

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

THE HONOURABLE
JUSTICE KIMMEL

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THURSDAY, THE 5TH
DAY OF JUNE, 2025

B E T W E E N:

CITY OF TORONTO

Applicant

- and -

UPWOOD PARK/SALVADOR DEL MUNDO CO-OPERATIVE HOMES INC.

Respondent

ORDER

THIS MOTION, made by Kesha Benjamin, Saffia Abdul-Haqq and Masbal Abokar (collectively, the “**Moving Members**”), for various orders including setting a date for the elections, setting a date for the termination of the receiver, was heard this day by Zoom judicial video conference.

ON READING the Motion Record and Aide Memoire of the Moving Members, including the Affidavit of Masbal Abokar sworn May 28, 2025, and the Exhibits attached thereto, the Responding Motion Record and Aide Memoire of the City of Toronto, including the Affidavit of Paul Fischer, sworn on June 3, 2025, and the Exhibits attached thereto, and the Responding Motion Record of BDO Canada Limited (“**BDO**”) in its capacity as interim receiver (in such capacity, the

“**Interim Receiver**”) of Upwood Park/Salvador Del Mundo Cooperative Homes Inc. (“**Upwood Park**” or the “**Co-Op**”), including the Third Report of the Interim Receiver, dated June 3, 2025, on and on hearing the submissions of counsel for the Moving Parties, the City of Toronto, and the Interim Receiver, and with the consent of the parties:

1. **THIS COURT ORDERS** that the Interim Receiver shall implement and oversee the “**Transition Plan**” attached as Schedule “A” to this Order, which Transition Plan provides for, among other things:
 - a. The scheduling of a meeting of the members of the Co-Op on August 6, 2025, in order to elect a Board of Directors;
 - b. A “**Transition Period**” of 6 months, commencing on the day following the election of the new Board of Directors referenced in clause 1(a), during which time the newly elected Board of Directors will undertake and complete the Board Curriculum, and the Training and Competency Development exercises as defined in the Transition Plan.
 - c. On or before January 16, 2026, the Interim Receiver will prepare a report to the Court detailing the steps taken by all interested parties to shepherd the newly elected Board of Directors along a pathway to self-governance, along with its recommendation as to whether the Interim Receiver should be discharged, or whether the Transition Period should be extended for any reason, which report will be accompanied by a Motion for Direction and accompanying relief in order to implement its recommendation(s).

2. **THIS COURT ORDERS** that, for clarity, the order of Justice McEwen dated March 21, 2021, pursuant to which the Interim Receiver was appointed (the “**Appointment Order**”), shall remain in force and effect during the Transition Period.

 3. **THIS COURT ORDERS** that, in accordance with paragraph 32 of the Appointment Order, any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Interim 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.

 4. **THIS COURT ORDERS** costs payable by the City of Toronto to the Moving Members in the amount of \$15,000, within 30 days of the date of the Order.
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Schedule "A"

Upwood Park/Salvador Del Mundo Co-operative Homes Inc. Recommended Pathway to Self-Governance

OVERVIEW

During the term of its appointment as Receiver and Manager over the Housing Project at 298 and 300 Queens Drive, BDO Canada Limited ("BDO" or the "Receiver") has completed several necessary capital improvement projects, and has improved the financial position of the Housing Project.

BDO, in its capacity as Receiver and Manager of the Housing Project and as an Officer of the Court, the City of Toronto, in its capacity as the Service Manager responsible for monitoring housing provider operations (the "City" or the "Service Manager"), and the Co-operative Housing Federation of Toronto, the non-profit membership organization providing support to its 185 housing co-op members in Toronto, Durham, and York Region ("CHFT"), have worked together to develop a plan that would provide the members of Upwood Park with a pathway to self-governance.

The *Transition Plan* that has been developed has two key components. The first component of the plan is the election of a new Board of Directors. This initial step is necessary to ensure that a properly constituted Board is in place to assume responsibility for managing the Housing Project moving forward, when the Receiver is discharged. The second component of the plan provides for the training of the newly elected Board during a *Transition Period*. The training will include formal curriculum provided by the Co-operative Housing Federation of Toronto on core Board of Director competencies, such a governance and financial controls, that the newly elected Board will be required to complete. The training will also provide opportunities for the newly elected Board familiarize themselves with Housing Project operations through a job shadowing exercise. They would participate in monthly minuted meetings that the Receiver will convene at which key Housing Project issues will be discussed. These issues would include: (i) Housing Administration; (ii) Member Management; (iii) Property Management and Maintenance Matters; and (iv) Finance and Administration.

At the conclusion of the Transition Period, the Receiver would report to the Court to share the result of the planned election, and on the efforts of the newly elected Board to complete the prescribed curriculum and their participation in the job shadowing exercise. After considering the Receiver's report, the Court will be in a position to determine whether the newly elected Board is prepared to assume stewardship over the Housing Project and the Receivership can be discharged.

The Receiver, the Service Manager, and CHFT recommend that the *Transition Period* run for a period of at least six (6) months following the election.

Schedule "A"

Upwood Park/Salvador Del Mundo Co-operative Homes Inc. Recommended Pathway to Self-Governance

RECOMMENDED ELECTION PROCESS

The recommended election process is in keeping with the process contemplated by the Co-operative Corporations Act, and the Co-op's recently updated organizational by-law. It is designed to inform the membership about the election process, and to share with them how candidates that are elected to the Board will receive education and practical exposure to the workings of the Co-op before having to take on responsibility for the Co-op's day-to-day operations.

CHFT will support the election process by chairing key meetings with the membership leading up to the election date. Members will have the benefit of accessing the experience and expertise of this sector organization should they have any questions about the process.

An Election Committee will be struck, comprised of representatives of the Court Appointed Receiver, the Service Manager, and CHFT. The Election Committee will, among other things:

- Give information about the election to the members, including educating them on the duties and responsibilities of the Board
- Find candidates
- Discuss qualification issues with candidates
- Making sure the election is carried out in accordance with the proposed process, consistent with the rules provided for in the governing legislation
- Arranging for the ballots to be distributed
- Controlling the ballot boxes

The Election Committee will also arrange for an outside agency to count the votes cast by the membership. These votes will also be counted in open, at the election meeting itself.

The key steps in the election process are set out below. Two timeframes for the election are proposed in the event the Court determines that the recommended process is appropriate. The first proposed election timeframe would begin in short order following the scheduled June 5th hearing of this matter. The second proposed election timeframe would begin in the fall, following members' summer vacation period.

Election Event	Date
Information session led by CHFT explaining the pathway to self-governance, including: <ul style="list-style-type: none">• nomination process• election process• role of an elected board• training they will have access to through the transition process• continuing role of BDO, the Receiver and Manager, during the transition process	July 8
Deadline to submit nominations	July 14
List of eligible candidates distributed to members	July 18
Meet the candidates meeting	July 22
Distribution of Election Meeting package to members	July 23
Advance voting days	July 29, 1-5 pm

Schedule "A"

Upwood Park/Salvador Del Mundo Co-operative Homes Inc. Recommended Pathway to Self-Governance

Election Event	Date
	July 30, 4-8 pm
Election meeting – votes counted by 3 rd party retained by Election Committee observed by all members attending meeting	August 6
First meeting of the Board and the Receiver	August 13

Schedule "A"

Upwood Park/Salvador Del Mundo Co-operative Homes Inc. Recommended Pathway to Self-Governance

The Board Curriculum

The proposed pathway to self-governance contemplates the newly elected members of the Board completing a series of training courses presented by CHFT. These training courses relate to core competencies that the members of any elected Board should have, including: (i) Ethical Conduct; (ii) What Makes a Good Board; (iii) What Makes a Good Director; and (iv) Understanding Audited Financial Statements.

Every month following the election, arrangements will be made to present a training session on these core competencies for the benefit of the newly elected Board members, which they will be expected to complete.

The schedules for these training sessions are set out below. As with the recommended election process, two timetables for these training sessions are proposed. The sequence of when courses 1 through 6 will be made available during the *Transition Period* may be subject to change.

	90-min Workshop Name	Core Competencies Addressed	Proposed Dates [Summer]
1.	Ethical Conduct Agreement	<ul style="list-style-type: none"> • Ethics and Integrity • Confidentiality 	August 2025
2.	What Makes a Good Board	<ul style="list-style-type: none"> • Establish Co-op Policy • Hire and Supervise Management 	September 2025
3.	What Makes a Good Board cont.	<ul style="list-style-type: none"> • Accountability and Fairness • Risk Management • Communicate & Inform Co-op Members 	October 2025
4.	What Makes a Good Director	<ul style="list-style-type: none"> • Ethics and Integrity • Confidentiality 	November 2025
5.	What Makes a Good Director cont.	<ul style="list-style-type: none"> • Director Liability • Leadership & Conflict of Interest 	December 2025
6.	Understanding Audited Financial Statements	<ul style="list-style-type: none"> • Understanding Audited Financial Statements • Engaging with Auditors 	January 2026
7.	Succession Planning	<ul style="list-style-type: none"> • Succession Planning 	February 2026
8.	Strategic Planning and Oversight	<ul style="list-style-type: none"> • Strategic Planning and Oversight 	March 2026
9.	Asset Management	<ul style="list-style-type: none"> • Investment Oversight • Asset Protection and Preservation • Capital Reserve Fund Allocation and Forecasting Allocation and Return on Investment • Monitoring Asset Performance 	April 2026
10.	Financial Training	<ul style="list-style-type: none"> • Financial Oversight and Accountability • Budgeting and Forecasting, Approving 	May 2026

Schedule "A"

Upwood Park/Salvador Del Mundo Co-operative Homes Inc. Recommended Pathway to Self-Governance

		and Monitoring Expenditures	
11.	Understanding Board's Legal Obligations	<ul style="list-style-type: none"> • Regulatory Compliance • Legal Risk Management 	June 2026
12.	AODA Refresher		July 2026
13.	Organizational Bylaw Review		August 2026
14.	End-of-Mortgage		September 2026
* Coaching for chairing monthly board meetings from the discharge of the receivership for a period of 6 months			

The members of the newly elected Board must complete the prescribed courses (Courses 1 through 6 – highlighted in Green) before a recommendation can be presented to the Court that the Receiver be formally discharged. The Receiver, the Service Manager, and CHFT strongly recommend that the members of the newly elected Board complete **all** of the training that CHFT will offer.

Ensuring that the newly elected Board completes the prescribed courses will provide them with tools that will put them in the best possible position to manage the Housing Project once the *Transition Period* comes to a close. It will also help address the concerns about governance at the Co-op that had been identified as a key issue, warranting the Service Manager appointing a Receiver and Manager to manage the affairs of the Co-op in the first instance.

Schedule "A"

Upwood Park/Salvador Del Mundo Co-operative Homes Inc. Recommended Pathway to Self-Governance

RECOMMEND TRANSITION PERIOD TRAINING AND COMPETENCY DEVELOPMENT

In addition to completing the prescribed training courses, the Receiver will hold meetings once month during the transition period which the newly elected Board and CHFT will be invited to. During these meetings, the Receiver will review key Housing Project issues that it reviews and addresses in managing the Housing Project's operations.

The issues that may be discussed during these monthly meetings will include:

1. Housing Administration
2. Tenancy Management, including:
 - a. Arrears
 - b. Notices to Appear
 - c. Vacancy Management
 - d. Rent-Geared-to-Income Administration (RGI)
3. Property management and maintenance matters, including:
 - a. Maintenance and Cleaning
 - b. Outstanding Work Orders
 - c. Building Condition Audit/Preventative Maintenance
 - d. Capital expenditures
 - e. Review of capital Reserve Fund Forecast
4. Finance and Administration, including:
 - a. Year-to-date Expenditure and Variance Reports
 - b. Comparing Expenditures and Variances against the Co-op's Operating and Capital Budgets

Attending these meetings will provide opportunities for the newly elected Board to familiarize themselves with Housing Project operations through a job shadowing exercise. Though the Receiver will continue to retain authority to manage the day-to-day operations of the Housing Project pursuant to the Order of the Court during this *Transition Period* and until its discharge, the newly elected Board members will be invited to participate in these meetings and share their views and comments about the issues discussed. The Receiver will consider the views and comments that the elected Board shares with it, in light of and in keeping with its obligations to act in the best interest of the Housing Project and the membership as an Officer of the Court. These meetings will be minuted in the same way any Board of Directors meeting would be minuted.

During these meetings, the Receiver, with input from the newly elected Board, will review and/or develop:

- A plan to implement a competitive practice to hire a property management firm that the newly Elected Board will be expected to follow if and when they choose to engage a new property management company in the future. This would entail the preparation of a tender package. Any Contract included in any tender package must meet the requirements set out in Ontario Regulation 339/01, section 8, in accordance with City of Toronto Guideline 2012-1.
- Plans for the maintenance of key building components, moving forward.

Schedule "A"

Upwood Park/Salvador Del Mundo Co-operative Homes Inc. Recommended Pathway to Self-Governance

- Written policies that detail the internal controls that will be in place, and the Housing Provider and its Elected Board will adhere to, once control of the Housing Project is returned to them. These internal controls may include:
 - A policy/practice providing for the collection of arrears from members in respect of any outstanding housing charges;
 - A policy/practice indicating how the Co-op will minimize vacancy loss; and
 - A policy/practice indicating how the Housing Provider will control both its spending and its purchasing activities.

Schedule "A"

Upwood Park/Salvador Del Mundo Co-operative Homes Inc. Recommended Pathway to Self-Governance

THE *TRANSITION PERIOD* AND THE DISCHARGE OF THE RECEIVER

In order to properly complete the Election Process, and to ensure that the newly elected Board is able to complete the key training and job shadowing exercises described above, the Receiver, the Service Manager, and CHFT recommend that the *Transition Period* last at least six (6) months.

At the conclusion of the *Transition Period*, the Receiver will prepare a report to the Court for its consideration detailing the steps taken by all the interested parties to shepherd the newly elected Board along a pathway to self-governance, along with its recommendation as to whether the Receiver should be discharged, or whether the *Transition Period* should be extended for any reason.

BETWEEN:

CITY OF TORONTO
(Applicant)

-and-

**UPWOOD PARK/SALVADOR DEL
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(Respondent)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

ORDER

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