~15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the DebtorRespondent, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.~~

- 11 -

LIMITATION ON ENVIRONMENTAL LIABILITIES

~~16.~~17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

~~17.~~18. 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, ~~including the Act, or by any other legislation or law.~~

RECEIVER'S ACCOUNTS

~~18.~~19. 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

- 12 -

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.⁵

~~19.20.~~ THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the ~~Commercial List of the~~ Ontario Superior Court of Justice.

~~20.21.~~ 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

~~24.22.~~ 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 ~~\$500,000-\$~~ (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.

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⁵~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

- 13 -

22-23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23-24. 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.

25. 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.

24-26. THIS COURT ORDERS that the Receiver, for and on behalf of the Respondent, shall be at liberty and is hereby empowered to execute and deliver a general assignment of rents and leases to the Applicant pursuant to this Order and to register, file and record same against the Property in the Land Registry Office and wherever necessary in order to perfect the security interest created and granted therein.

SERVICE AND NOTICE

27. THIS COURT ORDERS that the The Guide Concerning Commercial List E-Service

~~25. E-Service Protocol of the Commercial List~~ (the "~~Protocol~~**Guide**") is approved and adopted by reference herein as applicable, even though this matter is not on the Commercial List, and, in this proceeding, the service of documents made in accordance with the ~~Protocol~~**Guide** (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>~~<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~~**Guide**, service of documents in accordance with the Protocol will be effective on transmission. ~~This Court further~~

- 14 -

~~orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'~~

~~26-28.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the ~~Protocol-Guide~~ 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 ~~DebtorRespondent~~'s creditors or other interested parties at their respective addresses as last shown on the records of the ~~DebtorRespondent~~ and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

~~27-29.~~ THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

~~28-30.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the ~~DebtorRespondent~~.

~~29-31.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

~~30-32.~~ 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

- 15 -

that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

~~32-33.~~ 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.

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SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc.~~[RECEIVER'S NAME]~~, the receiver (the "Receiver") of the assets, undertakings and properties ~~[DEBTOR]~~William Peak Co-operative Homes Inc.~~[RESPONDENT'S NAME]~~ acquired for, or used in relation to a business carried on by the ~~Debtor~~Respondent, 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 _____, 2020~~—~~ (the "Order") made in an action having Court file number ___-CL-_____, 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

- 2 -

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__.

Deloitte Restructuring Inc. ~~[RECEIVER'S
NAME]~~, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

THE REGIONAL MUNICIPALITY OF
DURHAM

and WILLIAM PEAK CO-OPERATIVE
HOMES INC.

Court File No. 1208/20

Applicant

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 85 OF THE *HOUSING SERVICES ACT*, 2011, S.O. 2011, c. 6, AS AMENDED

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
Oshawa

APPLICATION RECORD

The Regional Municipality of Durham
605 Rossland Road East
Whitby, Ontario L1N 6A3

Jeffrey W. Tighe (LSO #41971S)

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Lawyer for the Applicant