

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

and

CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC.

Respondent

AFFIDAVIT OF SIMION KRONENFELD

I, **SIMION KRONENFELD**, of the City of Toronto, MAKE OATH AND SAY:

1. I am a director of 1001079582 Ontario Inc. ("100 Inc."). I was instrumental in the assembly of the five properties on Islington Avenue in Toronto (2849, 2851, 2853, 2855 and 2857 Islington Avenue, hereinafter the "**Toronto Property**") and developed these Properties over a number of years.
2. As such, I have personal knowledge of the facts and matters hereafter deposed, save and except where same are stated to be upon information and belief, and where so stated, I verily believe same to be true.

December 6, 2023 (date of Appointment Order) to December 2, 2024 (day before 100 Inc.'s first offer to purchase.

3. To provide the court with a motion record of relevant documents in chronological order, I have attached hereto, in chronological order: 1) copies of the Receiver's documents which 100 Inc. received for the first time when they were attached to the Receiver's Sixth Report served in June 2026, and; 2) copies of documents which the Receiver omitted to include which are part of the chronology of events. A review of these documents in date order assists in understanding the facts, actual offers made by 100 Inc. (ie. the proposed agreement of purchase and sale which was never accepted by the Receiver before it was withdrawn), as well as the extensive delay past the date of December 16, 2024 when the Final Sales Process was supposed to be decided.
4. The Sixth Report is confusing, and could be misread, with respect to: the references therein, both defined and undefined, to "Sales Process", "sale process"; references to the "Template APS" which was never provided to 100 Inc.; and the inaccurate statements that the defined "Sales Process" was "continued" by the Sales Process Order (para 23.2 of the Sixth Report) and later "extended by the Court of Appeal" (para 27.2 of the Sixth Report).
5. Below I attempt to eliminate this confusion by using the following two terms, in date order: 1) **Schedule D Sale Procedure**; 2) **Final Sales Process**.
6. The Schedule D Sale Procedure, which may have been agreed to by the other bidders, and which was a contractual term of the Toronto APS, predates 100 Inc.'s involvement in submitting a bid. The Receiver never took the position that the Schedule D Sale Procedure applied to 100 Inc., or any bidders who did not sign an agreement agreeing to be bound by the Schedule D Sale Procedure, until the Receiver served its 6th Report on

June 8, 2026, which report is focused on justifying the Receiver's attempt to seize 100 Inc's deposit. I describe the Schedule D Sale Procedure not because it applied to 100 Inc., but to explain why it did not apply to 100 Inc. Below is set out the fact that the Schedule D Sale Procedure did not apply to 100 Inc. – and would not apply to any other bidder who did not sign the Acknowledgment agreeing to the terms of the Schedule D Sale Procedure.

7. The only relevant document regarding the Schedule D Sale Procedure is the “Acknowledgement” attached to schedule D which must be signed by a potential bidder if the bidder agrees to be bound by the terms of the Schedule D Sale Procedure. For example, the Toronto APS signed by the Toronto Purchaser contains an Acknowledgment accepting the term of schedule D to that agreement. In contrast, 100 Inc. had not been made aware of the prior Schedule D Sale Procedure (which had already expired), had not participated in that expired Schedule D Sales Procedure, and none of the five offers from 100 Inc. contain a schedule D nor did 100 Inc. sign an Acknowledgment. There is no document (court order or otherwise) which ‘continues’ or ‘extends’ the Schedule D Sale Procedure. Nor is there a document (court order or otherwise) which states that a bidder has agreed or must agree to the Schedule D Sale Procedure.
8. The only relevant document regarding the Final Sales Process is the December 10, 2024 Order of Justice Black which defines the terms of the Final Sales Process. There is no document (court order or otherwise) which states that a bidder must continue to participate in the Final Sales Process, participation is optional and as is a decision to cease participating.

9. The following is a summary of the relevant time periods regarding the **Schedule D Sale Procedure** and the **Final Sales Process**:

First, for the period ending on October 7, 2024: The “**Schedule D Sale Procedure**” is the sale process proposed by the Receiver to compliant bidders (not 100 Inc.) during the period leading up to the October 7, 2024 Toronto APS¹. The Toronto APS contractually sets out the agreement between the Receiver and the Toronto Purchaser to the terms of the Schedule D Sale Procedure. This sales procedure was not imposed, it was not mandatory, it was not imposed by a court ordered sales process order and was in any event not accepted by 100 Inc, when 100 Inc. made its offers in December 2024. The Receiver did not, in response to any of 100 Inc’s five offers sent after December 3, 2024 propose that 100 Inc. agree to the Schedule D Sales Procedure.

The Sixth Report of the Receiver misdescribes this **Schedule D Sale Procedure**, or sales process, as having been “continued” or “extended”, in fact it was not “continued” or “extended”. This is clear from a simple comparison of: a) the terms of the **Schedule D Sale Procedure** accepted by the Toronto Purchaser in Schedule D of the Toronto APS (Exhibit 2 hereto) with b) the terms of the Final Sales Process set out in the December 10, 2024 Order of Justice Black;

Next: When 100 Inc. came on the scene after the expiry of the bid deadline of September 26, 2024, in each and every offer of 100 Inc including the Final Offer which is the subject matter of this motion, 100 Inc. expressly deleted, and did not agree to or incorporate into its offers, the terms of the **Schedule D Sale Procedure** and each deletion was replaced

¹ Exhibit 2 hereto, the last document in Exhibit 2

with the words “intentionally deleted”. When 100 Inc made its five offers, 100 Inc. had not received the Template APS². However, 100 Inc. did have a redacted copy of the Toronto APS dated October 7, 2024 (which was included with the Receiver’s November 25, 2024 Motion Record, Exhibit 2 hereto) which included the Schedule D Sale Procedure as a term of the prior **accepted** offer in the Toronto APS;

Next, starting December 10, 2024: **Final Sales Process** is a defined term in the December 10, 2024 order of Justice Black regarding a further auction process with very precise and delineated terms as set out Justice Black’s order dated December 10, 2024, (herein I will use the Receiver’s defined term for this order, the “**Sales Process Order**”). The terms of the Final Sales Process do not reference or incorporate any of the terms of the Schedule D Sale Procedure. Importantly, the terms of the Final Sales Process do not state that offers/bids must be irrevocable. The Receiver did not request a term that offers must be irrevocable. The only operative sale process or procedure after December 10, 2024 is the sale procedure expressly set out in the Final Sales Process defined in the December 10 Order. On December 10, 2024 Justice Black did not approve of the 100 Inc. offer dated December 6, 2024³. His honour granted the alternative relief proposed by 100 Inc. set out in paragraph 79 b) of 100 Inc.’s Aide Memoire, the terms of which were later (in March 2025) set out in the issued Sales Process Order of Justice Black dated December 10, 2024. After December 10, 2024 the only operative sales process was set out in Justice Black’s December 10, 2024 Order – which the Receiver later unilaterally sought to vary, as set out below.

² Appendix G of the Sixth Report

³ Exhibit 7 hereto

December 10, 2024 to December 16, 2024 at 5 PM: The time period covered by the **Final Sales Process**, as defined in the December 10 Order starts from the receipt of the endorsement of Justice Black on December 10, 2024 and ends on the bid deadline, defined in the order as: “Bid Deadline” means December 16, 2024 at 5:00 PM E.S.T.”

10. The following is a summary of the time periods and unilateral decisions of the Receiver, purporting to create a new and different auction process from the process set out in the Final Sales Process. The Receiver made these decisions in response to the conduct of the Toronto Purchaser of: 1) not delivering a bid pursuant to the terms of the Final Sales Process and, 2) delivering a Notice of Appeal served at 3:54 PM on December 16, 2024:

December 16, 2024 to October 24, 2025

From the Date of Receipt of 100 Inc’s Final Offer on December 16, 2024, served before the expiry of the bid deadline of 5 PM in the Final Sales Process, until 100 Inc. provided notice of its withdrawal of offer more than 10 months later on October 24, 2024, the Receiver did not accept 100 Inc’s Final Offer.

The Receiver did not accept 100 Inc.’s offer despite the fact that the terms of the 100 Inc Final Offer expressly stated (by, inter alia, revising the terms set out in the Toronto APS in paragraph 2.15, 4.1, 4.3, 5.1 and deleting Schedule D) that the Receiver had to “accept” the 100 Inc. Final Offer in order for there to be any agreement between 100 Inc. and the Receiver.

December 23, 2024

The Receiver took the position, in a letter of December 23, 2024⁴, that the Final Sales Process in the Sales Process Order dated December 10, 2024 was “stayed”. The Receiver did not communicate, and appears not to have decided, that the stay extended the bid deadline of December 16, 2024 at 5 PM set out in the Sales Process. The Receiver did not disclose if other bidders had submitted a bid before the December 16, 5 PM deadline, nor did the Receiver communicate its position in paragraph 23.2 that “there remained approximately 1 hour” in the sales process under the Final Sales Process. In fact, time kept ticking, the hour elapsed, it did not “remain”. 100 Inc. was not asked, nor did it agree, what the consequences would be if the Receiver sought to unilaterally extend the bid deadline to one hour after 5 PM on December 16.

Further, neither the Receiver nor the Court stated that a “stay” of the December 10, 2024 order stayed or had any impact on 100 Inc.’s ability to conduct business in the normal course, such as revising or withdrawing its Final Offer. Although, the December 10, 2024 Order was “stayed”, 100 Inc. was not “stayed” or restricted from acting at all, including by withdrawing its Final Offer.

May 26, 2025

During, and not before, the hearing at the Court of Appeal on May 26, 2025, the Receiver requested (see paragraph 52 and 53 of the CA Decision⁵) a revised bid process by seeking approval of the Court of Appeal that the bid deadline in the Final Sales Process of 5 PM on December 16 be extended 48 hours. As set out below, it was not revealed that the

⁴ Exhibit 14 hereto

⁵ Exhibit 23 hereto

Court of Appeal had created this new auction process of an extended 48 hours, until the Court of Appeal released its decision five months later on October 27, 2025.

October 27, 2025

With the release of the Court of Appeal's decision on October 27, 2025, the bid deadline under the Final Sales Process was extended by 48 hours.

11. I will now provide a detailed chronology of events and have attached the relevant documents in chronological order.
12. The terms of the Final Sale Process do not refer to or contemplate the impact of an appeal
13. In the first part of my affidavit I will address the time period in this receivership before December 3, 2024, a period when 100 Inc. did not have any involvement in any bid to purchase the Toronto Property. 100 Inc. submitted its first offer to purchase on December 3rd, 2024.
14. During this time period, and indeed at all times in this matter to date, the Receiver did not obtain a court order (neither a 'sale process order' or 'sale procedure order') regarding: 1) the terms of the sales process being conducted by the Receiver, or; 2) the terms (mandatory or otherwise) of any bid submitted by a bidder.
15. Thus, there is no court order in this matter which orders that, for example, any bid/offer to purchase "must be irrevocable".

16. 100 Inc. was not involved whatsoever in the time period, events or documents, described in paragraphs 9.2 to 25.2 of the Sixth Report, covering the period from the start of the Receivership (December 6, 2023, paragraph 9.2) to December 2024 (paragraph 26.2).
17. As set out below, 100 Inc.'s non-involvement in these events/documents had a significant consequence regarding 100 Inc.'s first offer of December 3, 2024 and all subsequent offers, because the fact was that, by not participating in the bid process, 100 Inc. was a non-compliant, bidder. As set out below, the Receiver in its factums and reports submitted to the Court that 100 Inc was a non-compliant bidder. The Receiver knew that 100 Inc. had not followed the Schedule D Sales Process.
18. Specifically:
 - a) 100 Inc. had no involvement in the "Sales Process" defined in paragraph 11.2 of the Sixth Report;
 - b) 100 Inc. was not one of the "interested parties" who were invited to execute, or who executed a "Confidentiality Agreement" (para 12.2 of the Sixth Report, Appendix "E");
 - c) 100 Inc. did not receive any of the "e-mails" "sent [by Colliers] to Colliers distribution list of approximately 3000 parties" (para 14.2a(2) of the Sixth Report);
 - d) 100 Inc. did not request or obtain access to the data room (para 14.2 (b)2 of the Sixth Report);

- e) 100 Inc. did not receive any of the “correspondence to potentially interested parties” (para 15.2 of the Sixth Report);
 - f) 100 Inc. was not one of the “parties wishing to submit an offer to purchase the Toronto Property”⁶ and consequently;
 - g) 100 Inc was not aware of, nor provided with “a template agreement of purchase and sale”, attached as Appendix G to the Sixth Report; (para 15.2 (a)2 of the Sixth Report). As set out below, 100 Inc. first received a copy of the Template APS when it was delivered in June 2026 as an appendix to the Sixth Report;
 - h) 100 Inc was not aware of, nor notified about the June 3, 2024 “deadline for parties to submit offers to purchase the Toronto Property” (para 15.2 (b)2 of the Sixth Report).
19. The language in Paragraph 16.2 of the Sixth Report is imprecise and could, as a result, lead to a misunderstanding of the facts in this matter. This paragraph is only accurate if the term “parties” refers only to “parties” who receive a copy of the Template APS. Since 100 Inc. was not provided with a copy of the Template APS, 100 Inc. did not receive any “notice of the rules and procedures governing the Receiver’s Sales Process in the form of a schedule [ie. Schedule D] appended thereto.” (paragraph 16.2 of the Sixth Report).

⁶ (paragraph 15.2(a)2 of the Sixth Report

20. The first time 100 Inc. received notice of the terms of the Template APS was on June 8, 2026 when the Receiver served the Sixth Report of the Receiver, which attached the Template APS as Appendix G to the Sixth Report.

21. The following statement in paragraph 15.2 of the Sixth Report does not apply to 100 Inc:

15.2 In correspondence to potentially interested parties, Colliers advised that:

(a) 2 Parties wishing to submit an offer to purchase the Toronto Property were required to submit an offer in the form of a template agreement of purchase and sale (the “**Template APS**”). A copy of the Template APS is attached hereto as **Appendix “G”**;

22. Specifically with respect to paragraph 15.2 of the Sixth Report, in addition to the fact that 100 Inc. did not receive the “correspondence to potentially interested parties” from Colliers, the following facts bear out that paragraph 15.2 is not accurate if it was intended to refer to 100 Inc:

- a) 100 Inc. was never advised by the Receiver that it was “required to submit an offer in the form of [the Template APS]”;
- b) Each of the five offers submitted by 100 Inc, on or after December 3, 2024, including its Final Offer (defined in paragraph 17.2 of the Sixth Report) dated December 16, 2024⁷, did not comply with the form of the Template APS and contained material revisions to the Template APS;

⁷ Exhibit 12 hereto

- c) The Receiver did not, before submitting its case in the Sixth Report (sent in June 2026 seeking to justifying its attempt to seize 100 Inc.'s deposit), assert that 100 Inc. had failed to comply with any obligation to adhere to the terms of the Template APS or that it was required to;
- d) During the December 10 2024 hearing before Justice Black, and in its submission to the Court of Appeal, the Receiver did not disclose in any of its court material, the view now stated by the Receiver, that 100 Inc's offer⁸ did not comply with the terms of the Template APS, or that there was any obligation on 100 Inc. (or any other bidder) to comply with the terms of the Template APS;
- e) The alternative recommendation of the Receiver before - Justice Black on December 10, 2024 and repeated before the Court of Appeal at the May 26, 2025 Court of Appeal hearing – was that it was appropriate for the Receiver to consider approving 100 Inc's Final Offer, an offer which by its very terms did not adhere to the terms of the Template APS and which expressly deleted the terms of the Template APS which required that a bid be irrevocable, and replace those terms with the terms **“intentionally deleted”**;
- f) Specifically, each and every offer from 100 Inc., including its Final Offer dated December 16, 2024⁹, expressly deleted the following language in the Toronto APS¹⁰, which is identical to the following language in the Template APS quoted in paragraph

⁸ Exhibit 7 hereto

⁹ Exhibit 12 hereto

¹⁰ 100 Inc. received the Toronto APS when it was attached to the Receiver's Motion Record dated November 25, 2024 seeking approval of the Toronto APS

43.2(a)2 of the Sixth Report, an replace those terms with the words “**intentionally deleted**”:

“(a)2 The Receiver’s form of Template APS sets out at item #7(b) of Schedule D that “A Bid must be received by the Bid Deadline, in accordance with Section 3 above, and must be irrevocable until the date on which the Receiver obtains court approval of the Successful Bid”; “

23. As set out below, on June 8, 2026 the Receiver’s Counsel emailed the Sixth Report of the Receiver, which contains the Template APS referenced in paragraph 15.2(a)2, and attached as Appendix G to the Sixth Report. This was the first time 100 Inc. was provided with the Template APS. With respect to the statement in paragraph 16.2 of the Sixth Report that the “Template APS provided parties with notice of the rules and procedures governing the Receiver’s Sales Process in the form of a schedule appended thereto”, no such notice was provided to 100 Inc.

24. Counsel has provided me, as an example of what a Receiver can do if it seeks to emphasize its desire that bids be irrevocable, and disclose to the public its request that bidders follow certain rules and procedures governing a sales process. Attached hereto as **Exhibit 32** is a Court Ordered Sales Process, granted by Justice Morawetz, which sets out a term that all competing bids must be “irrevocable” for a period of time, as follows:

“29. Any Competing Bidder {...} who wishes to become a Qualified Bidder must submit a Qualified Bid satisfying the conditions set forth below for the applicable Lease(s) and/or Real Property:

(a) it is received by the Qualified Bid Deadline;

{...}

(c) it is irrevocable until the earlier of: (i) the approval by the Court of a Successful Bid,

and (ii) 28 days following the Qualified Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer will remain irrevocable until the closing of its Successful Bid;”

25. The final key date regarding the sales process apparently preferred by the Receiver, during this time period before 100 Inc. arrived on the scene, is September 26, 2024, which is the final bid deadline set by the Receiver.
26. 100 Inc. was a non-compliant bidder since it did not participate in or follow the Schedule D Sale Process.
27. 100 Inc. never denied that it was a non-compliant bidder with respect to the Receiver’s consideration of bids submitted on or before September 26, 2024.
28. To the contrary, 100 Inc. determined – and the Receiver advised the Court - that because it was a non-complaint bidder, 100 Inc.’s bid would need to offer a bid price ‘substantially higher’ than a compliant competing bid.
29. With respect to the fact that 100 Inc. was not involved in the (pre-December 2024) events described in paragraphs 19.2 to 25.2 of the Sixth Report, the fact is that:
 - a) 100 Inc. did not receive any of the emails referenced in paragraph 19.2, and attached as Appendix H to the Sixth Report;
 - b) 100 Inc. did not receive the email sent on Sept. 17, 2024 by Colliers, referenced in paragraph 22.2 and attached as Appendix “J” to the Sixth Report;

- c) Specifically, with respect to paragraph 23.2 of the Sixth Report, 100 Inc. did not receive an “invite to submit an offer to purchase the Toronto Property using the Receiver’s form of Template APS”.
30. **Exhibit 1** hereto is a copy of the September 11, 2024 email¹¹ which set the bid deadline as September 26, 2024. This document is attached as Exhibit H to the Sixth Report, and was received by 100 Inc, for the first time, when it was included in the Sixth Report served on 100 Inc. on June 8, 2026.
31. With respect to paragraph 24.2 of the Sixth Report, 100 Inc. admits that, as set out in the Third Report of the Receiver dated November 25, 2024, the Receiver entered into the Toronto APS on October 7, 2024.
32. **Exhibit 2** hereto is a copy of the Toronto APS dated October 7, 2024 (at pages 131 to 173 of Exhibit 2). The Toronto APS is not attached to the Sixth Report. The Toronto APS is attached as Appendix F to the Third Report of the Receiver dated November 25, 2024, included with the Motion Record of the Receiver dated November 25, 2024, for a hearing returnable on December 4th, 2024, brought by the Receiver to obtain an approval and vesting order approving of the transaction set out in the Toronto APS. Exhibit 2 is a copy of pages 1 to 173 of the Third Report of the Receiver.
33. **Exhibit 3** hereto is a copy of the December 2, 2024 Factum of the Receiver, filed in support of the approval of the AVO for the Toronto APS, at the then scheduled hearing of December 4, 2024. With respect to the status of the Toronto APS as a compliant

¹¹ Exhibit H of the Sixth Report

bidder, the factum states in paragraphs 14 and 17 that the offer by the Toronto Purchaser was received before the expiry of the bid deadline on September 26, 2024. At paragraph 20 of this factum, the Receiver “recommends that the Court approve the [Toronto] APS”.

34. 100 Inc. notes that with respect to the arguments of the Receiver in its December 2, 2024 factum regarding the issue of forfeiture of the Kingston deposit - ie. that the Receiver was willing and able to close (paragraph 48), now support the release of the deposit provided by 100 Inc. because, among other reasons, it was the Receiver who had not accepted 100 Inc’s offer. Further, there was an unacceptable period of delay during which the Receiver had never communicated that it was willing to accept, or had accepted, 100 Inc’s offer.
35. **Exhibit 4** hereto is a copy of the December 3, 2024 cover email, letter and attached offer of 100 Inc. to purchase the Toronto Property, for the purchase price of \$3 million.¹²
36. **Exhibit 5** hereto is a copy of another offer from 100 Inc, sent on December 3, 2024 with a purchaser price of \$3.3 million.
37. **Exhibit 6** hereto is a copy of the Receiver’s supplementary factum, served on December 3, 2024. It is of note that the Receiver’s objection to the 100 Inc. offer was that it was not compliant with the sales process, not that it failed to adhere to the terms of any Template APS (a Template APS was not mentioned by the Receiver at all).

¹² [Appeal Book, Tab 10, Exhibit 1, pg 1032]

38. The Receiver stated the following in its Supplementary Factum regarding its characterization of 100 Inc.'s offer as a non-compliant bid (bold emphasis added):

“3. The day before hearing, the Receiver received two additional offers as well as one expression of intent to submit an offer for the purchase of the Toronto Property, each of which was higher than the offer made by the Purchaser.

5. The additional offers put the following additional issue before the Court: under what circumstances should a court consider or accept **a late**, but higher **offer** from an unsuccessful bidder?

6. In an effort to assist the Court on this motion, the Receiver has canvassed the relevant caselaw in circumstances where, as here, a higher **offer is presented after the conclusion of the sales process** but before the sale approval motion.

7. The case law establishes that where the sales process was fair, the Court will only refuse to approve the existing offer where the new offer is “substantially higher” than the existing offer.

8. In this case, the Receiver is of the view that the high threshold for setting aside the APS is not met.

12. In this case, the First Factum sets out the comprehensive marketing efforts undertaken by the Receiver. The existence of the other offers confirms the reasonableness of the purchase price, since **the late offers** are only marginally (6.7%-14.2%) higher. The purchase price in the APS before the court falls squarely within the range of offers received, and **importantly, was compliant with the sales process**.

13. Finally, the overriding concern with integrity, fairness and predictability of the court ordered sales process militate in favour of the approval of the conforming, successful bid. As Justice Cumming pointed out in Re 1730960 Ontario Ltd, “[i]t is unfair and objectionable for a party to wait until another bid is made and has been accepted by the

Receiver and then to make a bid which is marginally higher and ask the Court to not approve the agreement of purchase and sale resulting from the accepted bid.”⁷

14. Here, the Purchaser has acted in good faith and is a bona fide third party purchaser. The existence of marginally higher bids, submitted on the eve of the hearing, are not sufficient to displace the Receiver’s recommendation set out in its Third Report.”

39. The Receiver was correct in its Supplementary Factum of December 3, 2024 in describing 100 Inc. as a non-compliant bidder, 100 Inc. did not deny this unassailable fact. The issue before the Court was whether 100 Inc.’s non-compliant bid should, in contrast to the bid of the Toronto Purchaser which was “**compliant with the sales process**”, be considered and accepted because of its higher price.
40. The Receiver’s current (post June 2026) position that 100 Inc.’s deposit is forfeited because 100 Inc. was subject to and complied with the alleged mandatory terms of the alleged “Sales Process” is not only factually incorrect, but also the complete opposite of the Receiver’s (correct) characterization, before Justice Black on December 10, 2024 and before the Court of Appeal at the May 26, 2025 hearing, of 100 Inc. as a bidder who sought to participate in the bid process without complying at all with any process, bid deadline or otherwise, previously proposed by the Receiver.
41. 100 Inc. participated in the bid process the same way I have participated in buying other real estate. 100 Inc. simply presented offers to purchase which it assumed were subject to negotiation or acceptance by the vendor.
42. **Exhibit 7** hereto is a copy of 100 Inc.’s offer, of December 6, 2024, to purchase (with cover letter from 100 Inc.’s real estate counsel, Paul Rooney), with an increased purchase

price of \$3.6 million. This December 6, 2024 offer is defined in paragraph 31.2 of the Sixth Report as the “Higher Offer”.

43. The following statement in paragraph 15.2 of the Sixth Report is accurate, and it is important to note that the 100 Inc. Higher Offer which was supported by several stakeholders was an offer which expressly did not provide that the offer was “irrevocable”:

“15.2 The Higher Offer was supported by several stakeholders, including Cameron Stephens Mortgage Capital Inc., the first mortgagee of the Toronto Property.”

44. **Exhibit 8** hereto is a copy of the Receiver’s Third Supplement to the Third Report, dated December 7, 2024 (without appendixes).
45. The Receiver stated the following in its Third Supplement to the Third Report, dated December 7, 2024, regarding its characterization of 100 Inc.’s offer as a non-compliant bid (bold emphasis added):

“18. AJGL **could have participated in the Receiver's sales process** at any time by contacting the Receiver or Colliers, but chose not to do so until the eve of the December 4, 2024 hearing, which is approximately 10-weeks past the Receiver's offer deadline of September 26, 2024 for submission of offers in connection with the remarketing of the Toronto Property.

6.1 Conclusion

30. While the Receiver recognizes that it is required to attempt to maximize realizations for the benefit of creditors, the **Receiver continues to have concerns about the integrity of the sales process if it were to allow bids made on the eve of the sale approval motion (10 weeks after the bid deadline), and thereafter, to be considered**

and/ or accepted.

6.2 Recommendation

32. The Receiver's recommendation remains that the Court should approve and authorize the sale of the Toronto Property to the Toronto Purchaser and issue the AVO requested by the Receiver in favour of the Toronto Purchaser.”

46. With respect to the Receiver’s June 2026 position that the terms of the Sales Process are set out in the Schedule D of the Template APS, although 100 Inc. had not received the Template APS, 100 Inc. did have (as of December 2024) a copy of schedule D to the Toronto APS (see pages 166 to 172 of Exhibit 2 hereto) titled “Sales Procedure”. The sale procedure set out in schedule D of the Toronto APS is (as set out above) referred to herein as the “Schedule D Sales Procedure”. This sale procedure appears to be the same as the Schedule D to the Template APS, however, I will refer to schedule D to the Toronto APS, as this is the only document 100 Inc had and relied upon regarding terms which may be acceptable to the Receiver. I say “**may be** acceptable” because the Receiver had accepted the terms of the Toronto APS. I don’t know if such terms were “mandatory” in the view of the Receiver because the Receiver did not respond to, or accept, the revised terms in the Final Offer before it was withdrawn by 100 Inc.
47. Instead of obtaining a court order prescribing the terms of a bid and/or mandatory terms of any proposed offer to purchase, the Receiver elected to impose terms (governing bids and offers to purchase) only upon persons who contractually agreed to such terms, by executing an acknowledgment and agreement to the terms of the “Sale Procedure” set out in a document titled Schedule D “Sales Procedure”.

48. I now assume that to obtain a copy of the terms of the "Sale Procedure", a person had to contact the Receiver or sales agent to express an interest in purchasing the property, at which point one would, presumably, be provided with a copy of the Schedule D Sale Procedure and be required to execute an Acknowledgment agreeing to its terms. 100 Inc. never contacted the sales agent and never received a copy of the Schedule D Sales Procedure.
49. The Schedule D Sales Procedure is contractual - it only applies if a bidder agrees to its terms by executing the "Acknowledgment" attached as schedule A to the Schedule D Sales Procedure. The Toronto bidder signed such an Acknowledgment accepting the term of Schedule D Sales Procedure (see the second last page of the Toronto APS at Exhibit 2 hereto). Again, the Receiver elected, by not obtaining a sale procedure order imposing the terms of the Schedule D Sales Procedure on every bidder, to have the terms of the Schedule D Sales Procedure be binding on only the contracting parties thereto.
50. The Acknowledgment¹³ signed by the Toronto Purchaser (schedule A to the Toronto APS) – which was never signed by 100 Inc. or included in any offer from 100 Inc. - states:

Schedule "A"
ACKNOWLEDGEMENT

TO: TDB Restructuring Limited, in its capacity as court-appointed receiver and manager of the lands and premises described on Schedule "B" (the "Property") (the "Receiver")

RE: The sale procedure with respect to the sale by the Receiver of the Property (the "Sale Procedure")

¹³ At the end of Exhibit 2 hereto

The undersigned hereby acknowledges receipt of, and its agreement with, the Sale Procedure.

51. 100 Inc. never signed an Acknowledgement agreeing to the terms of the Schedule D Sales Procedure.
52. 100 Inc. expressly offered a contract - by not including the Schedule D Sales Procedure or a schedule A “Acknowledgment” as a term of any of 100 Inc.’s offers to purchase – which did not include the terms of the Schedule D Sales Procedure. Each of 100 Inc.’s offers, including the Final Offer sent on December 16, 2024, which is the subject of this motion, expressly set out that the Schedule D Sales Procedure was “intentionally deleted”.
53. 100 Inc.’s offers were prepared by 100 Inc.’s counsel by revising the terms of the agreement of purchase and sale attached as Appendix F (the “Toronto APS”) to the Third Report¹⁴ of the Receiver dated November 25, 2025 (the “Third Report”) – see Exhibit 2 hereto. 100 Inc. received the Third Report and attached Toronto APS as part of the Receiver’s motion record, dated November 25, 2024, for the Receiver’s motion returnable on December 4, 2024 to obtain an order approving the sale transaction and vesting the Toronto Property to the Toronto Purchaser, pursuant to the terms of the Toronto APS.¹⁵
54. 100 Inc. understood that the Toronto APS was an agreement negotiated between the Receiver and the Toronto Purchaser. Specifically, the Toronto APS contains terms which

¹⁴ Included in the motion record at Exhibit 2 hereto

¹⁵ The last document in Exhibit 2 hereto

are struck out (such as section 1.1(j), 5.1) and the Toronto APS references many terms which have been “intentionally deleted” as well as terms which are in red font (section 4.1 f, g, h, I, j, k, and l) and therefore appear to be negotiated terms.

55. In any event, it was appropriate for 100 Inc, and normal course when buying real estate, to propose terms to see if they are accepted – such acceptance never came from the Receiver before 100 Inc.’s Final Offer was withdrawn.
56. On December 10, 2024, as set out in 100 Inc.’s Aide Memoir, at paragraphs 79 b), 100 Inc. proposed, as an alternative to Court Approval of the December 6, 2024 offer from 100 Inc. (Exhibit 7 hereto) that the Court approve a final opportunity for persons who had submitted a bid, to submit a final bid no later than 5 PM on December 18, 2024.
57. The last three pages of 100 Inc’s Aide Memoir, with the terms of the Order Requested by 100 Inc.is attached hereto as **Exhibit 9**.
58. The December 10, 2024 endorsement of Justice Black, released on December 10, 2024, is attached hereto as **Exhibit 10**¹⁶. His Honour accepted the Receiver’s characterization of 100 Inc. as a non-compliant bidder which did not follow the sales process which the compliant Toronto Purchaser had complied with.
59. On December 11, 2024 Colliers (the Receiver’s sales agent) sent notice (by email attached hereto as **Exhibit 11**) of the bid deadline (ie in the Final Sales Process later

¹⁶ Exhibit L to the Sixth Report

defined in the Sales Process Order dated December 10, 2024) set out in the December 10, 2024 endorsement of Justice Black, as follows (with original bold emphasis):

“Please be advised that all interested parties who had previously submitted offers or bids for 2849-2857 Islington Avenue, Toronto (hereinafter the “Property”) as part of the Property’s Receivership sale process are being notified that they shall have a final opportunity to submit a final bid for such Property at a purchase price that may be the same as, less than, or higher than the amount of any of their previous bids, **provided such bid is received by the Receiver no later than 5:00 pm on December 16th, 2024.**”

60. On December 13, 2024, 100 Inc. submitted its fourth offer to purchase the Toronto Property. This offer was replaced by 100 Inc.’s Final Offer sent on December 16, 2024¹⁷. This offer contained the same terms of the other four offers from 100 Inc. which expressly deleted all terms in the Toronto APS which created a contractual covenant that the offer to Purchase in the Toronto APS was “irrevocable”.
61. On December 16, 2024, before the expiry of the bid deadline of 5 pm in the Final Sales Process, 100 Inc. submitted its fifth and Final Offer. The cover email of December 16, 2024 at 4:27 PM, with the attached letter¹⁸ dated December 16, 2024 and 100 Inc.’s last and Final Offer is attached hereto as **Exhibit 12**.

¹⁷ Exhibit 12 hereto

¹⁸ Appendix M to the Sixth Report only attached the December 16 Letter, it does not include the Final Offer, which is only, of course, signed by 100 Inc. since it is an offer which has not been accepted by the Receiver.

62. Paragraph 17.2 of the Sixth Report defines 100 Inc's last offer (attached as Exhibit 12 hereto) as the "Final Offer". It is important to note that Appendix M of the Sixth Report omits to append the Final Offer at Exhibit 12 hereto. Exhibit M to the Sixth Report only attaches the December 16, 2024 cover letter from Mr. Rooney (included with Exhibit 12 hereto). If it had been attached, one can see that (as one would expect of an offer which has not been accepted) that the Final Offer at Exhibit 12 hereto is signed only by 100 Inc. – it is not signed/accepted by the Receiver. Here is the signature line of the Exhibit 12 Final Offer:

The Parties have executed this Agreement by their duly authorized officers.

**TDB RESTRUCTURING LIMITED in its
capacity as Court-Appointed Receiver and not in
its personal capacity**

Per: _____
Name: Arif Dhanani, CPA, CA, CIRP, LIT
Title: Managing Director

1001079582 ONTARIO INC.

PER _____
Name:
Title:

63. Jumping ahead in the chronology to the October 30, 2025 document attached as Appendix T to the Sixth Report, it is important to clarify that the October 30, 2025 document described in both 1) paragraph 17.2 and, 1) paragraph 29.2 of the Sixth Report as “the Final Offer” is not the same document sent by 100 Inc. on December 16, 2024.¹⁹
64. To clear up some confusion, I will briefly step out of the chronology. It is important to clarify that while each of: 1) paragraph 17.2, and; 2) paragraph 29.2 of the Sixth Report, use the identical term “the Final Offer” to describe the document referenced in each of paragraph 17.2 and paragraph 29.2 of the Sixth Report, the actual documents are very different. The differences are:
- a) The document sent on December 16, 2024 and attached as Exhibit 12 hereto (and **not included** in Appendix M of the Sixth Report) is the Final Offer, which is **signed only by** the offeror, **100 Inc** – it is not signed by the Receiver;
 - b) The document which the Receiver, in paragraph 29.2 of the Sixth Report, also refers to as the Final Offer, is a different document, sent by counsel for the Receiver on **October 30, 2025** (see Exhibit 28 hereto below). It is different because this document is now signed by the Receiver, it is this signed document by the Reciever which is attached as Appendix T to the Sixth Report. It would have been helpful if the Receiver had dated his signature when it was signed by the Receiver on October 30, 2025. Here is the signature line in the October 30, 2025 document at Appendix T of the Sixth Report, which is also included in Exhibit 28 hereto below.

¹⁹ Exhibit 12 hereto

**TDB RESTRUCTURING LIMITED in its
capacity as Court-Appointed Receiver and not in
its personal capacity**

Per: 
Name: Arif Dhanani, CPA, CA, CIRP, LIT
Title: Managing Director

1001079582 ONTARIO INC.

PER 
Name:
Title:

65. I make the above point of clarification because there should be no confusion regarding the fact that the Receiver did not sign back or accept the December 16, 2024 Final Offer of 100 Inc. (Exhibit 12 hereto) until **after** 100 Inc. had withdrawn the Final Offer, by letter dated October 24, 2025 (Exhibit 22 hereto) and it was only six days later, on October 30, 2025 that the Receiver sent an email with the October 30, 2025 offer signed by the Receiver (Exhibit 28 hereto and Appendix T to the Sixth Report).
66. I now return to the chronology, December 16, 2024.
67. The Toronto Purchaser did not submit a bid before the expiry of the bid deadline at 5 pm on December 16, 2024.
68. On December 16, 2024 the Toronto Purchaser served a Notice of Appeal²⁰, by email at 3:54 pm, attached hereto as **Exhibit 13**.

²⁰ Appendix N to the Sixth Report

69. On December 23, 2024 the lawyers for the Receiver sent a letter (attached hereto as **Exhibit 14**) advising that it was the Receiver's view that the order of Justice Black (the order had yet to be issued) dated December 10, 2024 had been "stayed pending the determination of the Appeal". With respect to the statement in paragraph 20.2 of the Sixth Report that the "accordingly, the Receiver refrained from dealing with offers [until] after the Appeal was decided"; the Receiver did not state this position to 100 Inc. In any event, there was nothing in place (neither a term of a Court order nor a term in 100 Inc's Final Offer) which required 100 Inc. to 'refrain from dealing with' 100 Inc.'s Final Offer, nor did the Receiver request any such term. Participation in the further auction process set out in the Final Sales Process was voluntary. On December 16, 2024, 100 Inc. elected to participate in the Final Bid Process defined in Justice Black's December 10, 2024 endorsement. On October 24, 2025, 100 Inc. elected to stop participating in the bid process, as it was its right to decide what commercial arrangements were suitable now almost a year after 100 Inc. had submitted its Final Offer.
70. 100 Inc. was not the cause of the reason why the Receiver refused to accept, (or perhaps decided it was unable to accept) 100 Inc's Final Offer.
71. 100 Inc. did not contractually covenant in its Final Offer or otherwise, that it could not or would not withdraw its offer. Further, 100 Inc. did not contractually covenant it could not or would not withdraw its offer if the Receiver advised that the Receiver was unable or unwilling to accept 100 Inc's Final Offer.

72. The real estate market, and prospects for a real estate development like the development proposed for the Toronto Property, deteriorated significantly during the period while the Receiver delayed in accepting 100 Inc's Final Offer, from and after December 16, 2024.
73. On February 12, 2025 the Toronto Purchaser (appellant) sent an email to the Court of Appeal requesting an expedited hearing date because of the prejudice caused by any further delay. The February 12, 2025 email is attached hereto as **Exhibit 15**.
74. During an exchange of communication between the Court of Appeal and the appellant (Toronto Purchaser) it became evident that the appellant had not even perfected its appeal. This communication, between Feb 12 and Feb. 19, 2025 is attached hereto as **Exhibit 16**.
75. From February 2025 until 100 Inc. withdrew its Final Offer on October 24, 2025, the viability for 100 Inc. eroded completely, as the market further deteriorated. Also, 100 Inc.'s efforts to bring in a partner on the development were not successful.
76. On February 19, 2025, counsel for the Receiver took its first step towards the issuance of the Sales Process Order, by sending an email to counsel (attached hereto as **Exhibit 17**) with a draft order.
77. By email on February 24, 2025, counsel for the Receiver sent the draft order to Justice Black. The February 24, 2025 email is attached hereto as **Exhibit 18**.
78. By email on March 3, 2025, counsel for the Receiver sent an email to Justice Black advising that there was "some urgency to the issuance of the Order ...as...the absence

of an issued order...is preventing the appellant from perfecting its appeal". The March 3, 2025 email is attached hereto as **Exhibit 19**.

79. The Receiver did not, at any time, ask 100 Inc. what the impact was of the continuing delay by the Receiver in accepting 100 Inc.'s Final Offer, nor did the Receiver ask 100 Inc. how long it was willing to wait, if at all, before 100 Inc. withdrew its Final Offer.
80. Knowing that delay was prejudicial to 100 Inc., and any market participant in a falling market, the Receiver was silent while months of delay went by.
81. The Sale Process Order of Justice Black dated December 10, 2024 was not issued until March 6, 2024. The issued Sales Process Order²¹ is attached hereto as **Exhibit 20**, with the March 6, 2025 cover email from counsel for the Receiver sending same.
82. On April 30, 2025, the Receiver's counsel, by email, served the Receiver's factum for the Court of Appeal hearing. The April 30, 2025 email and factum of the Receiver dated April 30, 2025 are attached hereto as **Exhibit 21**. In the Receiver's Factum, the Receiver again stated its view that because 100 Inc. was a non-compliant bidder, only a substantially higher bid from 100 Inc. was worthy of consideration.
83. It is of note that the Receiver does not disclose in its factum that the Receiver will ask the Court of Appeal to extend the bid date of the Final Sales Process by 48 hours from the date of release of the Court of Appeal's decision. The Receiver's counsel first made this request during the hearing before the Court of Appeal on May 26, 2026.

²¹ Appendix K to the Sixth Report

84. On May 26, 2025, the Court of Appeal heard the appeal and reserved. It was uncertain when a decision would be released by the Court of Appeal.
85. The language in paragraph 23.2 of the Sixth Report could lead to a misunderstanding of the timing of events and of cause and effect. To clarify, I note that it was **during**, and not before, **the hearing at the Court of Appeal on May 26, 2025**, when **the Receiver requested** (see paragraph 52 and 53 of the CA Decision) a revised bid process by seeking approval of the Court of Appeal that the bid deadline in the Final Sales Process of 5 PM on December 16 be extended 48 hours. As set out below, it was not revealed that the Court of Appeal had created this new auction process of an extended 48 hours, until the Court of Appeal released its decision five months later, on October 27, 2025. 100 Inc. was neither asked nor agreed to this 48-hour extension.
86. I have amended, by adding the underlined and bold text, the second sentence of paragraph 23.2 of the Sixth Report to clearly set out cause and effect and the timeline, as follows:
23. At the time that the Toronto Purchaser filed its notice of appeal on December 16, 2024, there remained approximately 1 hour in the continued Sales Process directed by the Sales Process Order. As a result **of a request by the Receiver during the May 26, 2026 hearing**, the Court of Appeal, **five months later when it released its decision on October 27, 2025**, directed that the Receiver solicit further bids for the Toronto Property for 48-hours after the Receiver gave notice to parties of the outcome of the Appeal.
87. I have already noted herein that the term “continued Sales Process directed by the Sales Process Order” is not accurate – there was no ‘continuation’, there was a Schedule D Sale Procedure utilized by a bidder who signed the Acknowledgment in Schedule D of

the Toronto APS (which Justice Black's Sales Order did not "continue") and then there was the separate, and different sales process set out in the "Final Sales Process" defined in Justice Black's order dated December 10, 2024 and issued on March 6, 2025. During the period before Justice Black's Order of December 10, 2024 I do not know if any bidders came forward or presented bids which, like 100 Inc., did not include the Schedule D Sale Procedure. I do know, however, that because there was no Court Order mandating the Schedule D Sale Procedure, that a bidder could have made such a bid and it was within the discretion of the Receiver (unfettered by a Court Order) to consider such a bid.

88. Months went by without any decision from the Court of Appeal or any communication from the Receiver. The real estate market in Toronto, and particularly the new condo market (ie. the target market for the completed development of the Toronto Property), continued to deteriorate, to the point where it was uncertain when the intended development of condominiums on the Toronto Property would become viable.
89. As set out in an email and attached letter from real estate counsel for 100 Inc. dated October 24, 2024, 100 Inc. elected to withdraw its Final Offer to purchase the Toronto Property and notified the Receiver of same. The October 24, 2025 email and letter²² are attached hereto as **Exhibit 22**.
90. The order of events described in paragraphs 25.2 and 26.2 of the Sixth Report are out of chronological order, as are Appendix P and Appendix Q. of the Sixth Report. The correct chronological order as set out below is that **first** the Court of Appeal released its decision

²² Appendix P to the Sixth Report

on October 27, 2025 (Appendix Q, and Exhibit 23 hereto) and then, **later**, the Receiver, sent its letter on October 27, 2025 (Appendix P and Exhibit 25 hereto).

91. If the Receiver is to describe events in chronological order, paragraph 26.2 of the Sixth Report should precede paragraph 25.2.
92. On October 27, 2025 10:30 AM, the Court of Appeal sent an email with the attached decision of the Court of Appeal released on October 27, 2025²³. This email from the Court of Appeal is attached hereto as **Exhibit 23**.
93. It was revealed, for the first time with the release of the decision on October 27, 2024, that the Court of Appeal had granted the request of the Receiver, made during the May 26, 2025 hearing, to extend the bid deadline, as set out in the following paragraphs of the decision:

[52] In the event the appeal was dismissed, the Receiver requested that this court revise the motion judge's order about the timeline for the re-opened auction process. As noted above, the motion judge's order provides that the auction process will run from December 10, 2024, to 5:00 p.m. on December 16, 2024. This appeal was filed at 3:54 p.m. on December 16, 2024, and the auction process was automatically stayed because the appeal was filed as an appeal as of right. According to the Receiver, there is only 1 hour and 6 minutes remaining in the auction, and the Receiver requested that this court vary the motion judge's order to extend the time to give bidders an additional 48 hours to submit their bids.

[53] Consequently, I would vary the motion judge's order to allow bidders an additional 48 hours to submit bids. The 48-hour period begins to run after the Receiver has notified bidders that this court's decision has been released. The parties are also directed to contact the motion judge if any further issues arise regarding the auction process.

²³ The October 27, 2025 Decision of the Court of Appeal is Appendix O of the Sixth Report

94. On October 27, 2025, 12 noon, counsel for the Receiver sent an email²⁴ (attached hereto as **Exhibit 24**) which provided the following notice to (I assume) prior bidders and interested parties, as follows:

We are counsel to the Receiver in the above matter.

I attach the decision of the Court of Appeal for Ontario in the appeal of the Order of Justice Black dated December 10, 2024, which appeal decision was released today in this matter.

Pursuant to paragraph 53 of the endorsement of the Court of Appeal, Potential Bidders (as this term is defined in the Order of Justice Black dated December 10, 2024 and attached hereto) have a further 48 hours from this email to submit further bids in connection with the Toronto Property (as this term is defined in the Order of Justice Black dated December 10, 2024).

Further to this, if any Potential Bidders wish to improve their offer for the purchase of the Toronto Property, the deadline to submit such an offer to the Receiver is **12:00 PM Toronto time on October 29, 2025**. If Potential Bidders do not submit a further and better offer by this time, then the Receiver will consider their existing bids at such time and accept the highest and best one available.

95. In contrast to the fact that 100 Inc. sent its notice of withdrawal of offer (on Oct. 24, 2025) **before** the release of the October 27, 2025 decision of the Court of Appeal, counsel for the Receiver did not respond to the October 24, 2025 notice of withdrawal of offer (exhibit 22 hereto) until **after** the release of the Court of Appeal decision on October 27, 2025.

96. On October 27, 2025, counsel for the Receiver, by email at 4:16 PM, **after** the Appeal was dismissed pursuant to the Court of Appeal decision released earlier that day, sent a

²⁴ Appendix R to the Sixth Report

response to Mr. Rooney, responding to 100 Inc's notice of withdrawal of offer set out in Mr. Rooney's letter of October 24, 2025. This email and letter from the Receiver dated October 27, 2025²⁵ is attached hereto as **Exhibit 25**.

97. On October 27, 2025 at 6:45 PM, Mr. Rooney sent a letter dated October 27, 2025 (Exhibit 26 hereto) in response to Receiver's letter of October 27, 2025 (exhibit 25 hereto). Mr. Rooney's email of 6:45 PM and attached letter is attached hereto as **Exhibit 26**. This letter is not included in the Sixth Report.
98. On October 28, 2025 Mr. Rooney sent a letter dated October 28, 2025 to the Receiver's real estate counsel requesting the return of the deposit. Mr. Rooney's cover email and letter are attached hereto as **Exhibit 27**. This letter is not included in the Sixth Report.
- Mr. Rooney states the following in his letter:

"This letter is further to my letter of October 27, 2025 responding to Mr. Larry's letter of October 27, 2025 on the above-noted topic. It is settled law that an offer can be withdrawn or revoked by the person who made the offer, at any time before it is accepted by the recipient. Among other things, no such consideration was given by the Receiver to my client, and my client has now withdrawn or revoked its offer.

You and your firm are holding funds in the amount of \$300,000 belonging to my client. Until those funds are returned to my client, those funds must not be released to any other person. Providing those funds to any person other than my client would be a breach of trust by yourself and your firm, for which you and your firm would be responsible to my client. Failure to provide the trust funds to my client at this time may also create damages for which your firm would be responsible.

Please confirm that, other than paying those funds to my client, your firm will not release any or all of those funds to any other person unless my client has independently given its prior written consent at that time to the proposed release of funds. In that respect, please contact the undersigned to make arrangements for the return of those trust funds."

²⁵ Appendix Q to the Sixth Report

99. On October 30, 2025 – **ten months** after the delivery to the Receiver of 100 Inc’s Final Offer on December 16, 2024 (Exhibit 12 hereto), and **six days** after the delivery of 100 Inc’s notice of withdrawal of offer on October 24, 2025 (Exhibit 22 hereto)²⁶ – counsel for the Receiver sent a letter dated October 30, 2025²⁷ purporting to accept the (now withdrawn) Final Offer of 100 Inc. The Receiver’s email and letter of October 30, 2025 along with 100 Inc. Final Offer now executed by the Receiver²⁸, are attached hereto as **Exhibit 28**.
100. On October 30, 2025, real estate counsel for the Receiver emailed a letter advising that the Receiver would not release the deposit until there was consent from all parties or a court order. This October 30, 2025 email and letter are attached hereto as **Exhibit 29**.
101. On November 3, 2025 real estate counsel for the Receiver emailed a letter in which the Receiver requested, for the first time, an alleged additional deposit. This November 3, 2025 email and letter²⁹ are attached hereto as **Exhibit 30**.
102. On November 11, 2025 real estate counsel for the Receiver emailed a letter in which the Receiver acknowledged that the date upon which the Receiver “signed back” the December 16, 2024 Final Offer, was on October 30, 2025 (ie. after 100 Inc’s Final Offer had been withdrawn on October 24, 2025). Counsel for the Receiver further alleged that non-payment of the balance of the deposit was a repudiation of the alleged “October 30,

²⁶ Appendix P to the Sixth Report

²⁷ Appendix S to the Sixth Report

²⁸ Appendix T to the Sixth Report

²⁹ Appendix U to the Sixth Report

2025 Agreement”. This November 11, 2025 email and letter³⁰ are attached hereto as **Exhibit 31**.

103. The Receiver did not accept 100 Inc’s Final Offer before it was withdrawn.
104. 100 Inc relies upon the common law that an offer may be withdrawn before it is accepted.
105. 100 Inc was careful when it prepared its offers, including the Final Offer, to ensure that the terms of its offers expressly provided that the common law was not altered by any contractual covenant or term that its offer was “irrevocable”.
106. On June 8, 2026 the Receiver’s Counsel emailed the Sixth Report of the Receiver, which contains the Template APS referenced in paragraph 15.2(a)2, and attached as Appendix G to the report. This was the first time 100 Inc. was provided with the Template APS. As set out above, 100 Inc. did have a copy of the Toronto APS which contained the Schedule D Sale Procedure, which is one reason why all five of the offers from 100 Inc. were careful to expressly stated that Schedule D was “intentionally deleted”. I am not sure what to make of the Receiver’s statement in paragraph 49.2 of the Sixth Report that “no blackline to the Receiver’s form of APS was provided”, other than to note that:
 - a) The Final Sale Process set out in Justice Black’s order dated December 10, 2024, issued in March 2025, did not require delivery of any form or offer, nor did it require delivery of a blackline to any other form of offer;

³⁰ Appendix V of the Sixth Report

- b) The Receiver had two sets of counsel, at the law firms Palaire Roland and separate real estate counsel at the firm Garfinkle Biderman and 100 Inc. was entitled to assume that a lawyer or lawyers for the Receiver read the terms of 100 Inc.'s actual offer, no doubt their billings reference reviewing and providing advice regarding 100 Inc's offers;
 - c) The Final Offer expressly noted that those provisions were "intentionally deleted";
 - d) It was the responsibility of the Receiver to review and be aware of the actual terms of the 100 Inc. Final Offer.
107. On behalf of 100 Inc. I did my best to purchase the Toronto Property from the Receiver. 100 Inc. segregated \$3.6 million for the purchase when it was expected to close. 100 Inc. would have closed if its Final Offer was accepted and approved by the Court when I expected it to be approved, shortly after the expiry of the bid deadline of 5 PM on December 16, 2025, pursuant to the terms of the Final Sales Process.
108. The bid process I had bid into (ie. with a deadline of 5 PM on December 16, 2024) was no more, I tried to adjust to the changed deal dynamics. 100 Inc. would have closed if the delay had not been so extensive. The delay caused by the appeal ultimately became too costly. I tried my best for 100 Inc. to save this deal, to save my years of sweat equity and costs to develop the Toronto Property. 100 Inc. spent considerable legal fees to succeed in dismissing the appeal at the May 26, 2026 hearing. 100 Inc. would have closed (assuming the Receiver accepted its Final Offer) if we had certainty as of the date of the Appeal. From that date on the viability of the project deteriorated until, by October

24, 2024, I had exhausted any possibility of saving this deal, I had no choice but to withdraw 100 Inc.'s Final Offer.

109. 100 Inc was ultimately not successful in surviving the further and extensive delay. I understand that I do not have a claim against the Receiver for damages for the same reason why my deposit should not be forfeited, no agreement was reached between 100 Inc. and the Receiver, 100 Inc. offered and no one accepted before the deal became untenable and I had to withdraw 100 Inc.'s Final Offer.

110. 100 Inc. respectfully requests the return of its deposit.

SWORN BEFORE ME by the deponent on
July 17, 2026 in the City of Bucharest
Romania, before me at the City of Toronto,
in the Province of Ontario, on July 17, 2026
in accordance with O. Reg. 431/20,
Administering Oath or Declaration
Remotely

Commissioner for Taking Affidavits (or as
may be)


SIMION KRONENFELD

This is **Exhibit 1** to the affidavit
of Simion Kronenfeld sworn by
the deponent on July 17, 2026 in
the City of Bucharest Romania,
before me at the City of Toronto,
in the Province of Ontario, on
July 17, 2026 in accordance with
O. Reg. 431/20, Administering
Oath or Declaration Remotely.



.....

Commissioner for taking Affidavits (or as may
be)

Dale Denis

Plos, Stephanie

From: Steve Keyzer & Alex Holiff <steve.keyzer@colliers.com>
Sent: Wednesday, September 11, 2024 2:31 PM
To: Plos, Stephanie
Subject: BID DATE SEPT 26 | Approved Development Land For Sale | 2849-2857 Islington Avenue



RECEIVERSHIP SALE

**Approved Mid-Rise Redevelopment Land at
Islington Avenue & Finch Avenue West**

2849-2857 Islington Avenue, Toronto, Ontario

BID DATE ANNOUNCED

Thursday, September 26th, 2024 by 3:00 PM

This is **Exhibit 2** to the affidavit
of Simion Kronenfeld sworn by
the deponent on July 17, 2026 in
the City of Bucharest Romania,
before me at the City of Toronto,
in the Province of Ontario, on
July 17, 2026 in accordance with
O. Reg. 431/20, Administering
Oath or Declaration Remotely.



.....

Commissioner for taking Affidavits (or as may
be)

Dale Denis

Court File No. CV-23-00701672-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

-and-

CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC.

Respondents

MOTION RECORD OF THE RECEIVER
(RETURNABLE DECEMBER 4, 2024)

November 25, 2024

Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West, 35th Floor
Toronto ON M5V 3H1
Tel: 416.646.4300
Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)
Tel: 416.646-4330
jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)
Tel: 416.646-6356
ryan.shah@paliareroland.com

**Lawyers for the Receiver, TDB Restructuring
Limited**

TO: **SERVICE LIST**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

-and-

CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC.

Respondents

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Court File No. CV-23-00701672-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

-and-

CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC.

Respondents

NOTICE OF MOTION (RETURNABLE DECEMBER 4, 2024)

TDB Restructuring Limited, in its capacity as receiver and manager (in such capacity, the “**Receiver**”) of the lands and premises municipally known as 311 Conacher Drive, Kingston, Ontario (the “**Kingston Property**”) and 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the “**Toronto Property**” and together with the Kingston Property, the “**Properties**”) will make a motion to a Judge presiding over the Commercial List on December 4, 2024 at 11:00 AM, or as soon after that time as the Motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard by videoconference.

THIS MOTION IS FOR:

- (a) an approval and vesting order (“**AVO**”):

- (i) approving the sale transaction (the “**Transaction**”) in respect of the Toronto Property, as contemplated by an agreement of purchase and sale between the Receiver and Arjun Anand in trust for a company to be formed (the “**Toronto Purchaser**”), dated September 26, 2024 (the “**APS**”);
 - (ii) following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed AVO, transferring and vesting all of the Debtor’s right, title and interest in and to the Purchased Assets (as defined in the APS) in the Toronto Purchaser, free and clear of all liens, charges, security interests and encumbrances other than permitted encumbrances;
 - (iii) approving the Toronto Distribution (as defined below);
- (b) an ancillary relief order, among other things:
 - (i) approving the Third Report of the Receiver dated November 25, 2024 (the “**Third Report**”) and the Receiver’s activities described therein;
 - (ii) approving the fees and disbursements of the Receiver and its counsel, as detailed in the Third Report and the Affidavit of Arif Dhanani sworn November 22, 2024, the Affidavit of Avrom Brown sworn November 22, 2024, and the Affidavit of Beatrice Loschiavo sworn November 22, 2024 (collectively, the “**Fee Affidavits**”);

- (iii) approving the Receiver's interim statement of receipts and disbursements for the Toronto Property, for the period from September 19, 2024 to November 20, 2024 (the "**Toronto SRD**"); and
 - (iv) approving the Receiver's interim statement of receipts and disbursements for the Kingston Property, for the period from September 19, 2024 to November 20, 2024 (the "**Kingston SRD**" and together with the Toronto SRD, the "**Interim SRD**"); and
 - (v) sealing Confidential Appendices 1 and 2 to the Third Report (together, the "**Confidential Appendices**") until the closing of the sale of the Purchased Assets (as defined in the APS)
- (c) Such further and other relief as counsel may advise and this Court deems just.

THE GROUNDS OF THIS MOTION ARE:

A. *The Receivership*

- (d) On December 6, 2023, RSM Canada Limited ("**RSM**") was appointed receiver and manager of the Properties (effective December 22, 2023), by order of Justice Conway (the "**Receivership Order**");
- (e) The Toronto Property is owned by 5004591 Ontario Inc. ("**500**");
- (f) The Kingston Property is owned by Conacher Kingston Holdings Inc. ("**Conacher**" and, together with 500, the "**Debtors**");

- (g) On March 1, 2024, the Court granted an order substituting the name TDB Restructuring Limited in place of RSM;

B. The Secured Creditor

- (h) On December 18, 2019, pursuant to a loan agreement (the “**Loan**”) between Cameron Stephens Mortgage Capital Ltd. (the “**Lender**”) and Conacher, 500 granted the Lender a collateral mortgage in the amount of \$15,600,000 on the Toronto Property to secure the Loan;
- (i) The Lender is the only creditor with a registered charge on title to the Toronto Property;

C. The Sales Process

- (j) The Receiver has engaged in a sales process for the Toronto Property (the “**Sales Process**”) as follows;

1. The Receiver retained Colliers

- (k) The Receiver invited eight commercial real estate brokers to submit proposals for the marketing and sale of the Toronto Property, including Colliers Macaulay Nicolls Inc. (“**Colliers**”);
- (l) The Receiver received listing proposals from six of the eight brokerages and ultimately selected Colliers;
- (m) On March 22, 2024, the Receiver entered into an MLS listing agreement with Colliers;

- (n) After discussion with Colliers, the Receiver set an offer deadline date of June 3, 2024 as Colliers indicated that the period between March 22, 2024 and June 3, 2024 was more than sufficient time to appropriately market the Toronto Property;

2. Marketing Efforts

- (o) Colliers launched the listing on MLS on March 25, 2024 and commenced a marketing campaign for the Toronto Property on April 4, 2024;
- (p) The Receiver provided Colliers with a form of agreement of purchase and sale to be uploaded to an online data room maintained by Colliers, in order to facilitate purchaser due diligence. Colliers drafted a form of confidentiality agreement for interested parties to execute in order to be given access to the virtual data room and perform due diligence (the “**Confidentiality Agreement**”);
- (q) A summary of marketing activities undertaken by Colliers is set out below:
 - (i) e-mails were sent to Colliers’ distribution list of approximately 3,000 parties, which emails contained a marketing brochure, a website link to Colliers’ webpage for the Toronto Property and a link to the Confidentiality Agreement; and
 - (ii) an electronic data room was set up to provide access to confidential information pertaining to the Toronto Property to parties which had executed the Confidentiality Agreement;

3. The Terminated APS

- (r) Colliers received 18 signed Confidentiality Agreements by prospective purchasers or brokers, all of whom were given access to the electronic data room;
- (s) On June 3, 2024, Colliers received 3 offers and a letter of intent for the Toronto Property. The Receiver reviewed the offers with Colliers and the Lender. The Receiver requested of Colliers that it go back to the offerors that submitted bids on June 3, 2024 to ask them to resubmit their highest and best offers. Only Lakeshore Lux and Design Build Group Inc (“**Lakeshore Lux**”) made a revised offer;
- (t) Ultimately, the Receiver determined that the offer from Lakeshore Lux was the highest and best available offer and should be accepted;
- (u) On June 12, 2024, the Receiver and Lakeshore Lux entered into an agreement of purchase and sale for the Toronto Property on an “as is, where is” basis (the “**Terminated APS**”);
- (v) On July 24, 2024, the Court granted an AVO in respect of the Terminated APS, which was scheduled to close on July 30, 2024;
- (w) After a series of extensions, Lakeshore Lux was unable to close the transaction;
- (x) On August 27, 2024, the Receiver’s real estate counsel, Garfinkle Biderman LLP, wrote to counsel for Lakeshore Lux to advise that the transaction had

been terminated and the deposit paid by Lakeshore Lux, including various extension fees, had been forfeited;

4. Colliers Remarkets the Toronto Property

- (y) Following the termination of the Terminated APS, the Receiver requested that Colliers re-market the Toronto Property and details regarding same are described below;
- (z) On August 29, 2024, the MLS listing for the Toronto Property was changed from sold firm back to available and Colliers sent out an e-mail blast to its database of approximately 3,000 parties;
- (aa) Colliers also contacted all previous bidders and those that signed a confidentiality agreement and had access to Colliers' data room to advise that the Toronto Property was back on the market;
- (bb) With the concurrence of the Receiver, Colliers set a bid deadline date of September 26, 2024 at 3:00 pm;

5. Offers Received

- (cc) Colliers did not receive any additional signed Confidentiality Agreements from new parties with interest in the property for access to Colliers' data room;
- (dd) On September 26, 2024, Colliers received two offers and one letter of intent for the Toronto Property. A subsequent offer was received on September 28, 2024. The Receiver reviewed the offers from Colliers' re-marketing

process with the Lender, in its capacity as secured lender and mortgagee of the Toronto Property. Based on the offers submitted on September 26, 2024 and the offer submitted on September 28, 2024, the Receiver determined that the offer from the Toronto Purchaser, which was received on September 26, 2024, was the highest and best available offer given among other things current market conditions, and should be accepted;

- (ee) On October 7, 2024, the Receiver and the Toronto Purchaser entered into an APS, which was conditional on the Toronto Purchaser's due diligence, which condition had to be waived or satisfied by November 6, 2024;
- (ff) On October 27, 2027, the Toronto Purchaser indicated that it was waiving its due diligence condition. On October 29, 2024, both the Toronto Purchaser and the Receiver executed a waiver formalizing same;

6. The APS

- (gg) Salient terms of the Toronto APS and matters relating thereto include:
 - (i) the purchased assets include the Toronto Property;
 - (ii) the deposit to be provided under the Toronto APS has been received from the Toronto Purchaser;
 - (iii) the offer is firm as the Toronto Purchaser has waived all conditions to closing except the issuance of the AVO;
 - (iv) the Toronto APS is conditional on Court approval and the issuance of an AVO vesting the Purchased Assets in the Toronto Purchaser

free and clear of claims and encumbrances, other than those specifically itemized in the APS;

- (v) the Toronto Purchaser is buying the Toronto Property on an “as is, where is” basis; and
- (vi) closing of the sale provided for in the APS is scheduled to occur within 10 business days immediately following the date on which the AVO is granted, or the next business day or such other date as the Receiver and the Toronto Purchaser may mutually agree upon;

D. The Transaction should be approved

- (hh) The requested AVO approves the APS and vests the Toronto Property in the Toronto Purchaser, free and clear of any claims and encumbrances (other than as set out in the APS) upon closing of the Transaction;
- (ii) The Transaction is the product of a robust sales process. Colliers conducted a broad canvass of the market and the Toronto Property was listed on MLS for a cumulative period of approximately 14 weeks;
- (jj) The Receiver believes that the re-marketing process undertaken by Colliers and the Receiver was appropriate. The Sale Process allowed for sufficient exposure to market for the Toronto Property, for the following reasons, among others:
 - (i) During the initial sales process for the Toronto Property:
 - 1) notice of the sale was sent to approximately 3,000 parties;

- 2) the Toronto Property was listed for sale on MLS for a period of approximately 10 weeks; and
 - 3) the Toronto Property was listed on Colliers' website;
- (ii) During the re-marketing of the Toronto Property:
- 1) Colliers sent an email blast to the same 3,000 parties;
 - 2) the Toronto Property was re-listed for sale on MLS for a 4-week period;
 - 3) the Toronto Property was re-listed on Colliers's website; and
 - 4) Colliers reached out to all parties that had executed a confidentiality agreement and to the parties that submitted offers during the initial listing;
- (kk) The APS represents the best offer received for the Toronto Property. Accordingly, the Transaction provides the greatest recovery available for the Toronto Property's stakeholders in the circumstances;

E. Toronto Distribution

- (ll) The Receiver intends to distribute the proceeds from the sale of the Toronto Property upon closing the transaction for the Toronto Property in the following order of priority (such scheme of distribution being the "**Toronto Distribution**"):

- (i) payment to the City of Toronto for the property taxes owing on the Toronto Property of approximately \$202,488.80, as set out in the First Report, plus any additional property taxes, further interest or fees owing at the time of closing;
- (ii) pay any remaining unpaid fees and disbursements of the Receiver and its counsel relating to the Toronto Property.
- (iii) retention of \$100,000 as a holdback amount for the further fees and disbursements of the Receiver and its counsel to close the sale of the Toronto Property and do all things necessary to wind up the receivership administration in respect of the Toronto Property;
- (iv) payment of the remaining funds from the sale of the Toronto Property to Cameron Stephens towards the indebtedness owed to it.

F. Sealing Order

- (mm) The Receiver requests that this Court grant a Sealing Order in respect of the Confidential Appendices. The Court has already granted a similar order in respect of the Terminated APS;
- (nn) The Confidential Appendices consist of a summary of the purchase offers received by the Receiver in respect of the Toronto Property and an unredacted copy of the APS, respectively;
- (oo) The Confidential Appendices contain sensitive information, including the identity of the bidders, the value of the APS, and the value of other bids

received for the Toronto Property, the disclosure of which could adversely impact the future marketability of the Toronto Property should the Transaction not close;

- (pp) Sealing this information is necessary to maximize recoveries in this proceeding and maintain the integrity and confidentiality of key information in the Sales Process;
- (qq) The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Receiver is not aware of any party that will be prejudiced if the information is sealed or any public interest that will be served if such details are disclosed in full;
- (rr) The requested sealing order is a minimally intrusive means of protecting the confidentiality of the Confidential Appendices as it will only be in force until the closing of the sale of the Purchased Assets (as defined in the APS);

G. *The Interim SRD*

- (ss) The Receiver has received and paid monies on behalf of the Debtors for the benefit of all stakeholders, as set out in the Interim SRD;
- (tt) This Court should approve the Interim SRD;

H. Professional Fees and Disbursements

- (uu) In carrying out its duties pursuant to the Receivership Order, the Receiver and the Receiver's counsel have incurred professional fees and disbursements;
- (vv) Paragraph 18 of the Receivership Order authorizes the Receiver to periodically pay its fees and disbursements, and that of its counsel, subject to approval by the Court;
- (ww) This Court should approve the fees of the Receiver and its Counsel to fund the Receiver's continued activities for the benefit of all stakeholders;
- (xx) The provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended and the inherent and equitable jurisdiction of this Court;
- (yy) Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (zz) Such further and other grounds as counsel may advise and this Honourable Court may deem just.

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

- (aaa) The Third Report and the appendices thereto; and
- (bbb) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

November 25, 2024

Paliare Roland Rosenberg Rothstein LLP

155 Wellington Street West, 35th Floor

Toronto ON M5V 3H1

Tel: 416.646.4300

Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)

Tel: 416.646-4330

jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)

Tel: 416.646-6356

ryan.shah@paliareroland.com

**Lawyers for the Receiver, TDB Restructuring
Limited**

Court File No. CV-23-00701672-00CL

CAMERON STEPHENS MORTGAGE CAPITAL LTD.
Applicant

-and-

CONACHER KINGSTON HOLDINGS INC. et al.
Respondents

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

**NOTICE OF MOTION (RETURNABLE DECEMBER 4,
2024)**

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
Fax: (416) 646-4301

Jeffrey Larry (LSO#44608D)
Tel: 416.646.4330
jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)
Tel: 416.646.6356
ryan.shah@paliareroland.com

Lawyers for the Receiver, TDB Restructuring Limited



TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700 
Toronto, ON M5H 4C7

info@tdbadvisory.ca 
416-575-4440 

416-915-6228 

tdbadvisory.ca

IN THE MATTER OF THE RECEIVERSHIP OF
311 CONACHER DRIVE, KINGSTON, ONTARIO AND
2849, 2851, 2853, 2855 AND 2857 ISLINGTON AVENUE, TORONTO, ONTARIO

THIRD REPORT OF THE RECEIVER

NOVEMBER 25, 2024

Court File No. CV-23-00701672-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

BETWEEN:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

-and-

CONACHER KINGSTON HOLDINGS INC. AND 5004591 ONTARIO INC.

Respondents

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1.0 INTRODUCTION

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on December 6, 2023, which order was effective December 22, 2023 (the “**Appointment Order**”), RSM Canada Limited was appointed receiver (the “**Receiver**”), without security, of the lands and premises municipally known as 311 Conacher Drive, Kingston, Ontario (the “**Kingston Property**”) and 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the “**Toronto Property**” and together with the Kingston Property, the “**Properties**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. On March 1, 2024, the Court granted an order substituting the name TDB Restructuring Limited in place of RSM Canada Limited as Receiver (the “**Omnibus Order**”). A copy of the Omnibus Order is attached hereto as **Appendix “B”**.
3. On June 12, 2024, the Receiver entered into an agreement of purchase and sale for the Toronto Property (the “**Terminated APS**”) with Lakeshore Lux and Design Build Group Inc. (“**Lakeshore Lux**”), in trust for 1000944028 Ontario Inc. and sought an Order of the Court approving the transaction and vesting title to the Toronto Property in the purchaser (the “**Lakeshore Lux AVO**”). The Receiver set out in its report dated July 16, 2024 (the “**First Report**”) the Receiver’s marketing efforts and other details in connection with the sale process for the Toronto Property. On July 24, 2024, the Court granted, among other things, the Lakeshore Lux AVO. A copy of the First Report, without appendices, is attached hereto as **Appendix “C”**.
4. The transaction with Lakeshore Lux was scheduled to close on July 30, 2024. As set out in greater detail in the Receiver’s second report dated September 26, 2024 (the “**Second Report**”), after a series of extensions, Lakeshore Lux was unable to close the transaction. On August 27, 2024, the Receiver’s real estate counsel, Garfinkle Biderman LLP, wrote to counsel for Lakeshore Lux to advise that the transaction had been terminated and the deposit paid by Lakeshore Lux, including various extension fees, had been forfeited. The Receiver had its real estate Broker, Colliers Macaulay Nicholls Inc., Brokerage (“**Colliers**”) re-market the Toronto Property for sale. A copy of the Second Report, without appendices, is attached hereto as **Appendix “D”**.

5. On August 13, 2024, the Receiver entered into an agreement of purchase and sale with respect to the Kingston Property (the “**Kingston APS**”). The Receiver sought, among other things, an approval and vesting order in respect of the sale of the Kingston Property (the “**Kingston AVO**”) and the matter was heard on October 9, 2024. On October 31, 2024, the Court released its endorsement (the “**October 31st Endorsement**”) and granted the Kingston AVO. A copy of the October 31st Endorsement and the Kingston AVO are attached hereto, together, as **Appendix “E”**.
6. The Receiver retained the firm of Paliare Roland Rosenberg Rothstein LLP (“**Paliare Roland**”) as the Receiver’s independent legal counsel. The Receiver retained the firm of Garfinkle Biderman LLP (“**Garfinkle Biderman**”) as the Receiver’s real estate counsel.
7. Terms not defined herein are defined in the First Report and the Second Report.
8. The Appointment Order, together with Court documents related to the receivership proceeding, has been posted on the Receiver’s website, which can be found at <https://tdbadvisory.ca/insolvency-case/311-conacher-drive-kingston-ontario2849-2851-2853-2855-and-2857-islington-avenue-toronto-ontario/>.

1.1 Purpose of Report

9. The purpose of this third report to Court (the “**Third Report**”) is to:
 - (a) provide the Court with an update on the sale of the Kingston Property;
 - (b) specifically with respect to the Toronto Property:
 - i. report to the Court on the results of the re-marketing of the Toronto Property and subsequent offers received for same;
 - ii. provide to the Court support for the relief sought by the Receiver, namely the request for an approval and vesting order in respect of the Toronto Property, and the sealing of certain confidential information pending completion of the sale transaction for the Toronto Property. In addition to the information contained herein for the benefit of the

creditors of the Respondents and other stakeholders, the Third Report is also intended to provide the Court with the following confidential information, for which a sealing Order is sought:

1. a summary of the terms of all offers received for the Toronto Property based on the re-marketing of same;
 2. an unredacted copy of the executed Agreement of Purchase and Sale for the Toronto Property dated September 26, 2024 (the “**Toronto APS**”) between the Receiver and the purchaser of the Toronto Property, or its permitted assignee or as it may direct, as purchaser (the “**Toronto Purchaser**”);
- iii. provide the Court with information relating to the Receiver’s Borrowings Charge;
 - iv. provide the Court with information relating to the secured creditors in respect of the Toronto Property;
- (f) provide the Court with a summary of the Receiver’s cash receipts and disbursements in respect of the Toronto Property for the period December 22, 2023 to November 20, 2024 (the “**Toronto Property Interim R&D**”);
- (g) provide the Court with a summary of the Receiver’s cash receipts and disbursements in respect of the Kingston Property for the period December 22, 2023 to November 20, 2024 (the “**Kingston Property Interim R&D**”);
- (h) request that the Court grant orders:
- iii. approving the Third Report and the activities of the Receiver set out herein;
 - iv. authorizing and directing the Receiver to enter into and carry out the terms of the Toronto APS, together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Toronto Property in the Toronto Purchaser upon the

closing of the purchase and sale transaction contemplated in the Toronto APS;

- v. approving the Proposed Interim Distribution of Proceeds from the sale of the Toronto Property;
- vi. sealing Confidential Appendices 1 and 2; and
- vii. approving the fees and disbursements of the Receiver and of the Receiver's independent and real estate counsel.

1.2 Terms of Reference

10. In preparing the Third Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in the Third Report may refer to, or is based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
11. Unless otherwise stated, all dollar amounts contained in the Third Report are expressed in Canadian dollars.

2.0 KINGSTON PROPERTY UPDATE

12. As set out in the Second Report, the Receiver entered into a purchase and sale agreement with 2349891 Ontario Inc. (the "**Kingston Purchaser**") and the Court issued the Kingston AVO.

13. Pursuant to the terms of the Kingston APS, closing of the transaction was to occur on the later of: (i) three (3) days immediately following the issuance of the Kingston AVO, or the next business day, as applicable; or (ii) October 2, 2024, or such other date as the parties may mutually agree upon. The Receiver agreed with the Kingston Purchaser to closing the transaction for the Kingston Property on November 20, 2024.
14. On November 20, 2024, the Kingston Purchaser advised that it required a 45-day extension to close the transaction. After some negotiation with the Kingston Purchaser, the Receiver agreed to an extension to January 6, 2025 on the basis that an additional deposit of \$500,000 towards the purchase price would be paid by the Kingston Purchaser by noon on November 27, 2024.
15. The second mortgagee, 2462686 Ontario Inc. (“**246**”) has not yet provided the Receiver with its security documentation as at the date of this report and as a result, counsel for the Receiver has been unable to complete its opinions on the validity, enforceability and priority of 246’s charge against the Kingston Property.
16. The third mortgagee, 2478659 Ontario Ltd. (“**247**”), has recently provided the Receiver with its security documentation. The Receiver’s counsel is currently reviewing the documentation provided by 247.

3.0 RE-MARKETING AND SALE OF THE TORONTO PROPERTY

17. After the Receiver terminated the Terminated APS, the Receiver requested that Colliers re-market the Toronto Property. The details of the remarketing and sale of the Toronto Property are described below.

3.1 Toronto Property

3.1.1 Re-marketing process

18. On August 29, 2024, the MLS listing for the Toronto Property was changed from sold firm back to available and Colliers sent out an e-mail blast to its database of approximately 3,000 parties.

19. Colliers also contacted all previous bidders and those that signed a confidentiality agreement and had access to Colliers' data room to advise that the Toronto Property was back on the market.
20. With the concurrence of the Receiver, Colliers set a bid deadline date of September 26, 2024 at 3:00 pm.

3.1.2 Offers received

21. Colliers did not receive any additional signed confidentiality agreements from new parties with interest in the property for access to Colliers' data room.
22. On September 26, 2024, Colliers received two (2) offers and one (1) letter of intent for the Toronto Property. A subsequent offer was received on September 28, 2024. The Receiver reviewed the offers from Colliers' re-marketing process with Cameron Stephens, in its capacity as secured lender and mortgagee of the Toronto Property. Based on the offers submitted on September 26, 2024 and the offer submitted on September 28, 2024, the Receiver determined that the offer from the Toronto Purchaser, which was received on September 26, 2024, was the highest and best available offer given, among other things, current market conditions, and should be accepted. A summary of the offers received for the Toronto Property will be filed with the Court as **Confidential Appendix "1"**, under seal.
23. On October 7, 2024, the Receiver and the Toronto Purchaser entered into the Toronto APS. The Toronto APS was conditional on the Toronto Purchaser's due diligence, which condition was to be waived or satisfied by November 6, 2024.
24. On October 27, 2027, the Toronto Purchaser indicated that it was waiving its due diligence condition. On October 29, 2024, both the Toronto Purchaser and the Receiver executed a waiver formalizing same.

3.1.3 The agreement of purchase and sale

25. Salient terms of the Toronto APS and matters relating thereto include:
 - (a) the purchased assets include the Toronto Property;

- (b) the deposit to be provided under the Toronto APS has been received from the Toronto Purchaser;
 - (c) the offer is firm as the Toronto Purchaser has waived all conditions to closing except the issuance of the AVO (as defined below);
 - (d) the Toronto APS is conditional on Court approval and the issuance of an order vesting the Purchased Assets in the Toronto Purchaser free and clear of claims and encumbrances, other than those specifically itemized in the APS (the “**AVO**”);
 - (e) the Toronto Purchaser is buying the Toronto Property on an “as is, where is” basis; and
 - (f) closing of the sale provided for in the APS is scheduled to occur within 10 business days immediately following the date on which the AVO is granted, or the next business day or such other date as the Receiver and the Toronto Purchaser may mutually agree upon.
26. A copy of the Toronto APS, with the purchase price and deposit amount redacted, is attached hereto as **Appendix “F.”** An unredacted copy will be filed as **Confidential Appendix “2”** with the Court, under seal.

3.1.4 Toronto Property sale approval

27. The Receiver believes that the re-marketing process undertaken by Colliers and the Receiver was appropriate. The Sale Process allowed for sufficient exposure to market for the Toronto Property for the following reasons, among others:
- (a) during the initial sales process for the Toronto Property:
 - i. notice of the sale was sent to approximately 3,000 parties;
 - ii. the Toronto Property was listed for sale on MLS for a period of approximately 10 weeks; and
 - iii. the Toronto Property was listed on Colliers’ website.

- (b) during the re-marketing of the Toronto Property:
 - i. Colliers sent an email blast to the same 3,000 parties;
 - ii. the Toronto Property was re-listed for sale on MLS for a 4-week period;
 - iii. the Toronto Property was re-listed on Colliers's website; and
 - iv. Colliers reached out to all parties that had executed a confidentiality agreement and to the parties that submitted offers during the initial listing.
28. Accordingly, based on the above, the Receiver is of the view that the market was widely canvassed and given the length of time on the market, it is unlikely that exposing the Toronto Property to the market for additional time will result in a superior transaction than the one contemplated by the Toronto APS.
29. The Receiver recommends the approval of the Toronto APS by the Court. The transaction contemplated by the Toronto APS provides for the greatest recovery available for the benefit of the secured creditors in the circumstances, including Cameron Stephens as first mortgagee on the Kingston Property and Toronto Property. The Receiver understands that Cameron Stephens supports the AVO and the completion of the transaction contemplated in the Toronto APS.

4.0 RECEIVER'S BORROWINGS

30. Pursuant to paragraph 20 of the Appointment Order, the Receiver was empowered to borrow up to \$500,000 at any time for the purpose of funding the exercise of the Receiver's powers and duties. The Appointment Order charged the Properties with a priority charge (the "**Receiver's Borrowings Charge**") subject only to the Receiver's Charge (defined below) and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
31. The Receiver borrowed from and issued a Receiver's certificate totaling \$100,000 (the "**Toronto Receiver's Certificate**") against the Toronto Property in favour of

Cameron Stephens. On November 20, 2024, the Receiver repaid the principal of \$100,000 and paid accrued interest thereon of \$6,747.17 to Cameron Stephens.

32. To date, the Receiver has borrowed and has issued a Receiver's Certificate totaling \$150,000 against the Kingston Property (the "**Kingston Receiver's Certificate**"). The Receiver intends to repay the principal and accrued interest thereon in respect of the Kingston Receiver's Certificate from the closing proceeds of the sale of the Kingston Property.

5.0 SECURED CREDITORS

5.1 Toronto Property Secured Creditors

33. As set out in the First Report, copies of the parcel register searches for the Toronto Property were obtained from the Ontario Land Registry Office (collectively, the "**Toronto PIN Reports**"). Copies of the Toronto PIN Reports, dated June 3, 2024, are attached hereto as **Appendix "G"**.
34. The only creditor with a registered charge against the Toronto Property is Cameron Stephens, whose charge is for the registered amount of \$15,600,000.
35. The Receiver has obtained a legal opinion from its independent legal counsel opining that, subject to usual assumptions and qualifications, Cameron Stephens' charge is a valid and enforceable first charge against the Toronto Property.

6.0 PROPOSED INTERIM DISTRIBUTION

6.1 Distribution of Toronto Property Proceeds

36. The Receiver intends to distribute the proceeds from the sale of the Toronto Property upon closing the transaction for the Toronto Property in the following order of priority (such scheme of distribution being the "**Toronto Distribution**"):
 - (a) payment to the City of Toronto for the property taxes owing on the Toronto Property of approximately \$202,488.80, as set out in the First Report, plus

any additional property taxes, further interest or fees owing at the time of closing;

- (b) pay any remaining unpaid fees and disbursements of the Receiver and its counsel relating to the Toronto Property.
- (c) retention of \$100,000 as a holdback amount for the further fees and disbursements of the Receiver and its counsel to close the sale of the Toronto Property and do all things necessary to wind up the receivership administration in respect of the Toronto Property;
- (d) payment of the remaining funds from the sale of the Toronto Property to Cameron Stephens towards the indebtedness owed to it. Cameron Stephens provided a statement setting out the amount of the indebtedness owed to it as at November 25, 2024 (the “**Payout Statement**”), which totals \$16,041,883.30 including fees and interest. A copy of the Payout Statement is attached hereto as **Appendix “H”**.

7.0 RECEIPTS AND DISBURSEMENTS

7.1 Toronto Property Interim R&D

- 37. The Toronto Property Interim R&D for the period from December 22, 2023 to November 20, 2024 sets out cash receipts of \$979,924, including advances made by the Cameron Stephens totaling \$100,000 pursuant to the Toronto Receiver’s Certificate against the Toronto Property, and cash disbursements of \$585,684, resulting in an excess of receipts over disbursements of \$394,240. A copy of the Toronto Property Interim R&D is attached hereto as **Appendix “I”**.

7.2 Kingston Property Interim R&D

- 38. The Kingston Property Interim R&D for the period from December 22, 2023 to November 20, 2024 sets out cash receipts of \$395,061, including advances made by the Cameron Stephens totaling \$150,000 pursuant to the Kingston Receiver’s Certificate against the Kingston Property, and cash disbursements of \$372,523,

resulting in an excess of receipts over disbursements of \$22,538. A copy of the Kingston Property Interim R&D is attached hereto as **Appendix “J”**.

8.0 SEALING

39. The Receiver respectfully requests that the Court seal Confidential Appendices 1 and 2 to this report, being the offer summary relating to the Toronto Property and an unredacted copy of the Toronto APS. The Receiver believes that the offer received and purchase price and deposit amounts contained in the Toronto APS for the Toronto Property should be kept confidential until the completion of sale efforts with respect to the Toronto Property.
40. The inclusion in the public record of the offer summary and an unredacted copy of the Toronto APS (which discloses the purchase price and deposit amount) would be prejudicial to, among other things, the integrity of sales process and any additional marketing efforts that may be needed for the Toronto Property if sale transaction for the Toronto Property fails to close for any reason.
41. The sealing order sought is limited in time and will automatically expire upon the closing of the transaction contemplated in the Toronto APS or further order of the Court. This will ensure that the offers and purchase price provided in the Toronto APS remains confidential until all sale efforts are completed. This is necessary and sufficient to reasonably protect the legitimate stakeholder interests in the circumstances.
42. A full copy of the Toronto APS is being publicly filed as Appendix “F” to this report, with the purchase price and deposit amounts redacted. As a result, the sealing order’s effect on the completeness of the public record, if any, will be minimal.

9.0 PROFESSIONAL FEES

43. The Appointment Order provides 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 were granted a charge (the

“Receiver's Charge”) on the Property, as security for such fees and disbursements. The Receiver's Charge is a first charge on the Properties 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.

44. The fees and disbursements of the Receiver in relation to the Toronto Property for the period from January 1, 2024 to June 30, 2024 were previously approved by the Court pursuant to an order of the Court dated July 24, 2024.
45. The Receiver's accounts for the period from July 1, 2024 to October 31, 2024 total \$44,179.00 in fees and disbursements, plus HST of \$5,743.27, for a total amount of \$49,922.27. A copy of the Receiver's interim accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Arif Dhanani sworn on November 22, 2024 and is attached hereto as **Appendix “K”**.
46. The fees and disbursements of the Receiver's independent legal counsel, Paliare Roland, in relation to the Toronto Property for the period from January 25, 2024 to June 28, 2024 were previously approved by the Court pursuant to an order of the Court dated July 24, 2024.
47. The accounts of the Receiver's independent legal counsel, Paliare Roland, for the period from February 24, 2024 to October 31, 2024 total \$34,795.53 inclusive of fees, disbursements and HST. A copy of Paliare Roland's interim accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Beatrice Loschiavo sworn on November 22, 2024 and is attached hereto as **Appendix “L”**.
48. The accounts of the Receiver's real estate counsel, Garfinkle Biderman, for the period to August 27, 2024 total \$58,587.69 inclusive of fees, disbursements and HST. A copy of Garfinkle Biderman's interim accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Avrom Brown sworn on November 22, 2024 and is attached hereto as **Appendix “M”**.

10.0 RECEIVER'S REQUEST OF THE COURT

49. Based on the foregoing, the Receiver respectfully requests that the Court grant the orders described in paragraph 9(h) above.

All of which is respectfully submitted to this Court as of this November 25, 2024.

TDB RESTRUCTURING LIMITED, solely in its capacity as Receiver of 311 Conacher Drive and 2849, 2851, 2853, 2855 and 2857 Islington Avenue and not in its personal or corporate capacity

Per: 
Arif Dhanani, CPA, CA, CIRP, LIT
Managing Director

APPENDIX A



Court File No. CV-23-00701672-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
ONTARIO

THE HONOURABLE Madam) WEDNESDAY, THE 6TH
)
JUSTICE Conway) DAY OF DECEMBER, 2023
)

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

-and-

CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC.

Respondents

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

ORDER

(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "*BIA*") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "*CJA*") appointing RSM Canada Limited as receiver and manager (in such capacities, the "Receiver") without security, over the lands and premises described as:

PIN Nos. 36061-0475 through 36061-0734 - 311 Conacher Drive, Kingston, Ontario, Lots 1-256 and Blocks 257 to 260, all-inclusive, Plan 13M135 (collectively the “Kingston Properties”);

and

PIN No. 10306-0064 - 2849 Islington Avenue, Toronto; Pt Lot 22, Con 6 WYS TWP of York as in NY735134; Toronto;

PIN No. 10306-0032 – 2851 Islington Avenue, Toronto; Part Lot 1, Plan 9059 North York as in TR92058, City of Toronto;

PIN No. 10306-0033 – 2853 Islington Avenue, Toronto; Part Lot 1, Plan 9059 North York as in TB221318, City of Toronto;

PIN No. 10306-0034 – 2855 Islington Avenue, Toronto; Part Lot 2, Plan 9059 North York as in TB379984; City of Toronto;

PIN No. 10306-0035 – 2857 Islington Avenue, Toronto; Part Lot 2, Plan 9059 North York as in TB379983, City of Toronto (collectively, the “Toronto Properties”),

(which Kingston Properties and Toronto Properties are hereinafter collectively referred to as, the “Properties”)

owned by Conacher Kingston Holdings Inc.(“Conacher”) and 5004591 Ontario Inc., (“500 Inc.”) (hereinafter the “Debtors”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Curtis Jackson sworn June 26, 2023, and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, and on reading the consent of RSM Canada Limited to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application 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 243(1) of the *BIA* and section 101 of the *CJA*, RSM Canada Limited is hereby appointed Receiver, without security, of the

Properties and of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to the Properties, including all proceeds thereof.

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Properties and any and all proceeds, receipts and disbursements arising out of or from the Properties;
- (b) to receive, preserve, and protect the Properties, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Properties 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;
- (c) to manage, operate and/or complete construction of the Properties including the powers to enter into any agreements, incur any obligations in the ordinary course of business, or cease to perform any contracts of the Debtors in respect of the Properties;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets in respect of the Properties or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors in respect of the Properties and to exercise all remedies of the Debtors in respect of the Properties in collecting such monies, including, without limitation, to enforce any security held by the Debtors in respect of the Properties;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors in respect of the Properties;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Properties, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors in respect of the Properties 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;
- (j) to market any or all of the Properties, including advertising and soliciting offers in respect of the Properties or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Properties or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$250,000.00 provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (l) to apply for any vesting order or other orders necessary to convey the Properties or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Properties;
- (m) 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 Properties and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Properties against title to any of the Properties;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors in respect of the Properties;

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtors, (ii) all of 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. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors relating to the Properties, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the

Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS IN RESPECT OF THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

9. **THIS COURT ORDERS** that all rights and remedies against the Debtors, the Receiver, or affecting the Properties, 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 BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors in respect of the Properties or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors in respect of the Properties are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names in respect of the Properties, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with

normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Properties and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts"). For certainty, all receipts in respect of the Properties shall be deposited into the Post Receivership Accounts and all Permitted Disbursements (defined below) shall be drawn from the Post Receivership Accounts. "Permitted Disbursements" shall include realty taxes, utilities, insurance, construction and related costs, maintenance expenses, other reasonable Properties'-specific expenses, and business expenses associated with the Properties. The monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

14. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Properties

and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Properties (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 Properties shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Properties 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 Properties within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for

any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

20. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not

exceed \$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 Properties shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

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

Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL– <http://www.rsmcanada.com/conacher-kingston-holdings>.

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

GENERAL

26. **THIS COURT ORDERS** that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. The Receiver is specifically authorized and permitted to use the solicitors for the Applicant herein as its own counsel in respect of any matter where there is no conflict of interest. In respect of any legal advice or issue where a conflict may exist or arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel.

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

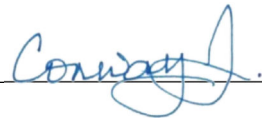
29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

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. **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.

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

32. **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 RSM Canada Limited, the Receiver of the properties known municipally as 311 Conacher Drive, Kingston, Ontario and the Toronto Properties owned by the Debtors, as such terms are defined in the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 2023 appointing the Receiver (the "Order") made in an Application having Court file number CV-23- 00701672-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Properties 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 June, 2023.

RSM Canada Limited, solely in its capacity
as Receiver of the Properties, and not in its
personal capacity

Per: _____

Name:

Title:

CAMERON STEPHENS MORTGAGE CAPITAL LTD. Applicant	and	CONACHER KINGSTON HOLDINGS INC., et al. Respondents
ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) APPLICATION UNDER SUBSECTION 243(1) OF THE <i>BANKRUPTCY AND</i> <i>INSOLVENCY ACT</i>, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE <i>COURTS OF JUSTICE ACT</i>, R.S.O. 1990, c. C.43, AS AMENDED Proceeding commenced at Toronto		
ORDER		
Garfinkle Biderman LLP Barristers & Solicitors 1 Adelaide Street East, Suite 801 Toronto, Ontario M5C 2V9 Wendy Greenspoon-Soer-LSO#:34698L wgreenspoon@garfinkle.com Tel: 416-869-1234 Lawyers for the Applicants, Cameron Stephens Mortgage Capital Ltd File #6243-081.		

APPENDIX B

Court File No. CV-24-00715515-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	FRIDAY, THE 1 ST
	)	
JUSTICE CONWAY	)	DAY OF MARCH, 2024

B E T W E E N:

TDB RESTRUCTURING LIMITED

Applicant

and

RSM CANADA OPERATIONS ULC

Respondent

APPLICATION UNDER Rule 14.05(3)(h) of the *Rules of Civil Procedure***SUBSTITUTION ORDER**

THIS APPLICATION made by TDB Restructuring Limited (“**TDB**”) for an order, among other things, substituting the name of RSM Canada Limited with the name TDB Restructuring Limited on the Substituted Mandates (as defined below), was heard was heard this day by way of judicial video conference in Toronto, Ontario by Zoom videoconference

ON READING the Application Record of TDB, including the Affidavit of Bryan A. Tannenbaum sworn February 27, 2024, together with the exhibits attached thereto (the “**Affidavit**”), and on hearing the submissions of counsel for TDB, no one else appearing, although served as evidenced by the Affidavit of Service of Lynda Christodoulou sworn February 28, 2024

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

BIA MANDATES

2. **THIS COURT ORDERS** that the name TDB Restructuring Limited be and is hereby substituted in place of the name of RSM Canada Limited as Trustee in Bankruptcy (the “**Bankruptcy Trustee**”) of the estate files listed as bankruptcies on Schedule “A” hereto (the “**BIA Estates**”) and as Proposal Trustee (the “**Proposal Trustee**”) of the estate files listed as proposals on Schedule “A” hereto (collectively with the BIA Estates, the “**BIA Mandates**”) and any reference to the name RSM Canada Limited in any Court Order in respect of such BIA Mandates or any schedule to such Court Order shall be replaced by the name TDB Restructuring Limited.

3. **THIS COURT ORDERS** that, for greater certainty all, real and personal property wherever situate of the BIA Estates shall be, remain and is hereby vested in TDB Restructuring Limited in its capacity as Bankruptcy Trustee, to be dealt with by TDB Restructuring Limited in accordance with the provisions of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), pursuant to its powers and obligations as Bankruptcy Trustee of the BIA Estates.

4. **THIS COURT ORDERS** that TDB Restructuring Limited is authorized and directed to continue and to complete the administration of the BIA Mandates, to deal with the property in the BIA Mandates in accordance with its duties and functions as Bankruptcy Trustee or Proposal Trustee, as the case may be, as set out in the BIA and to receive all remuneration of the Bankruptcy Trustee or Proposal Trustee in the BIA Mandates for services performed from the commencement of each of the BIA Mandates until the discharge of the Bankruptcy Trustee or Proposal Trustee, as applicable.

5. **THIS COURT ORDERS** that that the requirement and responsibility for taxation of the Bankruptcy Trustee’s or Proposal Trustee’s accounts in respect of the BIA Mandates with respect to all work performed in respect of such BIA Mandate from the initial appointment of RSM Canada Limited or any other party, through to the completion of the administration of such BIA Mandates and discharge of TDB Restructuring Limited as Bankruptcy Trustee or Proposal Trustee, as applicable, shall be completed using the name TDB Restructuring Limited.

6. **THIS COURT ORDERS AND DIRECTS** that to the extent that security has been given in the name of RSM Canada Limited in cash or by bond of a guarantee company pursuant to section 16(1) of the BIA (the “**Security**”), such Security shall be transferred from the name RSM Canada Limited to the name TDB Restructuring Limited and any party holding such Security be and is hereby directed to take all steps necessary to effect such transfer. TDB Restructuring Limited shall retain all obligations respecting the Security.

RECEIVERSHIP PROCEEDINGS

7. **THIS COURT ORDERS** that the name TDB Restructuring Limited be and is hereby substituted in place of the name RSM Canada Limited as the Receiver, Receiver and Manager, or Interim Receiver (collectively, “**Receiver**”) in respect of the mandates listed in Schedule “B” hereto (the “**Receivership Proceedings**”) and any reference to the name RSM Canada Limited in any Court Order in respect of such Receivership Proceedings or any schedule to such Court Order shall be replaced by the name TDB Restructuring Limited.

CCAA PROCEEDINGS

8. **THIS COURT ORDERS** that the name TDB Restructuring Limited be and is hereby substituted in place of the name of RSM Canada Limited as Monitor of the estate files listed as CCAA restructuring proceedings on Schedule “C” hereto (the “**CCAA Estates**”) and any reference to the name RSM Canada Limited in any Court Order in respect of such mandates (the “**CCAA Mandates**”) or any schedule to such Court Order shall be replaced by the name TDB Restructuring Limited.

ESTATE TRUSTEE DURING LITIGATION PROCEEDINGS

9. **THIS COURT ORDERS** that: (i) the name TDB Restructuring Limited be and is hereby substituted in place of the name RSM Canada Limited as Estate Trustee During Litigation in respect of the mandate listed in Schedule “D” hereto; and (ii) the name Bryan A. Tannenbaum of TDB Restructuring Limited be and is hereby substituted in place of the name Bryan A. Tannenbaum of RSM Canada Limited as Estate Trustee During Litigation in respect of the mandate listed in Schedule “D” (collectively, the “**Estate Mandates**”), and any reference to the name RSM Canada Limited in any Court Order in respect of such Estate Mandates or any

schedule to such Court Order shall be replaced by the name TDB Restructuring Limited. Collectively, the BIA Mandates, the Receivership Proceedings, the CCAA Mandates and the Estate Mandates are referred to herein as the “**Substituted Matters**”).

SUBSTITUTED MANDATES

10. **THIS COURT ORDERS** that TDB Restructuring Limited (and its directors, officers, employees, agents, legal counsel and other representatives, as applicable) will continue to have all rights, benefits, protections and obligations granted to RSM Canada Limited (and its legal counsel and representatives, as applicable) under any order made in the Substituted Mandates or any statute applicable to the Substituted Mandates or any contract or agreement to which TDB Restructuring Limited is party under the name RSM Canada Limited in the Substituted Mandates. For greater certainty and without limitation, this includes the benefit of any indemnity, charge or priority granted in the Substituted Mandates and relief from the application of any statute including the Personal Information Protection and Electronic Documents Act (Canada) (“**PIPEDA**”).

11. **THIS COURT ORDERS** that to the extent required by the applicable Orders in the Substituted Mandates, the accounts of RSM Canada Limited and its legal counsel in respect of the Substituted Mandates shall be passed in accordance with the applicable Orders in the Substituted Mandates in the name and on the application of TDB Restructuring Limited.

ACCOUNTS

12. **THIS COURT ORDERS** that TDB Restructuring Limited be and is hereby authorized to transfer any and all accounts from the name RSM Canada Limited to the name TDB Restructuring Limited and, if the name on such accounts cannot be changed, to transfer all funds that remain in its trust bank accounts that belong or relate to the Substituted Mandates, or otherwise, to accounts in the name TDB Restructuring Limited, and TDB Restructuring Limited be and is hereby authorized to take all steps and to execute any instrument required for such purpose. Any bank, financial institution or other deposit-taking institution with which TDB Restructuring Limited banks be and is hereby authorized to rely on this Order for all purposes of

this paragraph and shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any of the foregoing actions.

13. **THIS COURT ORDERS AND DIRECTS** that TDB Restructuring Limited be and is hereby authorized to endorse for deposit, deposit, transfer, sign, accept or otherwise deal with all cheques, bank drafts, money orders, cash or other remittances received in relation to any of the Substituted Mandates where such cheques, bank drafts, money orders, cash or other remittances are made payable or delivered to the name TDB Restructuring Limited, in relation to the same, and any bank, financial institution or other deposit-taking institution with which TDB Restructuring Limited banks be and is hereby authorized to rely on this Order for all purposes of this paragraph and shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any of the foregoing actions.

GENERAL

14. **THIS COURT ORDERS** that this Order shall be effective in all judicial districts in Ontario which govern any of the Substituted Mandates.

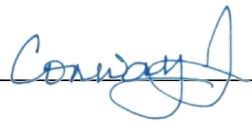
15. **THIS COURT ORDERS** that the requirement for a separate Notice of Motion and supporting Affidavit to be filed in the Court file of each of the Substituted Mandates be and is hereby waived.

16. **THIS COURT ORDERS** that TDB Restructuring Limited shall notify the parties on the Service Lists of the Substituted Mandates (if applicable) of the new website established for such Substituted Mandate and shall post a copy of this Order to the website of each Substituted Mandate and that such notice shall satisfy all requirements for service or notification of this motion and this Order on any interested party in the Substituted Mandates including, without limitation, proven creditors within the BIA Mandates, parties on the Service Lists of the Substituted Mandates (if applicable), the applicable bankrupts or debtors within the Substituted Mandates, and any other person, and any other requirements of service or notification of this motion be and is hereby waived.

17. **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 TDB Restructuring Limited 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 TDB Restructuring Limited as may be necessary or desirable to give effect to this Order, or to assist TDB Restructuring Limited and its agents in carrying out the terms of this Order.

18. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry or filing.



Schedule "A": BIA Mandates

Bankruptcies

	Name	Estate Number
1.	Carrington Homes Limited	31-457618
2.	Fernicola, George	31-457619
3.	D. Mady Investments Inc.	31-2281994
4.	Eco Energy Home Services Inc.	31-2502463
5.	Ontario HVAC & Water Inc.	31-2613545
6.	2305992 Ontario Inc.	31-2655918
7.	Fernwood Developments (Ontario) Corporation	31-2661061
8.	Legal Print and Copy Incorporated	31-2884436
9.	Commerce Copy Incorporated	31-2884438
10.	TDI-Dynamic Canada, ULC	31-2903815
11.	Limestone Labs Limited	31-2907613
12.	2465409 Ontario Inc.	31-2939766
13.	Creative Wealth Media Finance Corp.	31-3003083
14.	Knight-Pro Inc.	31-3013900
15.	Ulmer, Blair	32-159136

Division 1 Proposals

	Name	Estate Number
1.	Vaughn Mills Packaging Ltd.	31-2895096
2.	RLogistics Limited Partnership	31-3040679
3.	RLogistics Inc.	31-3042209
4.	1696308 Ontario Inc.	31-3042213

Schedule “B”: Receivership Proceedings

Name	Court / OSB Number
1. Z. Desjardins Holdings Inc.	CV-23-00706607-00CL
2. 485, 501 and 511 Ontario Street South, Milton, ON	CV-23-00696349-00CL
3. Eco Energy Home Services Inc.	CV-19-614122-00CL
4. 3070 Ellesmere Developments Inc.	CV-19-00627187-00CL
5. Fernwood Developments Ontario Corporation	CV-20-00635523-00CL
6. Utilecredit Corp.	CV-20-00636417
7. 134, 148, 152, 184/188, 214, 224 and 226 Harwood Avenue, Ajax, ON	CV-20-00651299-00CL
8. Greenvilla (Sutton) Investment Limited (private receivership)	31-459273
9. 2088556 Ontario Inc. (private receivership)	31-459274
10. 935860 Ontario Limited (private receivership)	31-459275
11. Areacor Inc.	CV-22-00674747-00CL
12. Limestone Labs Limited and CleanSlate Technologies Incorporated (private receivership)	31-459498
13. 12252856 Canada Inc.	CV-22-00691528-00CL
14. Harry Sherman Crowe Housing Co-operative Inc.	CV-22-00688248-00CL
15. Richmond Hill Re-Dev Corporation	CV-23-00695238-00CL
16. Stateview Homes (Hampton Heights) Inc.	CV-23-00700356-00CL
17. 142 Queenston Street, St. Catharines, ON	CV-23-00705617-00CL
18. 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, ON	CV-23-00701672-00CL
19. 311 Conacher Drive, Kingston, ON	CV-23-00701672-00CL
20. Real Property owned by King David Inc.	CV-23-00710411-00CL
21. CBJ Developments Inc. et al.	CV-23-00707989-00CL
22. 25 Neighbourhood Lane, Etobicoke, ON M8Y 0C4	31-459784

Schedule “C”: CCAA Proceedings

Name	Court Number
1. Quality Sterling Group, comprising Quality Rugs of Canada Ltd., Timeline Floors Inc., Ontario Flooring Ltd., Weston Hardwood Design Centre Inc., Malvern Contact Interiors Ltd., Timeline Floor Inc. Ontario Flooring Ltd. Weston Hardwood Design Centre Inc. Malvern Contract Interior Limited Quality Commercial Carpet Corporation Joseph Douglas Pacione Holding Ltd. John Anthony Pacione Holding Ltd. Jopac Enterprises Limited, and Patjo Holding Inc.	CV-23-00703933-00CL

Schedule “D”: Estate Trustee During Litigation Proceedings

Name	Court Number
1. The Estate of Sarah (Sue) Turk *	01-3188/14
2. The Estate of Sarah (Sue) Turk *	05-35/14
3. The Estate of Lev Alexandr Karp – <i>discharge</i> <i>pending</i>	05-100/17 05-265/17
4. The Estate of Peter Trezzi	01-4647/16
5. The Estate of Florence Maud Anderson *	05-159/19
6. Estate of Murray Burke	2988/19
7. Estate of Robert James Cornish	CV- 23-00693852-00ES
8. Estate of Anne Takaki *	CV-22-00011105-00ES
9. Estate of John Takaki *	CV-22-00011105-00ES
10. Estate of James Frederick Kay **	06-006/14
11. Klaczkowski Family Trust **	CV-21-00659498-00ES
12. Estate of Ethel Ailene Cork **	CV-23-00710309-00ES
13. Estate of Justin Milton Cork **	CV-23-00710291-00ES

* In the name of Bryan A. Tannenbaum of RSM Canada Limited.

** In the name of Bryan A. Tannenbaum only.

TDB RESTRUCTURING LIMITED**and****RSM CANADA OPERATIONS ULC**

Court File No. CV-24-00715515-00CL

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

Proceedings commenced at TORONTO

O R D E R

CHAITONS LLP

Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Maya Poliak (LSUC #54100A)

Tel: 416-218-1161
Email: maya @chaitons.com

Lawyers for the Applicant

APPENDIX C



TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

IN THE MATTER OF THE RECEIVERSHIP OF
311 CONACHER DRIVE, KINGSTON, ONTARIO AND
2849, 2851, 2853, 2855 AND 2857 ISLINGTON AVENUE, TORONTO, ONTARIO

FIRST REPORT OF THE RECEIVER

JULY 16, 2024

Court File No. CV-23-00701672-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

BETWEEN:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

-and-

CONACHER KINGSTON HOLDINGS INC. AND 5004591 ONTARIO INC.

Respondents

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1.0 INTRODUCTION

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on December 6, 2023, which order was effective December 22, 2023 (the “**Appointment Order**”), RSM Canada Limited was appointed receiver (the “**Receiver**”), without security, of the lands and premises municipally known as 311 Conacher Drive, Kingston, Ontario (the “**Kingston Property**”) and 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the “**Toronto Property**” and together with the Kingston Property, the “**Properties**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. On March 1, 2024, the Court granted an omnibus order substituting the name TDB Restructuring Limited in place of RSM Canada Limited (the “**Omnibus Order**”). A copy of the Omnibus Order is attached hereto as **Appendix “B”**.
3. The Receiver retained the firm of Paliare Roland Rosenberg Rothstein LLP (“**Paliare Roland**”) as the Receiver’s independent legal counsel.
4. The Appointment Order, together with Court documents related to the receivership proceeding, has been posted on the Receiver’s website, which can be found at <https://tdbadvisory.ca/insolvency-case/311-conacher-drive-kingston-ontario2849-2851-2853-2855-and-2857-islington-avenue-toronto-ontario/>.

1.1 Purpose of Report

5. The purpose of this first report to Court (the “**First Report**”) is to:
 - (a) provide background information about the Properties and the circumstances leading up to the appointment of the Receiver;
 - (b) specifically with respect to the Toronto Property:
 - i. report to the Court on the condition and status of the Toronto Property and the activities of the Receiver in connection therewith;
 - ii. report to the Court on the results of the sales process and activities leading to offers for the Toronto Property;

- iii. providing to the Court support for the relief sought by the Receiver, namely the request for an approval and vesting order in respect of the Toronto Property, and the sealing of certain confidential information pending completion of the sale transaction for the Toronto Property. In addition to the information contained herein for the benefit of the creditors of the Respondents and other stakeholders, the First Report is also intended to provide the Court with the following confidential information, for which a sealing Order is sought:
 - 1. a summary of the terms of all offers received for the Toronto Property; and
 - 2. an unredacted copy of the executed Agreement of Purchase and Sale for the Toronto Property dated June 3, 2024 (the “**Toronto APS**”) between the Receiver and the purchaser of the Toronto Property, or its permitted assignee or as it may direct, as purchaser (the “**Toronto Purchaser**”);
- (e) provide the Court with information relating to the Receiver’s Borrowings Charge (as defined below);
- (f) provide the Court with information relating to the secured creditor in respect of the Toronto Property;
- (g) provide the Court with a summary of the Receiver’s cash receipts and disbursements in respect of the Toronto Property for the period December 22, 2023 to June 15, 2024 (the “**Interim R&D**”);
- (h) request that the Court grant orders:
 - i. approving the First Report and the activities of the Receiver set out herein;
 - ii. authorizing and directing the Receiver to enter into and carry out the terms of the Toronto APS, together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Toronto Property in the Toronto Purchaser upon the

closing of the purchase and sale transaction contemplated in the Toronto APS;

- iii. approving the proposed Interim Distribution of proceeds (as defined below) from the sale of the Toronto Property;
- iv. sealing Confidential Appendices 1 and 2; and
- v. approving the fees and disbursements of the Receiver and of the Receiver's independent counsel.

1.2 Terms of Reference

6. In preparing this First Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in the First Report may refer to, or is based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
7. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

2.0 BACKGROUND

9. The Respondents, Conacher Kingston Holdings Inc. ("**Conacher Inc.**") and 5004591 Ontario Inc. ("**500 Inc.**") and together with Conacher Inc., the "**Debtors**", are companies incorporated pursuant to laws of the Province of Ontario.
10. Conacher Inc. is the registered owner of the Kingston Property and 500 Inc. is the registered owner of the Toronto Property. The Kingston Property is located on the

north side of Conacher Drive, east of Division Street in Kingston Ontario. The property is a re-development site of approximately 18.96 acres for the construction of the “Kingston Townhomes Project” consisting of 257 townhouse lots. The Toronto Property consists of a land assembly with a total acreage of 0.844 acres that is site plan approved for the development of a 111-unit, 75,000 square foot, 6-storey condominium tower known as the “Step Condos”.

11. The Debtors are indebted to Cameron Stephens Mortgage Capital Ltd. (“**Cameron Stephens**”) in the amount of approximately \$13 million with respect to a credit facility made available by Cameron Stephens to Conacher Inc., pursuant to and under the terms of a Letter of Commitment dated November 22, 2019 (the “**Commitment**”).
12. The security pledged by the Debtors for their obligations to Cameron Stephens includes various General Security Agreements, a first ranking charge against the Kingston Property, a collateral charge against the Toronto Property, assignments of rents and leases and guarantees from 500 Inc. and Nicholas Kyriacopoulos (“**Mr. Kyriacopoulos**”), all as more particularly described in the affidavit of Curtis Jackson sworn June 26, 2023 (the “**Jackson Affidavit**”). A copy of the Jackson Affidavit, without exhibits, is attached hereto as **Appendix “C”**.
13. Conacher Inc. fell into default on August 1, 2022, when it failed to pay the monthly interest payment of \$106,061.40 then due and an extension fee for the period of July 1, 2022, to January 1, 2023. As a result of the default of Conacher Inc., on August 19th, 2022, Cameron Stephens issued demands for payment and Notices of Intention to Enforce Security pursuant to Section 244(1) of the Bankruptcy and Insolvency Act (“**NITES**”) to the Debtors and upon Mr. Kyriacopoulos with respect to their Guarantees.
14. Conacher Inc. subsequently made payment on account but fell into default on multiple occasions thereafter. Accordingly, Cameron Stephens issued a further Notice of Intention to Enforce Security and served further demand letters upon Conacher Inc., 500 Inc. and Mr. Kyriacopoulos dated April 26th, 2023. Despite the demand, the amount owing under the Commitment was not repaid.

15. As a result of the foregoing, Cameron Stephens made an application for the appointment of the Receiver.

3.0 RECEIVER'S ACTIVITIES

3.1 Contacting the Debtors

16. Upon its appointment the Receiver did not have contact information for Mr. Kyriacopoulos. As such, the Receiver emailed counsel to the Debtors, Blaney McMurtry LLP ("**Blaneys**"), in an effort to obtain contact information for Mr. Kyriacopoulos with a view to obtaining the books and records relating to the Kingston Property and the Toronto Property. Notwithstanding multiple emails to Blaneys, the Receiver's emails went unanswered.
17. The Receiver then contacted Cameron Stephens to ascertain whether it had current contact information for Mr. Kyriacopoulos. The Receiver came to learn from Cameron Stephens that Mr. Kyriacopoulos passed away on December 23, 2023, the day after the Receiver's appointment, and that Cameron Stephens did not have contact information for anyone else connected to the Debtors.

3.2 Possession, Security, and Protective Measures

18. Subsequent to its appointment, the Receiver attended at the Toronto Property.
19. The Toronto Property was appropriately fenced in and the entrances and windows to each of the homes within the fenced area were secured with boards. As such, the Receiver did nothing further with respect to the Toronto property other than contact the City of Toronto to ensure that the water to the Toronto Property had been shut off. Subsequently, the City of Toronto contacted the Receiver to advise that it required the Receiver to, among other things, cut the grass at the Toronto Property or that the City of Toronto would do so and add the cost to the property taxes of the Toronto Property. The Receiver engaged a contractor to complete the required work, which was completed about the end of June 2024.

3.3 Insurance

20. Since the Receiver had no contact information for the Debtors, it contacted Cameron Stephens to ascertain whether it had knowledge of the insurer or broker used by the Debtors. Cameron Stephens advised that since the Debtors had stopped communicating with it, Cameron Stephens had included the Properties under its general blanket insurance policy.
21. Mr. Kyriacopoulos' widow ("**Elena**") subsequently contacted the Receiver to inquire what it was doing with respect to the Properties and the Receiver provided Elena with general description of its activities related to the Properties. At that time, the Receiver asked Elena whether she had any information in respect of the insurance coverage over the Properties. Elena sent to the Receiver copies of the insurance policies. The Receiver noted that the insurance policy over the Toronto Property, which policy was for commercial general liability only, expires on January 11, 2025.
22. The Receiver immediately contacted the insurance broker utilized by the Debtors to:
(i) confirm that insurance coverage was still in place and that all premiums had been paid up to date, which the insurance broker confirmed; (ii) advise of the receivership proceedings; (iii) request that the named insured and loss payee be changed to the Receiver; and (iv) provide confirmation that Cameron Stephens was an additional insured and loss payee. At the request of Cameron Stephens, the Receiver increased the commercial general liability coverage on the Toronto Property from \$2 million to \$5 million. The increased policy expires on November 7, 2024.

3.4 Statutory Notices

23. On June 22, 2023, the Receiver prepared the Notice and Statement of Receiver pursuant to section 245(1) of the Bankruptcy and Insolvency Act (the "**245 Notice**") to the known creditors of the Toronto property based on the materials filed by Cameron Stephens for the appointment of a Receiver. As stated above, the principal of the Debtors had passed away and neither Cameron Stephens nor the Receiver had contact information for anyone else employed by the Debtors.

3.5 Property Taxes

24. The Receiver contacted City of Toronto to ascertain the outstanding property taxes for the Toronto Property.
25. A summary of the outstanding property taxes in respect of the Toronto Property to the end of August 2024, which the Receiver intends to pay from the proceeds of sale of the Toronto Property, are set out below:

Description	Islington Avenue					
	2849	2851	2853	2855	2757	Total
Baliff Arrears	\$ 62,154.84	\$ -	\$ 3,814.18	\$ 4,815.88	\$ 3,313.86	\$ 74,098.76
City	23,465.39	37,088.13	21,786.14	23,024.99	23,024.99	128,389.64
Total	\$ 85,620.23	\$ 37,088.13	\$ 25,600.32	\$ 27,840.87	\$ 26,338.85	\$ 202,488.40

4.0 MARKETING AND SALES PROCESS

26. The Receiver engaged in a sales process for the Toronto Property, as described below.

4.1 Toronto Property

4.1.1 Sales process

27. The Receiver invited eight commercial real estate brokers to submit proposals for the marketing and sale of the Toronto Property, including Colliers Macaulay Nicolls Inc., Brokerage (“**Colliers**”).
28. The Receiver received listing proposals from six of the eight brokerages and ultimately selected Colliers based on its significant experience in marketing undeveloped residential property.
29. On March 22, 2024, the Receiver entered into an MLS listing agreement with Colliers.
30. After discussion with Colliers, the Receiver set an offer deadline date of June 3, 2024 as Colliers indicated that the period between March 22, 2024 and June 3, 2024 was more than sufficient time to appropriately market the Toronto Property.

4.1.2 Marketing efforts

31. Colliers launched the listing on MLS on March 25, 2024 and a marketing campaign for the Toronto Property on April 4, 2024.
32. Colliers created and maintained an online data room in order to facilitate due diligence for prospective purchasers. Colliers drafted a form of confidentiality agreement for interested parties to execute in order to be given access to a virtual data room and perform due diligence (the “**Confidentiality Agreement**”).
33. In addition to listing the Toronto Property on MLS on March 25, 2024, Colliers undertook the following marketing activities for the Toronto Property:
 - (a) e-mails were sent to Colliers’ distribution list of approximately 3,000 parties, which emails contained a marketing brochure, a website link to Colliers’ webpage for the Toronto Property and a link to the Confidentiality Agreement; and
 - (b) an electronic data room was set up to provide access to confidential information pertaining to the Toronto Property to parties who executed the Confidentiality Agreement.

4.1.3 Offers received

34. Colliers received eighteen (18) signed Confidentiality Agreements from prospective purchasers or brokers, all of whom were given access to the electronic data room.
35. On June 3 2024, Colliers received 3 offers and a letter of intent for the Toronto Property. The Receiver reviewed the offers with Colliers and Cameron Stephens, in its capacity as secured lender and sole mortgagee of the Toronto Property. The Receiver requested of Colliers that it go back to the offerors that submitted bids on June 3, 2024 to ask them to resubmit their highest and best offers. Only one party submitted an amended offer.
36. After the second round of bidding, the Receiver determined that the offer from the Toronto Purchaser was the highest and best available offer and should be accepted. A summary of the offers received for the Toronto Property will be filed with the Court as **Confidential Appendix “1”**, under seal.

37. On June 12, 2024, the Receiver and the Toronto Purchaser entered into the Toronto APS which is now subject to the approval of the Court.

4.1.4 The agreement of purchase and sale

38. Salient terms of the Toronto APS and matters relating thereto include:
- (a) the purchased assets include the Toronto Property;
 - (b) the deposit to be provided under the APS has been received from the Toronto Purchaser;
 - (c) the offer is firm as the Toronto Purchaser did not have any conditions to closing except the issuance of the AVO (as defined below);
 - (d) the APS is conditional on Court approval and the issuance of an order vesting title to the Toronto Property in the Toronto Purchaser free and clear of claims and encumbrances, other than those specifically itemized in the APS (the “AVO”);
 - (e) the Toronto Purchaser is buying the Toronto Property on an “as is, where is” basis; and
 - (f) closing of the sale provided for in the APS is scheduled to occur within three days following the date on which the AVO is granted, or such other date as agreed between the Toronto Purchaser and the Receiver.
39. A copy of the Toronto APS, with the purchase price and deposit amount redacted, is attached hereto as **Appendix “D”**. An unredacted copy will be filed as **Confidential Appendix “2”** with the Court, under seal.

4.1.5 Toronto Property sale approval

40. The Receiver believes that the marketing process undertaken by Colliers and the Receiver was appropriate considering the nature of the Toronto Property. The Sale Process allowed for sufficient exposure to market for the Toronto Property for the following reasons, among others:
- (a) notice of the sale was sent to approximately 3,000 parties;

- (b) the Toronto Property was listed for sale on MLS for a period of approximately 10 weeks; and
 - (c) the Toronto Property was listed on Colliers' website.
41. Accordingly, based on the above, the Receiver is of the view that the market was widely canvassed and given the length of time on the market, it is unlikely that exposing the Toronto Property to the market for additional time will result in a superior transaction than the one contemplated by the Toronto APS.
 42. The Receiver recommends the approval of the Toronto APS by the Court. The transaction contemplated by the Toronto APS provides for the greatest recovery available for the benefit of secured creditors in the circumstances, including Cameron Stephens as first mortgagee on the Toronto Property, as further discussed below. The Receiver understands that Cameron Stephens supports the completion of the transaction contemplated in the Toronto APS.

5.0 RECEIVER'S BORROWINGS

43. Pursuant to paragraph 20 of the Appointment Order, the Receiver was empowered to borrow up to \$500,000 at any time for the purpose of funding the exercise of the Receiver's powers and duties. The Appointment Order charged the Properties with 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 (defined below) and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
44. To date, the Receiver has borrowed \$150,000 against the Kingston Property and \$100,000 against the Toronto Property. The Receiver issued Receiver's certificates (the "**Receiver's Certificates**") in respect of these borrowings.

6.0 SECURED CREDITORS

6.1 Toronto Property Secured Creditors

45. A copy of the parcel register searches for the Toronto Property was obtained from the Ontario Land Registry Office (collectively, the “**Toronto PIN Reports**”). Copies of the Toronto PIN Reports, dated June 3, 2024, are attached hereto as **Appendix “E”**.
46. The only creditor with a registered charge against the Toronto Property is Cameron Stephens, whose charge is for the registered amount of \$15,600,000.
47. The Receiver has obtained a legal opinion from its independent legal counsel opining that, subject to usual assumptions and qualifications, Cameron Stephens’ charge is a valid and enforceable first charge against the Toronto Property.

7.0 PROPOSED INTERIM DISTRIBUTION

7.1 Distribution of Toronto Property Proceeds

48. The Receiver intends to distribute the proceeds of sale (the “**Interim Distribution**”) upon closing the transaction for the Toronto Property as follows:
 - (a) payment to the City of Toronto for the property taxes owing on the Toronto Property of \$202,488.40, plus any further interest or fees at the time of closing;
 - (b) pay the remaining unpaid fees and disbursements of the Receiver (\$18,102.60) and Paliare Roland relating (\$4,316.60) to the Toronto Property, which fees and disbursements total \$22,419.20.
 - (c) repayment to Cameron Stephens of the Receiver’s borrowings of \$100,000 plus interest thereon to the date of payment in respect of the Receiver’s Borrowing Charge against the Toronto Property;
 - (d) payment to Colliers of the commissions owed to it upon the successful sale and closing of the Toronto Property;

- (e) retention of \$100,000 as a holdback for the further fees and disbursements of the Receiver and its counsel to close the sale of the Toronto Property and do all things necessary to wind up the receivership administration in respect of the Toronto Property; and
- (f) after obtaining a current payout statement from Cameron Stephens, payment to Cameron Stephens of the balance owed to it or, if the indebtedness to Cameron Stephens exceeds the remaining net proceeds, payment to it of the funds remaining from the proceeds of sale of the Toronto Property.

8.0 RECEIPTS AND DISBURSEMENTS

- 49. The Interim R&D for the Toronto Property for the period from December 22, 2023 to July 15, 2024 sets out cash receipts of \$101,014, including advances made by Cameron Stephens against the Toronto Property totaling \$100,000 pursuant to the Receiver's Certificate against the Toronto Property, and cash disbursements of \$31,732, resulting in an excess of receipts over disbursements of \$69,282. A copy of the Interim R&D is attached as **Appendix "F"** to this report.

9.0 SEALING

- 50. The Receiver respectfully requests that the Court seal Confidential Appendices 1 and 2 to this report, being the offer summary relating to the Toronto Property and an unredacted copy of the Toronto APS. The Receiver believes that the offer received and purchase price and deposit amounts contained in the APS for the Toronto Property should be kept confidential until the completion of sale efforts with respect to the Toronto Property.
- 51. The inclusion in the public record of the offer summary and an unredacted copy of the Toronto APS (which discloses the purchase price and deposit amounts) would be prejudicial to, among other things, the integrity of the sales process and any additional marketing efforts that may be needed for the Toronto Property if the sale transaction for the Toronto Property fails to close for any reason.
- 52. The sealing order sought is limited in time and will automatically expire upon the closing of the transaction contemplated in the Toronto APS or further order of the

Court. This will ensure that the offer and purchase price provided in the APS remains confidential until all sale efforts are completed. This is necessary and sufficient to reasonably protect the legitimate stakeholder interests in the circumstances.

53. A full copy of the Toronto APS is being publicly filed as Appendix “D” to this report, with the purchase price and deposit amounts redacted. As a result, the sealing order’s effect on the completeness of the public record, if any, will be minimal.

10.0 PROFESSIONAL FEES

54. The Appointment Order provides 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 were granted a charge (the “**Receiver's Charge**”) on the Property, as security for such fees and disbursements. The Receiver's Charge is a first charge on the Properties 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.
55. The Receiver’s accounts for the period from January 1, 2024 to June 30, 2024 total \$41,529.20 in fees and disbursements, plus HST of \$5,398.81, for a total amount of 46,928.01. A copy of the Receiver’s interim accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Arif Dhanani sworn on July 16, 2024 and attached as **Appendix “G”** to this report.
56. The accounts of the Receiver’s counsel, Paliare Roland, for the period from January 25, 2024 to June 28, 2024 total \$3,820.00 in fees and disbursements, plus HST of \$496.60 for a total amount of \$4,316.60. A copy of Paliare Roland’s interim accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Beatrice Loschiavo sworn on July 16, 2024 and attached as **Appendix “H”** to this report.

11.0 RECEIVER'S REQUEST OF THE COURT

57. Based on the foregoing, the Receiver respectfully requests that the Court grant the orders described in paragraph 5 (h) above.

All of which is respectfully submitted to this Court as of this 16th day of July 2024.

TDB RESTRUCTURING LIMITED, solely in its capacity as
Receiver of 311 Conacher Drive and 2849, 2851, 2853, 2855 and 2857
Islington Avenue and not in its personal or corporate capacity

Per:



Arif Dhanani, CPA, CA, CIRP, LIT
Managing Director

APPENDIX D



TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700 
Toronto, ON M5H 4C7

info@tdbadvisory.ca 

416-575-4440 

416-915-6228 

tdbadvisory.ca

IN THE MATTER OF THE RECEIVERSHIP OF
311 CONACHER DRIVE, KINGSTON, ONTARIO AND
2849, 2851, 2853, 2855 AND 2857 ISLINGTON AVENUE, TORONTO, ONTARIO

SECOND REPORT OF THE RECEIVER

SEPTEMBER 26, 2024

Court File No. CV-23-00701672-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

BETWEEN:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

-and-

CONACHER KINGSTON HOLDINGS INC. AND 5004591 ONTARIO INC.

Respondents

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1.0 INTRODUCTION

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on December 6, 2023, which order was effective December 22, 2023 (the “**Appointment Order**”), RSM Canada Limited was appointed receiver (the “**Receiver**”), without security, of the lands and premises municipally known as 311 Conacher Drive, Kingston, Ontario (the “**Kingston Property**”) and 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the “**Toronto Property**” and together with the Kingston Property, the “**Properties**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. On March 1, 2024, the Court granted an order substituting TDB Restructuring Limited in place of RSM Canada Limited as Receiver (the “**Omnibus Order**”). A copy of the Omnibus Order is attached hereto as **Appendix “B”**.
3. On August 13, 2024, the Receiver entered into an agreement of purchase and sale with respect to the Kingston Property. As set out in greater detail below, the primary purpose of this report is to describe this proposed transaction and to request that this Court grant an order approving the same.
4. The Receiver retained the firm of Paliare Roland Rosenberg Rothstein LLP (“**Paliare Roland**”) as the Receiver’s independent legal counsel.
5. Terms not defined herein are defined in the Receiver’s report dated July 16, 2024 (the “**First Report**”). A copy of the First Report, without appendices, is attached hereto as **Appendix “C”**.
6. The Appointment Order, together with Court documents related to the receivership proceeding, has been posted on the Receiver’s website, which can be found at <https://tdbadvisory.ca/insolvency-case/311-conacher-drive-kingston-ontario2849-2851-2853-2855-and-2857-islington-avenue-toronto-ontario/>.

1.1 Purpose of Report

7. The purpose of this second report to Court (the “**Second Report**”) is to:

- (a) provide the Court with an update on the sale of the Toronto Property, which was approved by order of Justice Cavanagh on July 24, 2024;
- (b) specifically with respect to the Kingston Property:
 - i. report to the Court on the condition and status of the Kingston Property and the activities of the Receiver in connection therewith;
 - ii. report to the Court on the results of the sales process and activities leading to offers for the Kingston Property;
 - iii. providing to the Court support for the relief sought by the Receiver, namely the request for an approval and vesting order in respect of the Kingston Property, and the sealing of certain confidential information pending completion of the sale transaction for the Kingston Property. In addition to the information contained herein for the benefit of the creditors of the Respondents and other stakeholders, the Second Report is also intended to provide the Court with the following confidential information, for which a sealing Order is sought:
 - 1. a summary of the terms of all offers received for the Kingston Property;
 - 2. an unredacted copy of the executed Agreement of Purchase and Sale for the Kingston Property dated August 13, 2024 (the “**Kingston APS**”) between the Receiver and the purchaser of the Kingston Property, or its permitted assignee or as it may direct, as purchaser (the “**Kingston Purchaser**”);
- (e) provide the Court with information relating to the Receiver’s Borrowings Charge;
- (f) provide the Court with information relating to the secured creditors in respect of each of the Kingston Property;

- (g) provide the Court with a summary of the Receiver's cash receipts and disbursements in respect of the Kingston Property for the period December 22, 2023 to September 18, 2024 (the "**Interim R&D**");
- (h) request that the Court grant orders:
 - i. approving the Second Report and the activities of the Receiver set out herein;
 - ii. authorizing and directing the Receiver to enter into and carry out the terms of the Kingston APS, together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Kingston Property in the Kingston Purchaser upon the closing of the purchase and sale transaction contemplated in the Kingston APS;
 - iii. approving the Proposed Interim Distribution of Proceeds (as defined below) from the sale of the Kingston Property;
 - iv. sealing Confidential Appendices 1 and 2; and
 - v. approving the fees and disbursements of the Receiver and of the Receiver's independent counsel.

1.2 Terms of Reference

8. In preparing the Second Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in the Second Report may refer to, or is based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the

Receiver expresses no opinion or other form of assurance in respect of the Information.

9. Unless otherwise stated, all dollar amounts contained in the Second Report are expressed in Canadian dollars.

2.0 TORONTO PROPERTY UPDATE

9. As set out in the First Report, the Receiver entered into a purchase and sale agreement with Lakeshore Luxe Design and Build Group Inc. in trust for 1000944028 Ontario Inc. (the “**Toronto Purchaser**”). Closing of the transaction with the Toronto Purchaser was scheduled for July 30, 2024.
10. On July 30, 2024, counsel to the Toronto Purchaser advised that a one-day extension was required to close the transaction. The Receiver agreed to same at no cost as a courtesy; however, it was agreed that any closing adjustments were to remain as at July 30, 2024.
11. On July 31, 2024, counsel to the Toronto Purchaser advised that an extension to August 9, 2024 was required in order to close the transaction with the Toronto Purchaser. The Receiver agreed to the request provided that closing adjustments remain as at July 30, 2024 and the Toronto Purchaser pay \$75,000 to offset additional interest on the indebtedness owed to Cameron Stephens as a result of the delay. The Toronto Purchaser agreed to these terms and paid the requested \$75,000, at which time the Toronto APS was revived and closing was extended to August 9, 2024.
12. On August 9, 2024, counsel to the Toronto Purchaser advised that an extension to August 16, 2024 was required in order to close the transaction. The Receiver agreed to the further extension request provided that closing adjustments remain as at July 30, 2024 and the Toronto Purchaser pay \$150,000 to offset the additional professional costs associated with the extensions to August 9th and August 16th and interest on the indebtedness owed to Cameron Stephens. The Toronto Purchaser agreed to the terms set out by the Receiver and paid the requested \$150,000, at

which time the Toronto APS was revived and closing was extended to August 16, 2024.

13. On August 16, 2024, counsel to the Toronto Purchaser advised that the Toronto Purchaser required an extension to August 21, 2024, however, the Toronto Purchaser intended to close the transaction sooner, if possible. The Receiver proposed the following extensions to which the Toronto Purchaser agreed: (i) to 2:00 pm on August 19, 2024 with no further payment; (ii) to 2:00 pm on August 20, 2024 for a further payment of \$75,000; and (iii) to 2:00 pm on August 21, 2024 for a further payment of \$100,000. Notwithstanding that the Toronto Purchaser agreed to the terms of the Receiver's extensions, it did not pay the funds required to extend the closing date to August 21, 2024.
14. Subsequently, the Receiver and its real estate counsel, Garfinkle Biderman LLP ("**Garfinkle Biderman**"), engaged in several discussions and exchanged correspondence with the Toronto Purchaser's litigation counsel, Tyr LLP, in an effort to obtain some comfort that the transaction for the Toronto Property would close imminently; however, nothing substantive was provided by either the Toronto Purchaser or its counsel regarding any time frame for receipt of funds from the Toronto Purchaser's lender or closing of the transaction.
15. On August 26, 2024, the Receiver and Garfinkle Biderman had a call with Cameron Stephens to discuss the status of the transaction and to recommend that the Toronto Purchaser be advised that the transaction had been terminated and to have Colliers remarket the property for sale. Upon Cameron Stephens' agreement, on August 27, 2024, Garfinkle Biderman sent a letter to Tyr LLP confirming same (the "**August 27th Letter**"). A copy of the August 27th Letter is attached hereto as **Appendix "D"**.
16. Colliers is currently re-marketing the Toronto Property for sale and Garfinkle Biderman has released the Purchaser's deposit and funds paid by the Toronto Purchaser for the extensions to August 9, 2024 and August 16, 2024 to the Receiver (the "**Forfeited Funds**").
17. The Receiver intends to use the Forfeited Funds to: (i) pay the professional fees of Paliare Roland, Garfinkle Biderman and the Receiver relating to the Toronto Property; (ii) repay the Receiver's Certificate in the amount of \$100,000 relating to

the Toronto Property; (iii) pay to Colliers its commission relating to the contemplated sale of the Toronto Property in accordance with the listing agreement executed by the Receiver; (iv) retain a holdback of \$100,000 for the additional professional fees costs of the Receiver and its counsel to do all things necessary to effect the sale of the Toronto Property; and (v) pay the balance to Cameron Stephens in respect of the amount owed to it.

3.0 RECEIVER'S ACTIVITIES

3.1 Contacting the Debtors

18. The Receiver's efforts relating to its attempts to contact the Debtors are set out in the First Report.

3.2 Possession, Security, Conservative and Protective Measures

19. Subsequent to its appointment, the Receiver attended at the Kingston Property.
20. As a result of the size of the property, the Kingston Property did not have fencing around it. The Receiver observed, among other things, that:
 - (a) 3 blocks, each consisting of 5 units, footings and foundation walls (poured concrete) were exposed to the elements;
 - (a) 2 blocks, each consisting of 5 houses with 95% of their exterior complete, interior walls and studding complete, plumbing partially complete and all electrical wiring, which appeared to have been completed and was then cut and removed from the site;
 - (b) 2 blocks, each consisting of 5 houses with exterior 95% complete, interior 80% complete, HVAC, electrical, plumbing, studding and drywall complete, partial kitchen and bathrooms installed and some flooring installed;
 - (c) certain of the built houses on the property had been broken into. Although no one was present at the time of the Receiver's attendance, it appeared that certain houses were being lived in by homeless individuals.

21. The Receiver implemented the following protective and conservatory measures in respect of the Kingston Property:
 - (a) closed all of the doors and windows that it was able to;
 - (b) boarded up all broken doors and windows;
 - (c) foundations were backfilled around the outside perimeter and bales of straw were placed around the inside perimeter of the foundation basements and tarped in order to try to preserve foundations and footings from the elements; and
 - (d) the Receiver has periodically attended at the Kingston Property to ensure that everything continues to be in order.

3.3 Insurance

22. The Receiver's efforts with respect to ensuring the Kingston Property was insured, include: (i) contacting Cameron Stephens; (ii) its discussions with Mr. Kyriacopolous' widow; and (iii) subsequently contacting the insurance broker utilized by the Debtors are set out in the First Report. The Receiver notes that the insurance policy over the Kingston Property, which policy was for commercial general liability only, expired on August 12, 2024.
23. Based on its discussions with the Debtors' insurance broker, the Receiver came to learn that the structures on the Kingston Property were not insured. The Receiver informed Cameron Stephens of this and subsequently worked with the Debtors' insurance broker to obtain coverage over the various structures.
24. On the basis that the Kingston Property's commercial general liability insurance coverage expired on August 12, 2024, the Receiver sought and obtained an extension of same. In addition, the Receiver has insured the structures on the Kingston Property, which include the partially built townhouses as well as the exposed foundations. The commercial general liability policy and insurance coverage over the structures on the Kingston Property is in place up to July 12, 2025 at a cost of \$20,708 per month. While there may be a minimum retained premium for the

commercial liability policy, the cost of coverage over the structures on the Kingston Property is only for time on risk.

3.4 Statutory Notices

25. On June 22, 2023, the Receiver prepared the Notice and Statement of Receiver pursuant to section 245(1) of the Bankruptcy and Insolvency Act (the “**245 Notice**”) to the known creditors of the Kingston Property based on the materials filed by Cameron Stephens for the appointment of a Receiver. As previously stated herein, the principal of the Debtors had passed away and neither Cameron Stephens or the Receiver had contact information for anyone else employed by the Debtors.

3.5 Property Taxes

26. The Receiver contacted the City of Kingston to ascertain the outstanding property taxes for the Kingston Property.
27. On the basis that there are 260 roll numbers associated with the Kingston Property, the Receiver has not set out herein the property taxes payable on a roll-by-roll basis. The taxes payable to the City of Kingston total approximately \$1,350,000, which the Receiver intends to pay from the proceeds of sale of the Kingston Property.

3.6 City of Kingston Securities

28. In or about May 2024, the Receiver was contacted by the City of Kingston, who advised that it held certain securities in relation to the Kingston Property as they relate to various agreements between the City of Kingston and Conacher Kingston Holdings Inc., as follows:
 - (a) \$1,333,782 – in respect of the subdivision agreement (no instrument registration number provided);
 - (b) \$100,000 – in respect of the model home agreement (registered as instrument no. FC299585); and
 - (c) \$141,390 – in respect of the pre-servicing agreement (registered as instrument no. FR267976).

29. The City of Kingston advised that the terms and conditions relating to the model home agreement and pre-servicing agreements had been fulfilled and that it would be amenable to releasing same to the Receiver upon receipt of a direction to do so from the Receiver. The City of Kingston further advised that the terms and conditions relating to the subdivision agreement had not been met and that it required the assumption of same by any purchaser of the Kingston Property as a condition of the Kingston APS. The Receiver has incorporated this condition into the Kingston APS.
30. On June 6, 2024, the Receiver, through its real estate counsel, issued a direction to the City of Kingston requesting release of the securities for the model home agreement and pre-servicing agreements. On or about July 4, 2024, the Receiver received and deposited to its trust account two cheques from the City of Kingston totaling together \$241,390.

4.0 MARKETING AND SALES PROCESS

31. The Receiver engaged in a sales process for the Kingston Property as described below.

4.1 Kingston Property

4.1.1 Sales process

32. The Receiver invited eight commercial real estate brokers to submit proposals for the marketing and sale of the Kingston Property, including Rogers & Trainor Commercial Realty Inc. (“**RTCR**”).
33. The Receiver received listing proposals from five of the eight brokerages and ultimately selected RTCR, with the concurrence of Cameron Stephens.
34. On March 25, 2024, the Receiver entered into an exclusive listing agreement with RTCR on a short-term basis to market the Kingston Property. The purpose of entering into a short-term exclusive listing agreement was to: (i) allow time for RTCR to contact the City of Kingston to obtain as much publicly available information as possible for its data room, prior to listing the property for sale on the multiple listing

service (“**MLS**”); and (ii) so that RTCR could deal with enquiries from interested parties on the Receiver’s behalf. On April 15, 2024, the Receiver entered into an MLS listing agreement with RTCR.

35. After discussion with RTCR, the Receiver set an offer deadline date of June 3, 2024 as RTCR indicated that the period between April 15, 2024 and June 3, 2024 was sufficient time to appropriately market the Kingston Property.

4.1.2 Marketing efforts

36. RTCR launched a marketing campaign for the Kingston Property on April 10, 2024.
37. The Receiver provided RTCR with a form of agreement of purchase and sale to be uploaded to the online data room maintained by RTCR, in order to facilitate purchaser due diligence. RTCR drafted a form of confidentiality agreement for interested parties to execute in order to be given access to a virtual data room and perform due diligence (the “**Confidentiality Agreement**”). The form of Confidentiality Agreement was reviewed and approved by Paliare Roland.
38. A summary of marketing activities undertaken by RTCR is set out below:
 - (a) brochures were mailed out along with the Confidentiality Agreement on a targeted basis;
 - (b) e-mails were sent to RTCR’s distribution list of approximately 7,000 parties;
 - (c) the Kingston Property was also listed on RTCR’s website and MLS; and
 - (d) an electronic data room was set up to provide access to confidential information pertaining to the Kingston Property to parties which had executed a confidentiality agreement.

4.1.3 Offers received

39. RTCR received twenty-eight (28) signed Confidentiality Agreements by prospective purchasers or brokers, all of whom were given access to the electronic data room.

40. On June 3, 2024, RTCR received two (2) offers for the Kingston Property. The Receiver reviewed the offers with RTCR and Cameron Stephens, in its capacity as secured lender and mortgagee of the Kingston Property. RTCR was subsequently contacted by the Kingston Purchaser, who advised that it was interested in submitting an offer, but did not do so on the basis that the principal of the Kingston Purchaser had only recently returned from being out of the country. The Receiver requested of RTCR that it go back to the offerors that submitted bids on June 3, 2024 to ask them to resubmit their highest and best offers and to request that the Kingston Purchaser submit its highest and best offer. Based on the offers submitted subsequent to June 3, 2024, the Receiver determined that the offer from the Kingston Purchaser is the highest and best available offer, given among other things current market conditions, and should be accepted. A summary of the offers received for the Kingston Property will be filed with the Court as **Confidential Appendix “1”**, under seal.
41. On June 19, 2024, the Receiver and the Kingston Purchaser entered into an APS, which was conditional on the Kingston Purchaser’s due diligence, which condition was to be waived or satisfied by July 9, 2024.
42. On July 9, 2024, the Kingston Purchaser, through its agent, advised that its due diligence condition had not been satisfied and that it would not be proceeding with the transaction. Garfinkle Biderman subsequently refunded the Kingston Purchaser’s deposit.
43. On July 16, 2024, the Receiver entered into a purchase and sale agreement (the “**Second APS**”) with an alternate purchaser (the “**Second Kingston Purchaser**”) for the Kingston Property, which agreement was also conditional on: (i) approval of the Receiver’s terms and conditions by the Second Kingston Purchaser’s counsel, which condition was to be waived or satisfied on or before July 30, 2024 (the “**Solicitor’s Condition**”); and (ii) financing, which condition was to be waived or satisfied on or before August 30, 2024 (the “**Financing Condition**”).
44. On July 30, 2024, the Second Kingston Purchaser’s agent advised that the Second Kingston Purchaser had not satisfied or waived the Solicitor’s Condition in relation

to the Second APS with the Receiver and that it was requesting an extension to same August 2, 2024.

45. On or about August 1, 2024, the Receiver, Garfinkle Biderman and counsel to the Second Kingston Purchaser had a discussion with regard to the various comments on the Second APS that were made by counsel to the Second Kingston Purchaser, which included a further extension to both the Solicitor's Condition and the Financing Condition.
46. Prior to finalization or agreement with the Second Kingston Purchaser on any amended terms and conditions to the Second APS, the Kingston Purchaser contacted RTCR to advise that it was willing to submit another offer for the Kingston Property. The Receiver indicated to RTCR that it was willing to entertain such offer.
47. Upon receipt and review of the revised unconditional signed offer from the Kingston Purchaser on August 14, 2024, the Receiver executed the Kingston APS. The Kingston APS is for a price that is higher than the Second APS.

4.1.4 The agreement of purchase and sale

48. Salient terms of the Kingston APS and matters relating thereto include:
 - (a) the purchased assets include the Kingston Property;
 - (b) the deposit to be provided under the APS has been received from the Kingston Purchaser;
 - (c) the offer is firm as the Purchaser has waived all conditions to closing except the issuance of the AVO (as defined below);
 - (d) the APS is conditional on Court approval and the issuance of an order vesting the Purchased Assets in the Purchaser free and clear of claims and encumbrances, other than those specifically itemized in the APS (the "**AVO**");
 - (e) the Purchaser is buying the Kingston Property on an "as is, where is" basis; and

- (f) closing of the sale provided for in the APS is scheduled to occur within the later of: (i) three days immediately following the date on which the AVO is granted, or the next business day; or (ii) October 2, 2024, or such other date as the Receiver and the Kingston Purchaser may mutually agree upon.
49. A copy of the Kingston APS, with the purchase price and deposit amount redacted, is attached hereto as **Appendix “E.”** An unredacted copy will be filed as **Confidential Appendix “2”** with the Court, under seal.

4.1.5 Kingston Property sale approval

50. The Receiver believes that the marketing process undertaken by RTCR and the Receiver was appropriate considering the nature of the Kingston Property. The Sale Process allowed for sufficient exposure to market for the Kingston Property, for the following reasons, among others:
- (a) notice of the sale was sent to more than 7,000 parties;
 - (b) the Kingston Property was listed for sale on MLS;
 - (c) the Kingston Property was listed on RTCR’s website;
 - (d) the property was listed exclusively for a period of 3 weeks and then exposed to the market on MLS thereafter for a period of approximately 7 weeks; and
 - (e) subsequent to the date upon which offers were due, the Kingston Property remained unsold and no other potential purchasers, other than the Kingston Purchaser, the Second Kingston Purchaser and one other party, approached the Receiver to advise of their interest in purchasing the Kingston Property.
51. Accordingly, based on the above, the Receiver is of the view that the market was widely canvassed and given the length of time on the market, it is unlikely that exposing the Kingston Property to the market for additional time will result in a superior transaction than the one contemplated by the Kingston APS.
52. The Receiver recommends the approval of the Kingston APS by the Court. The transaction contemplated by the Kingston APS provides for the greatest recovery

available for the benefit of the secured creditors in the circumstances, including Cameron Stephens as first mortgagee on the Kingston Property as further discussed below. The Receiver understands that Cameron Stephens supports the AVO and the completion of the transaction contemplated in the Kingston APS.

5.0 RECEIVER'S BORROWINGS

53. Pursuant to paragraph 20 of the Appointment Order, the Receiver was empowered to borrow up to \$500,000 at any time for the purpose of funding the exercise of the Receiver's powers and duties. The Appointment Order charged the Properties with a priority charge (the "**Receiver's Borrowings Charge**") subject only to the Receiver's Charge (defined below) and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
54. To date, the Receiver has borrowed and has issued Receiver's Certificates totaling \$150,000 against the Kingston Property. The Receiver issued Receiver's certificates (the "**Receiver's Certificates**") in respect of these borrowings.

6.0 SECURED CREDITORS

6.1 Kingston Property Secured Creditors

55. A copy of the parcel register searches for the Kingston Property was obtained from the Ontario Land Registry Office (collectively, the "**Kingston PIN Reports**"). There are over 200 PIN Reports relating to the Kingston Property. Sample copies of the PIN Reports for five (5) lots, dated June 3, 2024, are attached hereto as **Appendix "F"**.

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56. A summary of the creditor charges registered against the Kingston Property as set out in the Kingston PIN Reports is as follows:

Date of Registration	Nature of Registration	Registrant	Amount
2019/12/18	Charge	Cameron Stephens Mortgage Capital Ltd.	\$15,600,000
2020/10/23	Charge	2462686 Ontario Inc.	\$5,000,000
2022/11/03	Charge	2478659 Ontario Ltd.	\$8,500,000

57. The Receiver has obtained a legal opinion from its independent legal counsel opining that, subject to usual assumptions and qualifications, the mortgage held and registered by Cameron Stephens is a valid and enforceable first charge against the Kingston Property. The second and third mortgagees, 2462686 Ontario Inc. and 2478659 Ontario Ltd., have not yet provided the Receiver with their security documentation as at the date of this report and as a result, counsel for the Receiver has been unable to complete its opinions on the validity, enforceability and priority of those charges against the Kingston Property.

7.0 PROPOSED INTERIM DISTRIBUTION

7.1 Distribution of Kingston Property Proceeds

58. Assuming that 2462686 Ontario Inc. and 2478659 Ontario Ltd. provide their security documentation to the Receiver and counsel to the Receiver opines that their security is valid and enforceable against the Kingston Property with priority in the order of registration, the Receiver intends to distribute the proceeds of sale upon closing the transaction for the Kingston Property in the following order of priority (such scheme of distribution being the “**Interim Distribution**”):

- (a) payment to the City of Kingston for the property taxes owing on the Kingston Property of approximately \$1,350,000, plus any further interest or fees at the time of closing;

- (b) pay any remaining unpaid fees and disbursements of the Receiver and its counsel relating to the Kingston Property.
 - (c) repayment to Cameron Stephens of the Receiver's borrowings of \$150,000 plus interest thereon to the date of payment in respect of the Receiver's Borrowing Charge in respect of the Kingston Property;
 - (d) payment to RTCR of the commissions owed to it upon the successful sale and closing of the Kingston Property;
 - (e) retention of \$150,000 as a holdback amount for the further fees and disbursements of the Receiver and its counsel to close the sale of the Kingston Property and do all things necessary to wind up the receivership administration in respect of the Kingston Property;
 - (f) payment to Cameron Stephens of the remaining amount owed to it in respect of its mortgage;
 - (g) payment to 2462686 Ontario Inc. of the lesser of: (i) the amount owed to it in respect of its mortgage; or (ii) the remaining proceeds from the sale of the Kingston Property; and
 - (h) payment to 2478659 Ontario Ltd. of the lesser of: (i) the amount owed to it in respect of its mortgage; or (ii) the remaining proceeds from the sale of the Kingston Property.
59. In the event that 2462686 Ontario Inc. and 2478659 Ontario Ltd. do not provide their security documentation to the Receiver or there is a defect with respect to their security and/or there are surplus funds remaining from the sale of the Kingston Property after making the entire Interim Distribution, the Receiver intends to attend in Court to obtain the advice and directions of the Court on the manner in which to distribute the remaining proceeds.

8.0 RECEIPTS AND DISBURSEMENTS

60. The Interim R&D for the period from December 22, 2023 to September 18, 2024 sets out cash receipts of \$393,642, including advances made by the Cameron Stephens totaling \$150,000 pursuant to the Receiver's Certificates against the Kingston Property, and cash disbursements of \$206,243, resulting in an excess of receipts over disbursements of \$187,399. A copy of the Interim R&D is attached hereto as Appendix "G".

9.0 SEALING

61. The Receiver respectfully requests that the Court seal Confidential Appendices 1 and 2 to this report, being the offer summary relating to the Kingston Property and an unredacted copy of the Kingston APS. The Receiver believes that the offer received and purchase price and deposit amounts contained in the APS for the Kingston Property should be kept confidential until the completion of sale efforts with respect to the Kingston Property.
62. The inclusion in the public record of the offer summary and an unredacted copy of the Kingston APS (which discloses the purchase price and deposit amount) would be prejudicial to, among other things, the integrity of sales process and any additional marketing efforts that may be needed for the Kingston Property if sale transaction for the Kingston Property fails to close for any reason.
63. The sealing order sought is limited in time and will automatically expire upon the closing of the transaction contemplated in the Kingston APS or further order of the Court. This will ensure that the offers and purchase price provided in the Kingston APS remains confidential until all sale efforts are completed. This is necessary and sufficient to reasonably protect the legitimate stakeholder interests in the circumstances.
64. A full copy of the Kingston APS is being publicly filed as Appendix "D" to this report, with the purchase price and deposit amounts redacted. As a result, the sealing order's effect on the completeness of the public record, if any, will be minimal.

10.0 PROFESSIONAL FEES

65. The Appointment Order provides 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 were granted a charge (the “**Receiver's Charge**”) on the Property, as security for such fees and disbursements. The Receiver's Charge is a first charge on the Properties 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.
66. The Receiver’s accounts for the period from January 1, 2024 to August 31, 2024 total \$77,259.13 in fees and disbursements, plus HST of \$10,043.70, for a total amount of \$87,302.83. A copy of the Receiver’s interim accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Arif Dhanani sworn on September 19, 2024 and attached as **Appendix “H”** to this report.
67. The accounts of the Receiver’s counsel, Paliare Roland, for the period from January 25, 2024 to August 29, 2024 total \$16,584.38 inclusive of fees, disbursements and HST. A copy of Paliare Roland’s interim accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Beatrice Loschiavo sworn on September 17, 2024 and attached as **Appendix “I”** to this report.

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11.0 RECEIVER'S REQUEST OF THE COURT

68. Based on the foregoing, the Receiver respectfully requests that the Court grant the orders described in paragraph 7(h) above.

All of which is respectfully submitted to this Court as of this September 26, 2024.

TDB RESTRUCTURING LIMITED, solely in its capacity as
Receiver of 311 Conacher Drive and 2849, 2851, 2853, 2855 and 2857
Islington Avenue and not in its personal or corporate capacity

Per:



Arif Dhanani, CPA, CA, CIRP, LIT
Managing Director

APPENDIX E



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ ENDORSEMENT FORM

COURT FILE NO.: CV-23-00701672-00CL **DATE:** OCTOBER 9, 2024

NO. ON LIST: 5

TITLE OF PROCEEDING: CAMERON STEPHENS MORTGAGE CAPITAL LTD. v. CONACHER KINGSTON HOLDINGS INC. et al

BEFORE: JUSTICE W.D. BLACK

PARTICIPANT INFORMATION**For Plaintiff, Applicant, Moving Party, Crown:**

Name of Person Appearing	Name of Party	Contact Info
Wendy Greenspoon-Soer Counsel	Cameron Stephens Mortgage Capital Ltd.	wgreenspoon@garfinkle.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Paul H. Starkman Calvin Zhang Counsel	2478659 Ontario Ltd.	paul@starkmanlawyers.com calvin@starkmanlawyers.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Dan Murdoch Nick Avis Counsel	Ron Barbaro	dmurdoch@stikeman.com navis@stikeman.com
Samuel Mosonyi Counsel	Elena Terpselas, in her Capacity as Estate Trustee of the Estate of Nicholas Kyriacopoulos	smosonyi@robapp.com

Paul F. Rooney Dale Denis Counsel	AJGL Group Inc.	rooney@paulfrooneyprofcorp.com dale@dilitigation.com
Ryan Taylor Counsel	Issam A. Saad and 2858087 Ontario Inc.	rtaylor@cmbllaw.ca
Raffaele Sparano Counsel	2468659 Ontario Inc.	rsparano@himprolaw.com
Arif Dhanani Bryan Tannenbaum	TDB Restructuring Limited	adhanani@tdbadvisory.ca btannenbaum@tdbadvisory.ca
Douglas Montgomery Jeff Larry Counsel	TDB Restructuring Limited	douglas.montgomery@paliareroland.com jeff.larry@paliareroland.com

ENDORSEMENT OF JUSTICE W.D. BLACK:

- [1] This was a motion brought by TDB Restructuring Limited in its capacity as the court-appointed receiver (the “Receiver”) of the lands and premises known municipally as 311 Conacher Drive, Kingston, Ontario (the “Kingston Property”) and 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the “Islington Property”) and together with the Kingston Property, the “Properties”) for, among other things, the approval of the sale of the Kingston Property.
- [2] More particularly, the Receiver seeks orders:
- (a) Approving the sale transaction (the “Transaction”) for the Kingston Property contemplated by the asset purchase agreement between the Receiver and 2349891 Ontario Inc. (the “Kingston Purchaser”) dated August 13, 2024 (the “APS”).
 - (b) Following the Receiver’s delivery of the Receiver’s certificate (substantially in the form at Schedule A to the proposed Approval and Vesting Order (the “AVO”), transferring and vesting all of Conacher Kingston Holdings Inc. (the “Debtor”)’s right, title, and interest in and to the Kingston Property to Crestmount Developments (Kingston) Limited, free and clear of all liens, charges, security interests and encumbrances other than permitted encumbrances.
 - (c) Approving the Proposed Interim Distribution (as defined in the materials).
 - (d) Approving the Second Report of the Receiver dated September 26, 2024, and the Receiver’s activities described therein, as well as the fees and disbursements of the Receiver and its counsel as detailed in the Second Report and in two affidavits filed herein.
 - (e) Sealing Confidential Appendices 1 and 2 to the Second Report; and
 - (f) Approving the Receiver’s Statement of Receipts and Disbursements described in the Second Report.
- [3] With the exception of certain concerns discussed below, which in my view do not constitute reasons to prevent or delay the Transaction, the Transaction is essentially unopposed. In my view the process and

efforts undertaken by the Receiver easily meet the well-established criteria under *Royal Bank v. Soundair Corp.*, 1991 CanLII 2727 (ONCA).

- [4] The evidence amply demonstrates that the Kingston Property was well-exposed to the market through, among other steps, distribution of promotional brochures to over 7000 potential purchasers and a public MLS listing for approximately seven weeks. An initial potential deal fell by the wayside, and the Receiver renewed its efforts and attracted (or confirmed) additional interest.
- [5] The Receiver received two offers for the Kingston Property by the Bid Deadline, in addition to the offer from the Kingston Purchaser giving rise to the Transaction.
- [6] The only condition for closing is the issuance of the AVO sought on this motion.
- [7] It is clear to me that the Receiver has made a robust effort to get the best price for the Kingston Property, and has not acted improvidently, and I see nothing to suggest that the process has been in any way unfair.
- [8] The only opposition to the Transaction came, first, from counsel to the putative second mortgagee on the Kingston Property, 2462686 Ontario Inc. ("286") who raised, reasonably, a question as to whether a particular party who had previously expressed an interest in purchasing the Kingston Property had been approached. The Receiver provided a supplement to its Second Report confirming that indeed there had been communications with the agent for that party, from which no bid had resulted.
- [9] Appropriately, in light of receiving that information, counsel for 286 expressly withdrew the concern.
- [10] A second set of alleged concerns were voiced by counsel for the putative third mortgagee on the Kingston Property, 2478659 Ontario Ltd. ("247"). (I use the word "putative" with respect to mortgages of 246 and 247 inasmuch as, despite numerous requests from the Receiver, neither has yet provided documentation proving the validity of their respective charges. Both say they expect to do so, but for the moment at least some question has been raised about their mortgage security which remains to be resolved).
- [11] I regard the concerns raised by 247 as insubstantial and bordering on inappropriate. The concerns were in the nature of suggesting that, for example, although the Receiver reported that it had sent brochures to 7000 potential purchasers it had not in its materials identified the 7000 recipients or provided relevant details about them. Other similarly unconvincing concerns were raised. 247 also suggested that there was no evidence that the broker had a "for sale" sign in place on the Kingston Property; in response the Broker quickly confirmed that it had and offered photographic evidence (which I did not need to see to accept the Broker's confirmation). In my view 247's arguments in this vein were in the nature of "throwing everything against the wall in the hope that something would stick." As a more troubling part of this offensive, counsel for 247 even went so far as to allege that the Receiver had engaged in "double counting" in respect of its fees.
- [12] Any party asserting such allegations against an officer of the court has, in my view, a duty to provide precise and compelling evidence to substantiate them. The processes involved in insolvency matters before this court are important, and often subject to time constraints and other pressures, and this court relies heavily on the professionalism and integrity of the court-appointed professionals who assist the court in these proceedings.

- [13] That is not to say that the Receiver (or any other court officer) is above scrutiny or reproach. However, such allegations must not be made lightly, and must be based in clear evidence.
- [14] In my view 247's allegations are not supported by the evidence in this record and were and are not reasonable allegations to make. I see nothing to suggest that the receiver has conducted itself with anything less than its usual level of diligence and professionalism.
- [15] I am satisfied that the Transaction is for the benefit of the relevant stakeholders and, as noted, in compliance with the Soundair principles, and I approve it. I also agree with the need for the Confidential Appendices to be sealed (in accordance with Sherman Estate and Sierra Club) and so order.
- [16] The other issues raised before me related to issues about the proposed distribution of funds.
- [17] Cameron Stephens Mortgage Capital Ltd. ("Cameron Stephens") is, undisputedly, the first mortgagee on both the Kingston Property – for which it provided first mortgage financing to Conacher Kingston Holdings Inc. ("Conacher Kingston") – and on the Islington Property – for which it provided first mortgage financing to 5004591 Ontario Inc. ("500", and together with Conacher Kingston, the "Debtors").
- [18] The Receiver proposes, after payments of property taxes to the City of Kingston, payment of its fees and those of its counsel, payment of the Receiver's borrowings relating to the Kingston Property, payment to the broker of its commissions and retaining a holdback for further fees and disbursements to pay to Cameron Stephens the remaining amount owed to it in respect of the indebtedness secured by its first mortgage on the Kingston Property (and the Receiver expects that Cameron Stephens indebtedness will be fully repaid from those net proceeds).
- [19] With respect to the second and third mortgagees, 246 and 247, as noted the Receiver remains to be satisfied that these parties have valid charges against the Kingston Property.
- [20] On the assumption that 246 and 247 will demonstrate that their respective security is valid and enforceable, the Receiver then proposed to make the following further distributions:
- (a) Payment to 246 of the lesser of:
 - i. The amount owed to it in respect of its mortgage; or
 - ii. The remaining proceeds from the sale of the Kingston Property; and
 - (b) Payment to 247 of the lesser of:
 - i. The amount owed to it in respect of the mortgage; or
 - ii. The remaining proceeds from the sale of the Kingston Property.
- [21] In the ordinary course, this proposed approach to distribution appears unassailable.
- [22] However, 247 in particular, and 246, make arguments arising in relation to the Islington Property, and in particular the ownership of the Islington Property. That is, and the premise for the "marshalling" argument discussed below, Conacher Kingston and 500 were each owned by the late Nick Kyriacopoulos.

- [23] I should note in passing that, in July of 2024 the Receiver brought a motion to approve the sale of the Islington Property. The motion was granted, but the purchaser ultimately failed to close the purchase, as a result of which the Islington Property was re-listed.
- [24] The order sought by the Receiver contemplates, after the distributions described above, the postponement of any further distributions to creditors pending the sale of the Islington Property. So, any excess proceeds from the sale of the Kingston Property will be held in trust by the Receiver until the Islington Property is sold and stakeholders have an opportunity to make submissions about the appropriate distribution of both any surplus funds from the Kingston Property and the net proceeds of sale of the Islington Property.
- [25] Notwithstanding this proposed approach, 247 has now brought a motion for a declaration that the “doctrine of marshalling be applied to require Cameron Stephens to realize on its security against the [Islington Property].” 247 also seeks an order requiring the Receiver to maintain the sale proceeds from the Kingston Property and the Islington Property in separate accounts, and that Cameron Stephens’ mortgage on the Islington Property not be discharged.
- [26] The Receiver opposes the relief sought by 247, noting that both Conacher Kingston and 500 have covenanted to Cameron Stephens to repay the full amount of their debt, as secured by the first mortgage, in each case that Cameron Stephens holds, on the respective properties.
- [27] The Receiver cites at least four reasons why the proceeds of sale of the Kingston Property ought not to be held back.
- [28] First, as noted, there is no dispute about the validity of Cameron Stephens’ charges over the properties, nor that Cameron Stephens is the first mortgagee in each case. The Receiver points to authority for the proposition that, even if the doctrine of marshalling is applicable, a fundamental principle of the doctrine is that “nothing will be done to interfere with the paramount right of the first mortgagee to pursue his remedy against either of the two estates.” (807933 Ontario Inc. v. Allison (Trustee of) (1995) 22 O.R. (3d) 102 (Gen. Div.), appeal dismissed (1998) 38 O.R. (3d) 337 (C.A.).
- [29] As such, the Receiver persuasively argues, the right of a junior creditor to invoke the marshalling doctrine is subject to the important qualification that nothing will be done to interfere with the ability of the first mortgagee to pursue its remedy against either of the two estates. The first mortgagee does not become a trustee for the junior mortgagees (*First Investors Corp. v. Veeradon Developments Ltd.* (1988), ABCA 38 (CanLII). In this case, the Receiver asserts, requiring Cameron Stephens to postpone realization on its security would in fact prejudice its “paramount” right to pursue its remedy against either of the two estates.
- [30] Second, the Receiver takes issue with 247’s reliance on *Re Allison* (on which the Receiver also relies). The Receiver points out that the motions judge in that case concluded that “the applicants are not entitled to invoke the doctrine of marshalling” on the basis that the applicant was not a secured creditor.” Moreover, as was pointed out by counsel for the owner of the Islington Property, who was present in court, the specific aspect of the motions judge’s decision in *Re Allison* on which 247 specifically relied in argument was expressly overturned by the Court of Appeal for Ontario.
- [31] The Receiver notes that, even if the doctrine of marshalling applies – in respect of which it takes no position – the result would still be to pay down Cameron Stephens’ debt in full from the Kingston

Property sale, and subsequently allow 246 and/or 247 to argue that they have the right to marshal into the Islington Property, which is precisely what the Receiver's proposed approach will allow to happen.

- [32] The Receiver's third point is that the indebtedness owed to Cameron Stephens and the other creditors continues to grow as a result of the accrual of interest, such that the sooner its debt is satisfied the more money will be available for the satisfaction of other debts. On the other hand, reducing the amount of proceeds available to satisfy the claims of multiple creditors is in none of the stakeholders' interest.
- [33] Finally, the Receiver notes that creditors who assert claims, albeit unsecured, against proceeds from the Islington Property may similarly argue that Cameron Stephens' indebtedness ought to be repaid out of the Kingston Property first. In fact, those very arguments were raised in July 2024 when the Receiver sought approval of the sale of the Toronto Property.
- [34] I am persuaded by these submissions. In my view the doctrine of marshalling, even if it applies, does not assist the second and third mortgagees (246 and 247) here.
- [35] The Receiver's proposed approach to distribution in fact preserves whatever rights these parties (and others) may have to share in the proceeds of sale (of the two properties).
- [36] Moreover, it remains the case that 246 and 247 have yet to prove the validity of their respective charges (and counsel for the owner of the Islington Property maintains that they will be unable to do so). While I would not uphold the argument of 246 and 247 in the circumstances at hand in any event, I would be all the more loath to do so when the validity of their respective charges remains unproved.
- [37] As noted, and for these additional reasons, I am granting the orders sought by the Receiver, signed copies of which are attached, and dismissing the motions of 246 and 247.



W.D. BLACK J.

DATE: OCTOBER 9, 2024

Court File No. CV-23-00701672-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 9 TH DAY
	)	
JUSTICE W.D. BLACK	)	OF OCTOBER, 2024

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

- and -

CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC.

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by TDB Restructuring Limited in its capacity as the Court-appointed receiver (the "Receiver") of the lands and premises municipally known as 311 Conacher Drive, Kingston, Ontario (the "Kingston Property") and 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the "Toronto Property" and together with the Kingston Property, the "Properties") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and 2349891 Ontario Inc. (the "Purchaser") dated August 13, 2024 and appended to the Report of the Receiver dated September 26, 2024 (the "Second Report"), and vesting in the Purchaser or as it directs, Conacher Kingston

Holdings Inc. (the "**Debtor**")'s right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and on hearing the submissions of counsel for the Receiver and the other parties listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the Lawyer's Certificate of Service of Douglas Montgomery, dated October 2, 2024, filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to Crestmount Developments (Kingston) Limited.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in Crestmount Developments (Kingston) Limited, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the

foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Conway dated December 6, 2023 (and effective December 22, 2023); (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office No. 13 of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act, the Land Registrar is hereby directed to enter Crestmount Developments (Kingston) Limited as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been

sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS that, upon closing of the Transaction, the Receiver is authorized and directed to distribute the net proceeds from the sale of the Purchased Assets in the following order of priority (such scheme of distribution being the “Interim Distribution”):

- (a) Payment to the City of Kingston, in respect of property taxes owing by the Debtor in connection with the Kingston Property;
- (b) Payment to the Receiver and its counsel, in respect of remaining unpaid fees and disbursements in connection with the Kingston Property;
- (c) Payment to Cameron Stephens Mortgage Capital Ltd. (“CS”), in respect of amounts loaned to the Receiver pursuant to the Receiver’s Borrowing Charge in connection with Kingston Property;
- (d) Payment to Rogers & Trainor Commercial Realty Inc., in respect of commissions owed to it upon the successful closing of the Transaction;
- (e) Retention of \$150,000 by the Receiver as a holdback amount for the further fees and disbursements of the Receiver and its counsel to do close the sale of the Kingston Property and to do all things necessary to wind up the administration of the receivership of the Kingston Property; and

- (f) Payment to CS, in respect of the remaining amount owed to it in connection with its mortgage registered on title to the Kingston Property.

6. THIS COURT ORDERS that, to the extent that there remain net proceeds from the sale of the Purchased Assets following the Interim Distribution (these funds being the “Surplus Funds”), the Receiver shall hold the Surplus Funds pending further order of the Court.

7. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

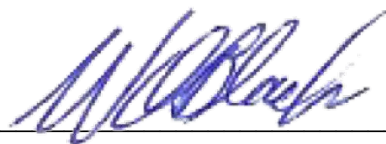
8. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in Crestmount Developments (Kingston) Limited pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor

shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

A handwritten signature in blue ink, appearing to read "M. D. B.", is written over a horizontal line.

Schedule A – Form of Receiver's Certificate

Court File No. CV-23-00701672-00CL

ONTARIO**SUPERIOR COURT OF JUSTICE****COMMERCIAL LIST****B E T W E E N:****CAMERON STEPHENS MORTGAGE CAPITAL LTD.**

Applicant

- and –

CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC.

Respondents

RECEIVER'S CERTIFICATE**RECITALS**

- (a) Pursuant to an Order of the Honourable Justice Conway of the Ontario Superior Court of Justice (the "Court") dated December 6, 2023 (and effective December 22, 2023), TDB Restructuring Limited was appointed as the receiver (the "Receiver") of the lands and premises municipally known as 311 Conacher Drive, Kingston, Ontario (the "Kingston Property") and

2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the "Toronto Property" and together with the Kingston property, the "Properties").

- (b) Pursuant to an Order of the Court dated October 9, 2024, the Court approved the agreement of purchase and sale made as of August 13, 2024 (the "Sale Agreement") between the Receiver and the Purchaser and provided for the vesting in Crestmount Developments (Kingston) Limited of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- (c) Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in section 4 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**TDB Restructuring Limited, in its
capacity as Receiver of the Properties,
and not in its personal capacity**

Per: _____

Name:

Title:

Schedule B – Purchased Assets**PIN Range Nos. 36061-0475 to 36061-0730**

Lots 1 to 256, all inclusive, Plan 13M135

PIN Range Nos. 36061-0731 to 36061-0734

Blocks 257 to 260, all inclusive, Plan 13M135

Schedule C – Claims to be deleted and expunged from title to Real Property

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
FC294966	2019/12/18	CHARGE	\$15,600,000	CONACHER KINGSTON HOLDINGS INC.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.
FC312121	2020/10/23	CHARGE	\$5,000,000	CONACHER KINGSTON HOLDINGS INC.	2462686 ONTARIO INC.
FC312122	2020/10/23	NO ASSGN RENT GEN		CONACHER KINGSTON HOLDINGS INC.	2462686 ONTARIO INC.
FC319869	2021/02/25	POSTPONEMENT		2462686 ONTARIO INC.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.
FC362038	2022/11/03	CHARGE	\$8,500,000	CONACHER KINGSTON HOLDINGS INC.	2478659 ONTARIO LTD.
FC384851	2024/03/22	NOTICE		STERLING CAPITAL CORP.	
FC388266	2024/06/11	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	RSM CANADA LIMITED
FC388269	2024/06/11	APL AMEND ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	RSM CANADA LIMITED

Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)

Reg. Num.	Date	Instrument Type	Amount	Parties From	Parties To
FR143249	1964/01/23	BYLAW			
FR210365	1971/05/27	BYLAW			
FR656866	1996/10/31	AGREEMENT	\$1		THE CITY OF KINGSTON
FR673613	1997/10/01	BYLAW			
FC267976	2018/09/18	NOTICE		THE CORPORATION OF THE CITY OF KINGSTON	CONACHER KINGSTON HOLDINGS INC.
FC271067	2018/11/05	BYLAW		THE CORPORATION OF THE CITY OF KINGSTON	
FC299585	2020/03/19	NOTICE		THE CORPORATION OF THE CITY OF KINGSTON	CONACHER KINGSTON HOLDINGS INC.
13M135	2021/06/15	PLAN SUBDIVISION			
13R22461	2021/06/18	PLAN REFERENCE			
FC328512	2021/06/28	NO SUB AGREEMENT		THE CORPORATION OF THE CITY OF KINGSTON	CONACHER KINGSTON HOLDINGS INC.
FC328513	2021/06/28	TRANSFER EASEMENT	\$1	CONACHER KINGSTON HOLDINGS INC.	THE CORPORATION OF THE CITY OF KINGSTON

FC329305	2021/07/07	TRANSFER EASEMENT	\$1	CONACHER KINGSTON HOLDINGS INC.	KINGSTON HYDRO CORPORATION
FC356034	2022/07/28	PLAN CORRECTION		ASSISTANT EXAMINER OF SURVEYS	

APPENDIX F

AGREEMENT OF PURCHASE AND SALE

This AGREEMENT made the 26th day of September 2024.

BETWEEN:

TDB RESTRUCTURING LIMITED (the “**Receiver**”)

in its capacity as Court-Appointed Receiver over the lands and premises set out on Schedule “A” attached hereto and not in its personal or corporate capacity

(the “**Vendor**”)

and

Arjun Anand in trust for a company to be formed

(the “**Purchaser**”)

RECITALS:

- A. Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated December 6, 2023, (the “**Appointment Order**”) RSM Canada Limited was appointed as Receiver over the lands legally described in Schedule “A” attached hereto, effective December 22, 2023;
- B. Pursuant to the Substitution Order of the Ontario Court of Justice (Commercial List) dated March 1, 2024, (the “**Substitution Order**”) the Receiver’s name was substituted in the place of the name of RSM Canada Limited;
- C. The Vendor desires to sell and the Purchaser desires to purchase the Purchased Assets, as more particularly set out herein, subject to the terms and conditions hereof.

NOW THEREFORE in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Parties covenant and agree as follows:

SECTION 1 - INTERPRETATION

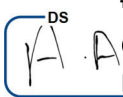
1.1. Definitions

In this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- (a) **"Acceptance Date"** means the date that this Agreement is executed and delivered by the Parties;
- (b) **"Agent"** shall mean Colliers Macaulay Nicolls Inc.;
- (c) **"Agreement"** means this Agreement of Purchase and Sale, including the Schedules to this Agreement, as it or they may be amended or supplemented from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement;
- (d) **"Applicable Laws"** means, with respect to the Purchased Assets or to any Person, property, transaction or event, all laws, by-laws, rules, regulations, orders, judgments, decrees, decisions or other requirements having the force of law relating to or applicable to such Person, property, transaction or event;
- (e) **"Assumed Liabilities"** has the meaning ascribed to it in Section 2.10.
- (f) **"Business Day"** means a day on which banks and the Land Registry Office for the City of Toronto are open for business but does not include a Saturday, Sunday, or statutory holiday in the Province of Ontario;
- (g) Intentionally deleted.
- (h) **"Claim"** means any claim, demand, action, cause of action, damage, loss, cost, liability or expense (including legal fees on a substantial indemnity basis) and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;
- (i) **"Closing"** means the successful completion of the Transaction;



10 business
- (j) **"Closing Date"** means the date which is ~~three (3)~~ days immediately following the date upon which the Approval and Vesting Order is granted, ~~or the next Business Day, as applicable, or such other date as the Parties may mutually agree upon;~~


- (k) Intentionally deleted.
- (l) **"Court"** means the Court defined in the first recital of this Agreement;
- (m) Intentionally deleted.
- (n) **"Data Room"** means the electronic data room established by or on behalf of the Vendor containing documents related to the Purchased Assets for review by the Purchaser;
- (o) Intentionally deleted.

- (p) Intentionally deleted.
- (q) **"Debtor or Debtors"** means all or any one of Kings Townhomes Limited (formerly Conacher Kingston Holdings Inc.) and 5004591 Ontario Inc.;
- (r) **"Deposit"** has the meaning ascribed to it in Section 2.5;
- (s) **"Encumbrance"** means any mortgage, charge, pledge, hypothecation, security interest, trust, deemed trust (statutory or otherwise) assignment, lien (statutory or otherwise), Claim, title retention agreement or arrangement, restrictive covenant, rights of way, easements, encroachments, reserves, or other encumbrance of any nature or any other arrangement or condition which, in substance, secures payment or performance of an obligation;
- (t) **"Environmental Condition"** has the meaning ascribed to it in Section 2.2(a).
- (u) **"Environmental Laws"** means all Applicable Laws concerning pollution or protection of the natural environment or otherwise relating to the environment or health or safety matters, including Applicable Laws pertaining to (i) reporting, licensing, permitting, investigating and remediating the presence of Hazardous Materials, and (ii) the storage, generation, use, handling, manufacture, processing, transportation, treatment, release and disposal of Hazardous Materials including without limiting the generality of the foregoing the following any written policies and guidelines and directives, administrative rulings or interpretations, that are in effect and applicable to the Vendor or the Property on the Closing Date, as well as the common law and any judicial or administrative order, consent decree or judgment that is in effect and applicable to the Vendor or the Property on the Closing Date, that relates to pollution or the protection of the environment, including, without limitation, the *Atomic Energy Control Act* (Canada), the *Canadian Environmental Protection Act* (Canada), the *Pest Control Products Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada), the *Environmental Protection Act* (Ontario), the *Environmental Assessment Act* (Ontario), the *Ontario Water Resources Act* (Ontario) and the *Occupational Health & Safety Act* (Ontario), and the regulations and guidelines promulgated pursuant thereto or issued by any Government Authority in respect thereof, and equivalent or similar local and provincial ordinances and statutory programs and the regulations and guidelines promulgated pursuant thereto.
- (v) **"Ereg"** has the meaning ascribed to it in Section 5.7;
- (w) **"ETA"** means the *Excise Tax Act* (Canada), as it may be amended from time to time;

- (x) **"Excluded Assets"** means the assets, if any, listed in Schedule "C";
- (y) **"Final Order"** means, in respect of any order, such order after i) the expiry of applicable appeal periods; or (ii) in the event of an appeal or application for leave to appeal or to stay, vary, supersede, set aside or vacate such order, final determination of such appeal or application by the applicable court or appellate tribunal;
- (z) **"Governmental Authority"** means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal government having or claiming to have jurisdiction over part or all of the Purchased Assets, the Transaction or one or both of the Parties and shall include a board, commission, courts, bureau, agency or any quasi-governmental or private body exercising any regulatory authority including an association of insurance underwriters;
- (aa) **"Hazardous Materials"** means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Governmental Authority and any "contaminants", "dangerous substances", "hazardous materials", "hazardous substances", "hazardous wastes", "industrial wastes", "liquid wastes", "pollutants" and "toxic substances", all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health or safety matters;
- (bb) **"HST"** means all goods and services taxes and harmonized sales tax payable under the ETA;
- (cc) **"Land Transfer Tax"** means all the taxes payable under the *Land Transfer Tax Act* (Ontario) and any other applicable provincial or municipal land transfer tax legislation, including all registration fees, license fees, and other like charges payable upon a transfer of real property, together with interest, penalties and additions thereto;
- (dd) **"Leases"** means any leases with any tenants relating to the Property;
- (ee) Intentionally deleted.
- (ff) **"Liabilities"** means all costs, expenses, charges, debts, liabilities, claims, demands and obligations, whether primary or secondary, direct or indirect, fixed, contingent, absolute or otherwise, liquidated or unliquidated under or in respect of any contract, agreement, arrangement, lease, commitment or undertaking, Applicable Law and Taxes.

- (gg) "**Parties**" means the Vendor, the Purchaser and any other Person who may become a party to this Agreement. "**Party**" means any one of the foregoing;
- (hh) "**Permits**" means all permits, licenses and applications that may have been issued or applied for in the name of the Debtor and/or the Vendor in connection with the servicing and/or development of the Property;
- (ii) "**Permitted Encumbrances**" means those Encumbrances listed in Schedule "B" attached hereto;
- (jj) "**Person**" means an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;
- (kk) "**Plans**" means all plans and documentation in the possession or control of the Vendor relevant to the development of the Property including, without limitation, any project documents, engineering drawings, architectural plans and working drawings, landscaping plans, reports, project documents other documentation prepared to illustrate or define a particular aspect of the development of the Property, in each instance, to the extent forming part of the Data Room created by the Vendor in respect of the Transaction;
- (ll) "**Property**" means the real property described in Schedule "A" attached hereto;
- (mm) "**Property Documents**" means the documents in the Data Room;
- (nn) "**Purchaser Closing Conditions**" has the meaning ascribed to it in Section 4.1;
- (oo) "**Purchase Price**" shall have the meaning ascribed to it in Section 2.4. For greater certainty, the Purchase Price shall be exclusive of Transfer Taxes and any other taxes payable as a result of or in connection with the Transaction;
- (pp) "**Purchaser's Solicitors**" means the law firm of •;
- (qq) "**Purchased Assets**" means those assets being the lands which are the subject of this Agreement;
- (rr) "**Receiver**" has the meaning described thereto in the Recitals;

- (ss) **"Reports"** means collectively any written reports or documents received or obtained by the Receiver from any third party regarding any aspect of the Property;
- (tt) **"Rights"** has the meaning ascribed to it in Section 2.13;
- (uu) **"Sale Procedure"** means the sale procedure attached hereto as Schedule "D", with such amendments as are satisfactory to the Receiver;
- (vv) Intentionally deleted.
- (ww) **"Successful Bid"** has the meaning given to it in the Sale Procedure;
- (xx) **"Successful Bidder"** has the meaning given to it in the Sale Procedure;
- (yy) **"Transaction"** means the transaction of purchase and sale and assignment and assumption contemplated by this Agreement;
- (zz) **"Transfer Taxes"** means all HST, Land Transfer Tax, sales, excise, use, transfer, gross receipts, documentary, filing, recordation, value-added, stamp, stamp duty reserve, and all other similar taxes, duties or other like charges, however denominated together with interest, penalties and additional amounts imposed with respect thereto;
- (aaa) Intentionally deleted.
- (bbb) **"Vendor Closing Conditions"** has the meaning ascribed to it in Section 4.3;
- (ccc) **"Vendor's Solicitor"** means the law firm of Garfinkle Biderman LLP;
- (ddd) **"Approval and Vesting Order"** means the order of the Court approving the sale by the Receiver to the Purchaser of the Subject Assets and vesting all rights, title and interest of the Subject Assets in favour of the Purchaser free and clear of all Encumbrances (other than Permitted Encumbrances) (in a form to be agreed upon by the parties);
- (eee) **"Vesting Order Motion"** means a motion by the Receiver seeking the granting of the Approval and Vesting Order; and
- (fff) **"Work Orders"** means any work orders, deficiency notices, outstanding building permits, orders, or requirements to comply with any Applicable Laws or issued by any Governmental Authorities.

1.2. Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of

this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

1.3. Extended Meanings

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

1.4. Schedules

The following Schedules are incorporated in and form part of this Agreement;

Schedule "A"	Property
Schedule "B"	Permitted Encumbrances
Schedule "C"	Excluded Assets
Schedule "D"	Sale Procedure

SECTION 2 — SALE AND PURCHASE AND ASSIGNMENT

2.1. Sale and Purchase of Purchased Assets

On the Closing Date, subject to the terms and conditions of this Agreement, the Vendor shall sell and the Purchaser shall purchase the Purchased Assets and the Purchaser shall assume the Assumed Liabilities, all in accordance with and pursuant to the terms hereof and the Approval and Vesting Order. The Purchaser acknowledges that it is not purchasing any other property or assets of the Debtor other than the Purchased Assets.

2.2. "As is, Where is"

The Purchaser acknowledges and agrees that:

- (a) the Vendor is selling and the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis subject to whatever defects, conditions, impediments, Hazardous Materials or deficiencies which may exist on the Closing Date, including, without limiting the generality of the foregoing, any latent or patent defects in the Purchased Assets. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to any matter including, title, encumbrances, description, fitness for purpose or use, merchantability, condition, quantity or quality, latent defects, cost, size, value, state of repair, zoning,

permitted uses, permits, compliance with Applicable Laws of Government Authorities, threatened claims, litigation, the existence or non-existence of Hazardous Materials flowing onto or from the Property or any part thereof, or in the air, surface or ground water flowing through, onto or from the Property, or any part thereof, any non-compliance with Environmental Laws including any adverse matters contained in the Reports (the “**Environmental Condition**”), compliance with any or all Environmental Laws, or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Vendor to sell or assign same save and except as expressly provided for in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and are hereby waived by the Purchaser. The descriptions of the Purchased Assets set out in this Agreement or in the Property Documents are for the purposes of identification only and no representation, warranty or condition has or will be given by the Vendor concerning the completeness or accuracy of such descriptions. The Purchaser further acknowledges that the Property Documents and all other written and oral information (including, without limitation, any analyses, financial information and projections, compilations, studies and the Plans) obtained by the Purchaser from the Vendor or the Agent with respect to the Purchased Assets or otherwise relating to the Transaction has been provided for the convenience of the Purchaser only and is not warranted to be accurate or complete. The Purchaser further acknowledges that the Vendor shall not be under any obligation to deliver the Purchased Assets to the Purchaser and that it shall be the Purchaser’s responsibility to take possession of the Purchased Assets.

- (b) notwithstanding any statutory provisions to the contrary, the Purchaser has no right to submit requisitions on title or in regard to any outstanding Work Orders, and the Purchaser shall accept the title to the Property subject to the Permitted Encumbrances and the Environmental Condition.
- (c) the various parties who prepared the Property Documents may have restricted the use thereof to the Debtor only, in their respective retainers with the Debtor and any purported conveyance of any of the Property Documents by the Vendor to the Purchaser may be subject to such limitations.
- (d) Without limiting the generality of this Section 2.2, the Purchaser acknowledges and agrees that the parties have expressly agreed to exclude from this Agreement all express or implied representations and warranties with respect to the following matters:
 - (i) the compliance of the Property with Applicable Laws, by-laws or regulations including without limitation, municipal zoning by-laws and regulations;
 - (ii) any easements, rights of way, instruments, documents, agreements or other registered or unregistered interest in the Property which impacts the

- use, enjoyment, income or development opportunities connected with the Property;
- (iii) that the present use or any future use of the Purchased Assets intended by the Purchaser is or will be lawful or permitted;
 - (iv) the execution, good standing, validity, binding effect or enforceability of the Permitted Encumbrances;
 - (v) that the Vendor has any right, title or interest in any goodwill associated with the Purchased Assets, or the use of any name associated with the operation of the Purchased Assets;
 - (vi) the description, title, condition, value, state of repair and fitness for any purpose of the Purchased Assets; and
 - (vii) the compliance of the Property with Environmental Laws, Reports or the existence or non-existence of Hazardous Materials, environmental, soil or water contamination or pollution on or about the Property, or otherwise with respect to the environmental condition of the Property;
- (e) the Property Documents and any assets lists, information packages and other material concerning the Purchased Assets or the sale thereof provided by or on behalf of the Vendor and the Agent have been prepared solely for the convenience of the Purchaser and are not warranted or represented to be complete or accurate and are not part of this Agreement (unless specifically provided in such material) and the descriptions of the Purchased Assets provided to the Purchaser are for the purposes of identification only, no conditions, warranty or representation has been or will be given by the Vendor concerning the accuracy, completeness or any other matter concerning such descriptions;
- (f) the Vendor is entering into this Agreement solely in its capacity as Receiver of the Property pursuant to the Appointment Order and not in its personal or other capacity and the Vendor and its agents (including the Vendor's Solicitors), officers, directors and employees will have no personal or corporate liability under or as a result of this Agreement, or otherwise in connection herewith;
- (g) save as to any valid objection to title made in respect of matters arising after the Acceptance Date, the Purchaser shall be conclusively deemed to have accepted the title to the Property and to have accepted the Property subject to the Permitted Encumbrances and the Environmental Condition and subject to all Applicable Laws, by-laws and regulations affecting its use. If any valid objection to title expressly permitted herein is made by the Purchaser prior to the Closing Date, which the Vendor is unwilling or unable to remove, remedy, or satisfy and which the Purchaser will not waive or is not satisfied by title insurance, then the Receiver may terminate this Agreement by notice to the Purchaser, whereupon, except as herein expressly set forth, the Deposit without interest accrued thereon shall be forthwith returned to the Purchaser in accordance with and subject to the

terms in Section 2.5 and 2.12 each of the Purchaser and the Receiver shall be released from all obligations under this Agreement;

- (h) the Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title except such of the foregoing as are in the possession or control of the Receiver;
- (i) the Purchaser acknowledges that, the Vendor has provided the Purchaser access to the Data Room and that the Purchaser has had sufficient opportunity to review, and has satisfied itself with respect to, the Property Documents. If for any reason the transaction is not completed, the Purchaser shall forthwith return the Property Documents, and delete any electronic copies of them in its possession or control. The Vendor makes no representation or warranty, express or implied, as to the accuracy or completeness of any information contained in any of the Property Documents; and
- (j) in entering into this Agreement, the Purchaser has relied and will rely entirely and solely upon its own inspections and investigations with respect to the Property and the Purchased Assets, including the physical condition and the Environmental Condition of the Purchased Assets including compliance with Applicable Laws and has relied solely upon its own judgement resulting from doing so and has not relied and will not rely on any information, written or oral, furnished by the Vendor or any other person or entities on behalf of or at the direction of the Vendor including the Agent, including with respect to value of the Purchased Assets, the development potential of the Property, adequacy, marketability, quantity, location, condition, quality, fitness or state of repair. The information in the Data Room and description of the Purchased Assets in any marketing material, listing information, and any like material delivered or made available by the Vendor and/or the Agent, the Vendor's agents or any other party on its behalf to the Purchaser or its representatives are believed to be correct, but if any misstatement, error, inaccuracy or omission (collectively the "**Inaccuracies**") is found in the them, the Purchaser shall not be entitled to any abatement, damages, reimbursement, costs or to termination of this Agreement as a result of them and the Purchaser releases the Vendor and its agents from any Claims the Purchaser had, has or may have as a result of such Inaccuracies.

2.3. Permitted Encumbrances

The Purchaser acknowledges that the Vendor is selling the Purchased Assets subject to the Assumed Liabilities and that the Vendor undertakes no obligation to discharge the Permitted Encumbrances on Closing or thereafter.

2.4. Purchase Price

The purchase price payable by the Purchaser to the Vendor for the Purchased Assets (the "**Purchase Price**") shall be an amount of \$ [REDACTED], allocated as set out in paragraph 2.7.

2.5. Deposit

The Parties acknowledge and agree that the sum of \$[REDACTED] being ten (10%) percent of the Purchase Price (the “**Deposit**”) will be delivered by the Purchaser to the Vendor’s solicitor in trust within 24 hours of acceptance of an executed copy of the Agreement by the Purchaser and the Vendor. The Deposit shall be held in a non-interest bearing account of a Canadian chartered bank or trust company, in trust and to be disbursed in accordance with the following provisions:

- (a) if the purchase and sale of the Purchased Assets is completed on the Closing Date, then the Deposit shall be released from trust and applied towards payment of the Purchase Price;
- (b) if the purchase and sale of the Purchased Assets is not completed on the Closing Date for any reason other than the default of the Purchaser hereunder, then the Deposit shall, subject to any Claim by the Vendor for damages under Section 2.12(d) herein, be released from trust and paid to the Purchaser in full satisfaction of all Claims incurred by the Purchaser as a result of such non-completion; or
- (c) if the purchase and sale of the Purchased Assets is not completed on the Closing Date as a result of the Purchaser’s default hereunder, then the Deposit shall be forfeited to the Vendor and released from trust as liquidated damages and not as a penalty and paid to the Vendor without prejudice to the Vendor’s rights to reimbursement on account of any Claim of the Vendor against the Purchaser as a result of such failure and the Vendor shall be entitled to pursue all of its rights and remedies against the Purchaser, including the resale of the Purchased Assets. Upon any such resale, the Purchaser shall pay to the Vendor: (i) an amount equal to the amount, if any, by which the Purchase Price under the Agreement exceeds the net purchase price received by the Vendor pursuant to such resale (net of any commissions and costs and expenses incurred to effect the completion of such resale including legal costs on a full indemnity basis), and (ii) an amount equal to all costs and expenses incurred by the Vendor in respect of the Transaction or occasioned by the Purchaser’s failure to comply with this Agreement.

2.6. Payment of Purchase Price

The Purchase Price shall be paid and satisfied as follows:

- (a) on Closing, the Deposit shall be released from trust and credited against the Purchase Price in accordance with Section 2.5(a); and
- (b) on Closing, the Purchase Price, subject to adjustments and minus the amount paid to the Vendor pursuant to Section 2.6(a), shall be paid to the Vendor or as the Vendor may direct in writing by way of wire transfer using the Large Value Transfer System.

2.7. Intentionally deleted.

2.8. Adjustment of Purchase Price

- (1) The Purchase Price shall be adjusted as of the Closing Date in accordance with the terms of this Agreement for any property taxes (including interest thereon, if applicable), utilities and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a Court supervised sale (the "**Adjustments**"). The Receiver shall prepare a statement of adjustments and deliver same to the Purchaser for its approval by no later than 3 Business Days prior to the Closing Date. If the amount of any Adjustments required to be made pursuant to this Purchase Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be made by the Vendor as of the Closing Date based upon the best information available to the Vendor at such time. When such cost or amount is determined, the Vendor or Purchaser, as the case may be, shall, within 30 days of determination, provide a complete statement thereof to the other and within 30 days thereafter the Vendor and the Purchaser shall make a final adjustment as of the Closing Date for the item in question. In the absence of agreement by the Parties the final cost or amount of an item shall be determined by an accountant or such other financial professional appointed jointly by the Vendor and the Purchaser, with the cost of such accountant's or other financial professional's determination being shared equally between the Parties. All re-adjustments shall be requested in a detailed manner on or before the 60th day after the Closing Date, after which time neither party shall have any right to request re-adjustment.
- (2) Other than as provided for in this section 2.8, there shall be no Adjustments to the Purchase Price.

2.9. Excluded Liabilities

Other than the Assumed Liabilities, the Purchaser shall not assume and shall not be liable for any other Liabilities of the Vendor or the Debtor.

2.10. Assumed Liabilities

From and after Closing, the Purchaser shall assume and be liable for the Assumed Liabilities. The Assumed Liabilities shall consist only of the Liabilities incurred under or in respect of:

- (a) Permitted Encumbrances;
- (b) the use of the Purchased Assets from and after the Closing Date to the extent relating to periods from and after the Closing Date; and

- (c) the Environmental Condition, and any and all Liabilities for the remediation of the soil and groundwater in, on, over, under or flowing through, onto or from the Property or any part thereof.

(the foregoing being the “**Assumed Liabilities**”).

2.11. Taxes

In addition to the Purchase Price, the Purchaser or the beneficial owner of the Property if different from the Purchaser shall pay all applicable Transfer Taxes exigible in connection with the purchase and sale of the Purchased Assets, including, without limitation, HST and Land Transfer Tax.

The Purchaser will be an HST registrant and a prescribed recipient under the ETA on or before the Closing Date and will provide its registration number to the Vendor on or before the Closing Date.

The Purchaser shall deliver, prior to Closing, a certificate in form prepared by the Vendor acting reasonably certifying that the Purchaser shall be liable for, shall self-assess and shall remit to the appropriate Government Authority all HST payable in respect of the Transaction. The Purchaser's certificate shall also include certification of the Purchaser's prescription and/or registration as the case may be, and the Purchaser's HST registration number together and the Purchaser shall indemnify and hold harmless the Vendor from and against any and all Claims, HST, penalties, costs and any interest that may become payable by or assessed against the Vendor for all Transfer Taxes arising out of, related to or connected in any way with the Property or this Transaction. If the Purchaser shall fail to deliver its certificate, then the Purchaser shall tender to the Vendor at Closing, in addition to the balance due on Closing, an amount equal to the HST that the Vendor shall be obligated to collect and remit in connection with the Transaction.

2.12. Inspections

The Vendor will permit the Purchaser, its consultants, agents and representatives to carry out, at the Purchaser's sole expense and risk, such investigations, soil tests, and environmental audits as the Purchaser, acting reasonably, may deem necessary with respect to the Property, subject to and conditional upon the following terms and conditions:

- (a) any invasive testing shall require the Vendor's written approval prior to such testing;
- (b) the Purchaser shall provide at least two Business Days' notice to the Vendor of any such tests and inspections and the Vendor will be entitled to have a representative present during all such tests and inspections;
- (c) all soil tests or environmental audits shall be coordinated with the Vendor;

- (d) any damage to the Property caused by such tests and inspections will be promptly repaired by the Purchaser and the Purchaser will indemnify and save the Vendor harmless from all Claims which the Vendor may suffer as a result of the said tests and inspections or any other breach of this Section by the Purchaser; and
- (e) prior to entering the Property to conduct the Purchaser's tests and investigations, the Purchaser shall deliver (or shall cause its representatives completing the Purchaser's investigations on its behalf to deliver) to the Vendor evidence of liability insurance coverage for at least \$2,000,000.

The Purchaser agrees that the Vendor shall be entitled to deduct from the Deposit the amount of any Claims which the Vendor may suffer as a result of a breach of this Section 2.12 by the Purchaser. To the extent that the Purchaser commissions any reports in connection with its tests and investigations of the Property, copies of all such reports shall be delivered to the Vendor at no cost to the Vendor within three (3) Business Days of issuance.

2.13. Non-Transferable and Non-Assignable Purchased Assets

To the extent that any of the Purchased Assets to be transferred to the Purchaser on the Closing, or any Claim, right or benefit arising under or resulting from such Purchased Assets (collectively, the "**Rights**") is not capable of being transferred without the approval, consent or waiver of any third Person, or if the transfer of a Right would constitute a breach of any obligation under, or a violation of, any Applicable Law unless the approval, consent or waiver of such third Person is obtained, then, except as expressly otherwise provided in this Agreement and without limiting the rights and remedies of the Purchaser contained elsewhere in this Agreement, this Agreement shall not constitute an agreement to transfer such Rights unless and until such approval, consent or waiver has been obtained. After Closing and for a period of sixty (60) days following Closing, the Vendor shall:

- (a) maintain its existence and hold the Rights in trust for the Purchaser;
- (b) comply with the terms and provisions of the Rights as agent for the Purchaser at the Purchaser's cost and for the Purchaser's benefit;
- (c) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Rights to the Purchaser; and
- (d) enforce, at the reasonable request of the Purchaser and at the expense and for the account of the Purchaser, any rights of the Vendor arising from such Rights against any third Person, including the right to elect to terminate any such Rights in accordance with the terms of such Rights upon the written direction of the Purchaser.

In order that the full value of the Rights may be realized for the benefit of the Purchaser,

the Vendor shall, at the request and expense and under the direction of the Purchaser, in the name of the Vendor or otherwise as the Purchaser may specify, take all such action and do or cause to be done all such things as are, in the reasonable opinion of the Vendor, necessary or proper in order that the obligations of the Vendor under such Rights may be performed in such manner that the value of such Rights is preserved and ensures to the benefit of the Purchaser. To the extent that such approval, consent or waiver has not been obtained by the 60th day following the Closing, such Right shall be deemed to be an excluded Purchased Asset and the Vendor may terminate any agreement pertaining to such Right unless otherwise agreed to by the Parties. The Purchaser shall indemnify and hold the Vendor harmless from and against any Claim under or in respect of such Rights arising because of any action of the Vendor taken in accordance with this Section.

2.14 Intentionally deleted.

2.15 Approval and Vesting Order

- (a) The Receiver and the Purchaser acknowledge that:
 - i. this Agreement is subject to Court approval; and
 - ii. closing of the Transaction is subject to this Agreement being determined by the Receiver to be the Successful Bid pursuant to the Sale Procedure and to the issuance of the Approval and Vesting Order.
- (b) If this Agreement is determined to be the Successful Bid (as defined in the Sale Procedure) pursuant to the Sale Procedure, the Receiver shall use its commercially reasonable efforts to promptly thereafter file and serve the Vesting Order Motion on notice to the necessary parties.
- (c) If the Purchaser is the Successful Bidder (as defined in the Sale Procedure), the Purchaser shall provide all information if any, and take any such actions as may be reasonable requested by the Receiver to assist the Receiver in obtaining the Approval and Vesting Order and any other order of the Court reasonably necessary to consummate the Transaction.
- (d) From and after the Acceptance Date, the Receiver shall provide such prior notice as may be reasonable under the circumstances before filing any materials with the Court that relate, in whole or in part, to this Agreement, the Purchaser, or the Approval and Vesting Order and shall consult in good faith with the Purchaser regarding the content of such materials prior to any such filing (provided that the Receiver shall not be obligated to incorporate the comments of the Purchaser and do any such filings).

2.16 Closing Certificate

The parties hereto acknowledge and agree that the Receiver shall be entitled to file with

the Court a certificate, substantially in the form attached to the Approval and Vesting Order (the “**Closing Certificate**”) upon receiving written confirmation from the Purchaser that all conditions to close under this Agreement have been satisfied or waived. The Receiver shall have no liability to the Purchaser or any other person as a result of filing the Closing Certificate.

2.17 Receiver's Capacity

The Purchaser acknowledges and agrees that in all matters pertaining to the Sale Procedure, this Agreement, including in its execution, the Receiver has acted and is acting solely in its capacity as Receiver and manager of the Property pursuant to the Appointment Order and not in its personal, corporate or any other capacity and the Receiver and its agents, officers, directors, employees and representatives will have no personal or corporate liability under or as a result of this Agreement, or otherwise in connection herewith.

SECTION 3 - REPRESENTATIONS AND WARRANTIES

3.1 Purchaser's Covenants

The Purchaser covenants and agrees that it will, effective on and after the Closing Date, assume and be fully responsible for:

- (a) all obligations which are to be observed or performed from and after completion of this Transaction under the Permitted Encumbrances; and
- (b) the Assumed Liabilities and any other obligations and liabilities assumed by the Purchaser as provided for by this Agreement.

3.2 Purchaser's Representations and Warranties

The Purchaser represents and warrants to the Vendor, which representation and warranties the Vendor is relying upon, that:

- (a) the Purchaser is and will be as of Closing, a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified to purchase and own the Purchased Assets;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the Transaction has been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) no consent or approval of or registration, declaration or filing with any Government Authority is required for the execution or delivery of this Agreement by the Purchaser, the validity or enforceability of this Agreement against the Purchaser, or the performance by the Purchaser of

any of its obligations hereunder;

- (d) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (e) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the Transaction and the Purchaser is not aware of any existing ground on which any action, suit or proceeding may be commenced with any reasonable likelihood of success;
- (f) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as of Closing, duly and validly executed and delivered by the Purchaser and constitute or will, as of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (g) the Purchaser is not a non-Canadian person as defined in the *Investment Canada Act*;
- (h) The Purchaser has now and will have on the Closing Date the financial resources to complete this transaction in accordance with the terms of this Agreement; and
- (i) the Purchaser is registered or will be registered on Closing under Part IX of the ETA.

3.3 Record of Site Condition in the Environmental Registry

If at any time following Closing the Purchaser, in its sole discretion, elects to file a Record of Site Condition ("**RSC**") in respect of any Property, then the following clause will be deemed to have formed part of this Agreement as at the time of execution hereof, in respect only of the Property for which the RSC is filed:

"The Purchaser covenants and agrees that following the Closing, it shall file, at its sole cost and expense, a Record of Site Condition in the Environmental Registry as contemplated under s.168.4 of the Environmental Protection Act for the Property."

On Closing, the Purchaser shall deliver an indemnity in favour of the Vendor in which it

agrees to indemnify and save the Vendor harmless from any and all Claims incurred by the Vendor in the event the Purchaser fails to make such filings.

3.4 Receiver's Representations

The Receiver represents and warrants to the Purchaser as follows:

- (a) the Receiver has been duly appointed as the receiver of the Purchased Assets pursuant to the Appointment Order and has full right, power and authority, subject to obtaining the Approval and Vesting Order prior to Closing, to sell the Purchased Assets, in accordance with the terms and conditions of this Agreement and the Approval and Vesting Order; and
- (b) the Receiver is not a non-resident of Canada for purposes of Section 116 of the *Income Tax Act* (Canada).

3.5 Survival of Representations, Warranties and Covenants

The representations, warranties, agreements and covenants made by the Purchaser herein or in any other agreement, certificate or instrument delivered by the Purchaser to the Vendor pursuant to this Agreement shall survive the Closing, and notwithstanding the Closing, shall continue in full force and effect for the benefit of the Vendor, without limitation.

SECTION 4 — CONDITIONS

4.1 Purchaser Closing Conditions

The obligation of the Purchaser to complete the Transaction is subject to the following conditions precedent being fulfilled or performed at or prior to the Closing Date (the **"Purchaser Closing Conditions"**):

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Closing Date in all material respects with the same effect as though made on and as of that date;
- (b) the Vendor shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing in all material respects and shall have executed and delivered or caused to have been executed and delivered to the Purchaser at Closing all the documents contemplated in Section 5.3 or elsewhere in this Agreement;
- (c) intentionally deleted;
- (d) the Appointment Order and the Approval and Vesting Order shall be Final Orders and no order shall have been issued which restrains or prohibits the completion of the Transaction; and

- (e) the Receiver shall have determined in accordance with the Sale Procedure that this Agreement is the Successful Bid.
- (f) This Agreement is subject to the following conditions {the "Due Diligence Condition") These conditions are included for the sole benefit of the Purchaser the compliance with which shall be a condition precedent to any obligation hereunder on the part of and any of which may be waived by the Purchaser in writing in its sole absolute and unfettered discretion. If the Purchaser is not satisfied on its sole, absolute and unfettered discretion with any of the foregoing it may by notice in writing to the Vendor or the Vendor's lawyer given on or before Due Diligence Date, terminate this Agreement whereupon the Agreement shall be null and void and of no further force or effect and the Deposit shall be returned forthwith to the Purchaser together with all interest accrued thereon and without deduction of any kind and neither party shall have any further liability to the other. Following acceptance of this Agreement, there shall be a due diligence period of ~~Sixty~~ ^{Thirty} Days from the acceptance of this Agreement {the "Due Diligence Date") by the Due Diligence Date the Purchaser in its sole absolute and unfettered discretion shall have been satisfied with the following
- (g) 1) The environmental condition of the Property including the soil and including without limitation with the results of a Phase I environmental site assessment;
- (h) 2) The physical condition of the Property and the structures thereon including without limitation with the results of the building inspection; The Vendor agrees to cooperate in providing access to the property, if necessary, for any inspection of the property required for the fulfillment of this condition.
- (i) 3) Any governmental orders physical and engineering inspections of the Property compliance with all applicable laws and regulations, any agreements with third parties affecting the Property environmental audits, soil tests and any other matters of interest to the Purchaser with respect to the Property;
- (j) 4) The Purchaser's satisfactory review of title to the Property
- (k) 5) The Purchaser's satisfaction with the economic feasibility of acquiring the Property.
- (l) 6) The Purchaser determines, at the Purchaser's expense, that no portion of the property has been designated as hazard land, flood plain, or an environmentally protected zone. Due diligence process which includes but is not limited to technical feasibility, legal, tax, regulatory, building permits, environmental, municipal approvals, the viability of rezoning the Property and/or as to the feasibility of the development of the Property and

any other approvals which are customary for this type of project. The Due Diligence Condition is inserted herein for the sole and exclusive benefit of the Purchaser and the Purchaser may at its option waive the fulfillment of the Due Diligence Condition in whole or in part by notice in writing to the Vendor or the Vendor's lawyer (without prejudice to its rights to declare that any other part or parts of the due Diligence Condition is not fulfilled)) and in the event that the Purchaser is satisfied in its sole absolute and unfettered discretion as to all of the foregoing or has waived the same within the aforesaid time period, then this Agreement shall be completed in accordance with its terms. If the Purchaser does not give written notice to the Vendor or the Vendor's lawyer on or before the Due Diligence Date as to whether or not the Purchaser is satisfied with the fulfillment of the due Diligence Condition, then the Purchaser shall be deemed to have terminated this Agreement. The Vendor shall not call for the delivery by the Purchaser of any material pertaining to or relating to the Purchaser's due diligence activities nor shall the Purchaser be obligated provide any evidence to substantiate its due diligence activities or conclusion.

The Purchaser Closing Conditions are for the exclusive benefit of the Purchaser. Any Purchaser Closing Condition may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

4.2 Purchaser Closing Conditions Not Fulfilled

If any Purchaser Closing Condition has not been fulfilled at or prior to Closing, then the Purchaser in its sole discretion may, either:

- (a) terminate this Agreement by notice to the Vendor, in which event the Purchaser shall be released from its obligations under this Agreement and the Deposit shall be promptly returned to the Purchaser in accordance with and subject to the provisions of Section 2.5 hereof; or
- (b) waive compliance with any such Purchaser Closing Condition, without prejudice to its right of termination in the event of non-fulfillment of any other Purchaser Closing Condition.

4.3 Vendor Closing Conditions

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Date (the "**Vendor Closing Conditions**"):

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date in all material respects with the same effect as though made on and as of that date;
- (b) the Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing in all material respects and shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents contemplated in Section 5.2 or elsewhere in this Agreement;
- (c) there shall be no litigation or proceedings pending against the Vendor, in respect of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper;
- (d) The Receiver shall have determined in accordance with the Sale Procedure that this Agreement is the Successful Bid; and
- (e) On the closing date, the Appointment Order and the Approval and Vesting Order shall be Final Orders and no order shall have been issued which restrains or prohibits the completion of the Transaction.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. The Closing of the Transaction shall deem all conditions to be waived or satisfied.

4.4 Vendor Closing Conditions Not Fulfilled

If any Vendor Closing Condition shall not have been fulfilled at or prior to Closing, then the Vendor in its sole subjective discretion may, without limiting any rights or remedies available to the Vendor at law or in equity, either:

- (a) terminate this Agreement by notice to the Purchaser in which event the Vendor shall be released from all obligations under this Agreement and, unless the Vendor Closing Condition that was not fulfilled was the Vendor Closing Condition contained in Section 4.3(c), the Deposit shall be retained by the Vendor in accordance with the provisions of Section 2.5 hereof; or
- (b) waive compliance with any such Vendor Closing Condition without prejudice to its right of termination in the event of non-fulfillment of any other Vendor Closing Condition.

4.5 Approval and Vesting Order

The obligations of the Vendor and the Purchaser hereunder are subject to the mutual

condition that the Vesting Order shall have been made by the Court on a date to be determined by the Receiver approving this Agreement and the Transaction and vesting in the Purchaser all the right, title and interest of the Debtor in the Purchased Assets free and clear of all Encumbrances, other than the Permitted Encumbrances. The Parties hereto acknowledge that the foregoing condition has been inserted for the mutual benefit of the Parties and is incapable of waiver. In the event that said condition has not been fulfilled by the aforesaid date, the Transaction shall automatically be deemed to be null and void and of no further force and effect as of said date and provided that the Purchaser is not in default of its obligations hereunder, the Deposit shall be promptly returned to the Purchaser in accordance with and subject to the provisions of Section 2.5 hereof. The Parties further acknowledge that the Application to the Court for the Vesting Order will be made as soon as reasonably practical after the binding Agreement is entered into by the Parties.

SECTION 5 — CLOSING

5.1. Closing

The completion of the Transaction shall take place on the Closing Date as specified in this Agreement or as otherwise determined by mutual agreement of the Parties in writing.

 ~~The Closing Date shall be 60 days after the Due Diligence date or when all conditions as specified in the Agreement for the benefit of the Purchaser have been waived.~~ The Closing Date shall be subject to the approval of the Vesting Order, if the approval of the Vesting Order has not been received, then the Closing Date shall be extended ("Extended Closing Date") for a further period of 60 days. In the event that the approval has not been received by the Extended Closing Date, then the Purchaser shall have the right to terminate this Agreement in writing to the Vendor or to the Vendor's Solicitor at his absolute and sole discretion and the Deposit shall be returned to the Purchaser in full without interest or deduction.

5.2. Purchaser's Deliveries on Closing

On or before Closing, the Purchaser shall execute or deliver as applicable, to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the Purchase Price;
- (b) a certificate, dated as of the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (c) an acknowledgement dated as of the Closing Date, that each of the

Purchaser Closing Conditions have been fulfilled, performed or waived as of the Closing Date;

- (d) assignment of the Purchased Assets and assumption of the Assumed Liabilities with an indemnification by the Purchaser in favour of the Vendor for any Claims under the Assumed Liabilities;
- (e) the certificate and indemnity provided for under Section 2.11;
- (f) an undertaking to re-adjust any item on or omitted from the statement of adjustments subject to 60 day limitation period in Section 2.8;
- (g) an environmental release and indemnity indemnifying and holding the Vendor harmless from any and all damages, claims, actions, losses, costs, liabilities or expenses (collectively "**Damages**") suffered or incurred by the Vendor, directly or indirectly, as a result of or in connection with any of the following, and without restricting the generality of the foregoing, which include Damages incurred in addressing an administrative order by a Government Authority or in addressing a notice, investigation or other process which could reasonably be anticipated to result in such an order:
 - (i) the presence, release, or the threat of a release of any Hazardous Materials in, on or under the Property;
 - (ii) the presence of any Hazardous Materials in, on or under properties adjoining or proximate to the Property;
 - (iii) any other environmental matters relating to the Property;
 - (iv) the breach of any Environmental Laws applicable to the Property;
 - (v) the release or threatened release of any Hazardous Materials owned, managed, generated, disposed of, controlled or transported by or on behalf of the Purchaser;
 - (vi) the Environmental Condition; or
 - (vii) the Indemnity provided for in Schedule 3.3; and
- (h) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

5.3 Vendor's Deliveries on Closing

- (a) On or before the Closing, the Vendor shall execute and deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:
 - (i) statement of adjustments;

- (ii) an acknowledgement dated as of the Closing Date, that each of the Vendor Closing Conditions have been fulfilled, performed or waived as of the Closing Date;
 - (iii) an assignment of the Purchased Assets and assumption of the Assumed Liabilities with an indemnification by the Purchaser in favour of the Vendor for any Claims under the Assumed Liabilities;
 - (iv) assignment of all Leases;
 - (v) the Approval and Vesting Order; and
 - (vi) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.
- (b) Upon the completion of the deliveries pursuant to Section 5.2 and 5.3(a), the Vendor shall immediately file a certificate with the Court (the **"Receiver's Certificate"**) that the Transaction has been completed and title to the Property shall vest in the Purchaser effective immediately upon the filing with the Court of the Receiver's Certificate and shall deliver to the Purchaser a copy of same.

5.4 Risk

The Purchased Assets shall be and remain at the risk of the Vendor until Closing. From and after Closing, the Purchased Assets shall be at the risk of the Purchaser. In the event that the Purchased Assets shall be damaged prior to Closing, then the Vendor shall advise the Purchaser in writing within twenty-four (24) hours of the Vendor learning of same. In the event that the Purchased Assets shall be materially damaged prior to Closing then the Vendor shall be entitled, in its sole and absolute discretion, to elect to terminate this Agreement by notice, in writing, to the Purchaser and in such event the Parties hereto shall be released from all obligations and liabilities hereunder. If the Vendor shall not elect to terminate this Agreement as set out above, then the Transaction shall be completed in accordance with the terms and conditions hereof and the Purchaser shall be entitled to all proceeds of insurance payable in respect thereof, if any.

5.5 Termination

If either the Vendor or the Purchaser validly terminates this Agreement pursuant to the provisions of Sections 4.2, 4.4, 4.5 or 5.4:

- (a) all the obligations of both the Vendor and Purchaser pursuant to this Agreement shall be at an end; and
- (b) the Purchaser shall have no right to specific performance or any other remedy against, or any right to recover on account of any Claim it may

have from, the Vendor.

5.6 Breach by Purchaser

If all of the Purchaser Closing Conditions have been complied with or waived by the Purchaser and the Purchaser fails to comply with the terms of this Agreement, the Vendor may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In addition, the Purchaser shall pay to the Vendor, on demand, the deficiency, if any, arising upon such resale (after deducting the expenses of resale) together with interest and all other damages or charges occasioned by or resulting from the default by the Purchaser.

5.7 Electronic Registration

In the event that a system for electronic registration ("**Ereg**") is operative and mandatory in the applicable land registry office, the Purchaser agrees to cause all necessary procedures to be taken, as may be required by the Vendor or the Vendor's solicitors, to complete the Transaction using Ereg in accordance with the Law Society of Ontario's (the "**LSO**") guidelines. If Ereg is operative on the Closing Date, (i) the Purchaser agrees to use a lawyer authorized to use Ereg and who is in good standing with the LSO, (ii) the Purchaser's solicitors will enter into the Vendor's solicitors' standard form of escrow closing agreement or document registration agreement, which will establish the procedures for closing the Transaction provided same are in accordance with LSO guidelines, and (iii) if the Purchaser's solicitors are unwilling or unable to complete the Transaction using Ereg, then the Purchaser's solicitors must attend at the Vendor's solicitors' office or at another location designated by the Vendor's solicitors at such time on Closing as directed by the Vendor's solicitors to complete the Transaction using Ereg utilizing the Vendor's solicitors' computer facilities, in which event, the Purchaser shall pay to the Vendor's solicitors a reasonable fee therefor.

SECTION 6 - GENERAL

6.1. Further Assurances

Each of the Parties shall, from time to time after the Closing Date, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

6.2. Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by electronic transmission, addressed:

in the case of the Purchaser, as follows:

Attention: Arjun Anand
Telephone No: 647 502-9954

Email:

and in the case of the Vendor, as follows:

TDB Restructuring Limited, Court-Appointed
Receiver of 5004591 Ontario Inc.
11 King Street West
Suite 700, PO Box 27
Toronto, ON M5H 4C7

Attention: Arif Dhanani
Email: adhanani@tdbadvisory.ca

with a copy to:

Garfinkle Biderman LLP
801-1 Adelaide Street East
Toronto, ON M5C 2V9

Attention: Avrom W. Brown
Email: abrown@garfinkle.com

and a copy to:

Colliers Macaulay Nicolls Inc.
181 Bay Street, Suite 1400
Toronto, ON M5J 2V1

Attention: Steve Keyzer
Email: steve.keyzer@colliers.com

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by electronic transmission before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on that Business Day, and if transmitted by electronic transmission after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

6.3. Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors.

6.4. Currency

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

6.5. Benefit of Agreement

This Agreement shall ensure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns, provided that the Purchaser shall not assign the benefit of this Agreement without the prior written consent of the Vendor; provided the Purchaser may assign its rights and obligations under this Agreement to an “affiliate” of the Purchaser (as such term is defined in the *Business Corporations Act* (Ontario)), provided that the Purchaser remains liable, jointly, with such affiliate for all the obligations of the Purchaser hereunder. To the extent that any such assignment occurs, this Agreement and all provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

6.6. Amendments and Waiver

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Purchaser and the Vendor. The Vendor and the Purchaser may consent to any such amendment at any time prior to the Closing with the prior authorization of their respective boards of directors.

6.7. Entire Agreement

This Agreement and the attached Schedules constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the Party to be bound thereby. Subject to the Approval and Vesting Order being issued by the Court, this Agreement is intended to create binding obligations on the part of the Vendor as set forth herein and on acceptance by the Purchaser, is intended to create binding obligations on the part of the Purchaser, as set out herein.

6.8. Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

6.9. Severability

If any provision of this Agreement or any document delivered in connection with this

Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

6.10. Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

6.11. Commission

The Vendor shall be responsible for any commissions to the Agent. Any other commissions payable to any other party shall be the responsibility of the Purchaser.

6.12. Certain Words

In this Agreement, the words "including" and "includes" means "including (or includes) without limitation", and "third party" means any Person who is not a Party.

6.13. Statutory References

All references to any statute is to that statute or regulation as now enacted or as may from time to time be amended, re-enacted or replaced and includes all regulations made thereunder, unless something in the subject matter or context is inconsistent therewith or unless expressly provided otherwise in this Agreement.

6.14. Actions to be Performed on a Business Day

Whenever this Agreement provides for or contemplates that a covenant or obligation is to be performed, or a condition is to be satisfied or waived on a day which is not a Business Day, such covenant or obligation shall be required to be performed, and such condition shall be required to be satisfied or waived on the next Business Day following such day.

6.15. No Registrations

The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document providing evidence of this Agreement against title to the Property. Should the Purchaser be in default of its obligations under this Section, the Vendor may (as agent and attorney of the Purchaser) cause the removal of such notice of this Agreement, caution, certificate of pending litigation or other document providing evidence of this Agreement or any assignment of this Agreement from the title to the Property and the Purchaser shall be deemed to be in default of its obligations hereunder. The Purchaser irrevocably nominates, constitutes and appoints the Vendor as its agent and attorney in fact and in

law to cause the removal of such notice of this Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Property. The Purchaser acknowledges and agrees that until Closing, the Purchaser has no interest in the Property whatsoever, notwithstanding anything to the contrary herein.

6.16. Strict Construction

Each Party acknowledges that it and its legal counsel have reviewed and participated in settling the terms of this Agreement and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the interpretation of this Agreement.

6.17. No Third Party Beneficiaries

This Agreement shall be binding upon and enure solely to the benefit of each of the Parties hereto and its permitted assigns and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement. Nothing in this Agreement shall be construed to create any rights or obligations except between the Parties, and no person or entity shall be regarded as a third party beneficiary of this Agreement. Each of the Parties agrees that all provisions of this Agreement, and all provisions of any and all documents and security delivered in connection herewith, shall not merge and except where otherwise expressly stipulated herein, survive the closing of the Transaction.

6.18. Planning Act

This Agreement is entered into subject to the express conditions that it is to be effective only if the provisions of Section 50 of the *Planning Act* (Ontario) and amendments, are complied with.

6.19. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or electronic mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

6.21 Expenses

Each Party shall be responsible for its own legal and other expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transaction and for the payment of any broker's commission, finder's fee or like payment payable by it in respect of the purchase and sale of the Purchased Assets pursuant to this Agreement.

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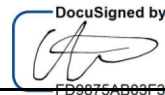
6.22 Announcements

Except as required by law including applicable regulatory and stock exchange requirements, all public announcements concerning the Transaction shall be jointly approved as to form, substance and timing by the Parties after consultation.

The Parties have executed this Agreement by their duly authorized officers.

**TDB RESTRUCTURING LIMITED in its
capacity as Court-Appointed Receiver and not in
its personal capacity**

Per: 
Name: Arif Dhanani, CPA, CA, CIRP, LIT
Title: Managing Director

Per: 
Name: Arjun Anand, B. Eng, MBA, CFA
Title: Director, Ambros Family Office

Schedule “A”**Property****PIN No. 10306-0064 (LT) – 2849 Islington Avenue**

Part Lot 22 Concession 6 WYS Township of York as in NY735134; Toronto (N York), City of Toronto

PIN No. 10306-0035 (LT) – 2857 Islington Avenue

Part Lot 2 Plan 9059 North York as in TB379983; Toronto (N York), City of Toronto

PIN No. 10306-0034 (LT) – 2855 Islington Avenue

Part Lot 2 Plan 9059 North York as in TB379984; Toronto (N York), City of Toronto

PIN No. 10306-0033 (LT) – 2853 Islington Avenue

Part Lot 1 Plan 9059 North York as in TB221318; Toronto (N York), City of Toronto

PIN No. 10306-0032 (LT) – 2851 Islington Avenue

Part Lot 1 Plan 9059 North York as in TR92058; Toronto (N York), City of Toronto

Schedule “B”

Permitted Encumbrances

“Permitted Encumbrances” means the following:

1. The exceptions and qualifications contained in Section 44(1) of the *Land Titles Act*, R.S.O. 1990, and any amendments thereto or any successor legislation, except paragraph 11;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements or rights of way in favour of any governmental authority or public utility provided that none of the foregoing interfere in any material adverse respect with the current use of the Property;
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due;
5. All agreements and easements, registered or otherwise, for utilities and services for hydro, water, heat, power, sewer, drainage, cable and telephone serving the Property, adjacent or neighbouring properties, provided none of the foregoing interfere in any material adverse respect with the current use of the Property;
6. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property provided that in either case same do not materially adversely impair the use, operation, or marketability of the Property;
7. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
8. Any breaches of any Applicable Laws, including Work Orders;
9. Any subdivision agreements, site plan agreements, developments and any other agreements with the Municipality, Region, publicly regulated utilities or other governmental authorities having jurisdiction;
10. Minor title defects, if any, that do not in the aggregate materially affect the use of the Property for the purposes for which it is used on the date of acceptance of this Agreement;
11. The following specific instruments registered on title against the Property:

Permitted Encumbrances related to the Property
(unaffected by the Approval and Vesting Order)

Reg. Num.	Date	Instrument Type	Parties To
NY524794	November 21, 1967	Agreement	The Corporation of the Borough of North York
NY579166	July 20, 1970	By-law exempting Part Lot Control	
NY593705	May 12, 1971	Agreement	The Borough of North York
NY608306	December 29, 1971	Agreement	The Corporation of the Borough of North York
NY620929	July 28, 1972	Municipal By-law	
NY632269	January 29, 1973	Notice of Airport Zoning Regulations	Department of Transportation
TB379984	December 29, 1986	Statutory Declaration of Anthony Dilena	
TR57844	March 27, 2000	Notice	Her Majesty the Queen in Right of the Department of Transport Canada
AT4601553	June 19, 2017	Section 37 Agreement	City of Toronto
AT4601554	June 19, 2017	Rental Housing Agreement	City of Toronto
AT4601555	June 19, 2017	Restriction preventing any Transfer or Charge of the lands or any part thereof without the prior written consent of the Chief Planner, of the City of Toronto	
AT4867240	May 18, 2018	Site Plan Agreement	City of Toronto

Schedule “C”**Excluded Assets**

SCHEDULE D**Sale Procedure**

Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated December 6, 2023 and effective December 22, 2023 (the "**Appointment Order**"), RSM Canada Limited was appointed receiver and manager, without security, of the lands and premises set out on **Schedule "B"** attached hereto (the "**Property**") owned by the Debtor(s) and of all of the assets, undertakings and properties of the Debtor(s) acquired for, or used in relation to the Property, including all proceeds thereof.

Pursuant to the Substitution Order of the Ontario Court of Justice (Commercial List) dated March 1, 2024, (the "**Substitution Order**") the name of TDB Restructuring Limited ("**Receiver**") was substituted in the place of the name of RSM Canada Limited.

Accordingly, the following Sale Procedure shall govern the sales process relating to the solicitation by the Receiver of one or more Bids for the Property.

All denominations are in Canadian Dollars.

1. Definitions

Capitalized terms used in this Sale Procedure shall have the definitions given to them in the preamble hereto and as follows:

"Acknowledgement of Sale Procedure" means an acknowledgement of the Sale Procedure in the form attached as **Schedule "A"** hereto;

"Agreement of Purchase and Sale" shall be the form of Agreement uploaded to Dataroom;

"Back-up Bid" means the next highest and/or best Qualified Bid after the Successful Bid, as assessed by the Receiver, taking into account financial and contractual terms and the factors relevant to the Sale Procedure, including those factors affecting the speed and certainty of consummating the proposed sale;

"Back-up Bidder" means the Bidder that submits the Back-up Bid;

"Bid" means a bid submitted by a Bidder pursuant to Section 7 hereof;

"Bid Deadline" means 4 p.m. (Toronto time) on June 3, 2024;

"Bidder" means a party that submits a Bid in accordance with Section 8;

"Confidential Data Room" means a private data room prepared and maintained by the Receiver or the Listing Agent containing confidential information in respect of or related to the Property;

"Confidential Information" means the confidential information in the Confidential Data Room;

"Confidentiality Agreement" means an executed confidentiality agreement in form and substance acceptable to the Receiver and its counsel;

"Debtor(s)" means, collectively, 5004591 Ontario Inc.;

"Encumbrances" means, collectively, all pledges, liens, security interests, encumbrances, claims, charges, options, and interests;

"Good Faith Deposit" means a cash deposit in an amount equal to 10% of the purchase price as set out in the Agreement of Purchase and Sale;

"Interested Party" means a party participating in this Sale Procedure;

"Listing Agent" shall mean Colliers Macaulay Nicolls Inc.;

"Notice Parties" means the Receiver, its counsel and the Listing Agent;

"Participant Requirements" has the meaning set out in Section 4 hereof;

"Qualified Bid" means a Bid that satisfies the conditions set out in Section 7 hereof as determined by the Receiver;

"Qualified Bidder" means a Bidder submitting a Qualified Bid;

"Sale Hearing" means a Court hearing on motion by the Receiver for an Order to approve the sale of the Property to the Successful Bidder;

"Successful Bid" means the highest and best Qualified Bid as determined by the Receiver, taking into account financial and contractual terms and the factors relevant to the Sale Procedure, including the Expense Reimbursement, if applicable, and those factors affecting the speed and certainty of consummating the proposed sale; and

"Successful Bidder" means the Bidder that submits the Successful Bid.

2. Assets for Sale

The Receiver is soliciting offers for all of and not less than all of the right, title and interest of the Receiver and the Debtor(s) in and to the Property.

3. Sale Procedure Structure and Bidding Deadlines

Interested Parties that meet the Participant Requirements shall be given access to the Confidential Information in the Confidential Data Room.

All Bids must be submitted to the Notice Parties by email in accordance with the terms of this Sale Procedure so that they are actually received by each of the Notice Parties no later than the Bid Deadline.

A Bid received after the Bid Deadline shall not constitute a Bid and shall be disqualified. A Bid shall be delivered to all Notice Parties at the same time.

4. Participant Requirements

To participate in the Sale Procedure and to otherwise be considered for any purpose hereunder, each Interested Party must provide the Receiver with each of the following: (i) an executed Confidentiality Agreement; and (ii) an executed Acknowledgement of Sale Procedure (collectively, the "**Participant Requirements**").

5. Access to Due Diligence Materials

Only Interested Parties that satisfy the Participant Requirements ("**Potential Bidders**") will be eligible to receive access to the Confidential Data Room.

The Receiver and the Listing Agent will be responsible for the coordination of all reasonable requests for additional information and due diligence access from Potential Bidders. Neither the Receiver nor the Listing Agent shall be obligated to furnish any due diligence information after the Bid Deadline. Neither the Receiver nor the Listing Agent, nor their agents, shall be responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Property, or any of them.

6. Information from Interested Parties

Each Potential Bidder shall comply with all reasonable requests for additional information by the Receiver and/or the Listing Agent regarding such Potential Bidder and its contemplated transaction. Failure by a Potential Bidder to comply with requests for additional information will be a basis for the Receiver to determine that the Potential Bidder is not a Qualified Bidder.

7. Bid Requirements

In order to be considered a Qualified Bid, as determined by the Receiver, a Bid must satisfy each of the following conditions:

- a) Written Submission of Agreement of Purchase and Sale. The Bid must be submitted by the Bid Deadline. The Agreement of Purchase and Sale must constitute a written and binding commitment to close on a transaction for the purchase of the Property, on the terms and conditions set forth therein;
- b) Irrevocable. A Bid must be received by the Bid Deadline, in accordance with Section 3 above, and must be irrevocable until the date on which the Receiver obtains court approval of the Successful Bid, subject to the provisions hereof regarding the Back-up Bid being deemed to be the Successful Bid;
- c) Conditions. A Bid may not be conditional on obtaining financing or any internal approval or on the outcome or review of due diligence. Any other terms and

conditions associated with a Bid may not, in aggregate, be more burdensome in the sole and exclusive opinion of the Receiver;

- d) **Financing Sources.** A Bid must be accompanied by: (i) written evidence of a commitment for financing or other evidence of the Bidder's ability to close on the Agreement of Purchase and Sale satisfactory to the Receiver; (ii) appropriate contact information for such financing sources; and (iii) names of all principals of the Purchaser together with names of all development partners whether corporate or personal in sufficient detail to allow the Receiver to make a determination as to the Purchaser's ability to complete the transaction in accordance with the terms of the Agreement of Purchase and Sale;
- e) Intentionally deleted.
- f) **Good-Faith Deposit.** Each Bid must be accompanied by a Good Faith Deposit that shall be paid to the Receiver's counsel by wire transfer or banker's draft, to be held by the Receiver's counsel in trust in accordance with this Sale Procedure and which shall constitute the Deposit under the Agreement of Purchase and Sale; and
- g) Intentionally deleted.

The Receiver shall be entitled to seek additional information and clarifications from Bidders in respect of their Bids at any time.

8. Intentionally deleted.

9. Designation as Qualified Bidder

Following the Bid Deadline, the Receiver shall determine which Bidders are Qualified Bidders. The Receiver shall notify each Bidder of its determination as to whether the Bidder is a Qualified Bidder as soon as practicable after the Bid Deadline.

10. Determination of Successful Bid

If one or more Qualified Bids is received by the Bid Deadline, the Receiver may by a date to be determined by the Receiver: (i) conduct an auction amongst the Qualified Bidders, on terms to be determined by the Receiver and communicated to the Qualified Bidders; and/or (ii) negotiate with the Qualified Bidders to determine the Successful Bid and the Back-up Bid, if any.

Upon determination of the Successful Bid and the Back-up Bid, if any, the Receiver shall, as soon as reasonably practicable, seek Court approval of, and authority to consummate, the Agreement of Purchase and Sale included in the Successful Bid and the transactions provided for therein. The Receiver shall post notice of its application to Court for approval of the Successful Bid on its website established pursuant to the Appointment Order.

If no Qualified Bid is received by the Bid Deadline, then the Sale Procedure shall be terminated.

11. Intentionally deleted.**12. Acceptance of Successful Bid**

Subject to the terms of the Agreement of Purchase and Sale, the Receiver will be deemed to have accepted a Successful Bid only when the Successful Bid has been approved by the Court. The Receiver will be deemed to have accepted a Back-up Bid only when it has been approved by the Court and has been deemed to be a Successful Bid.

13. Intentionally deleted.**14. "As Is, Where Is"**

The sale of the Property, pursuant to this Sale Procedure shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Receiver, the Listing Agent or their respective officers, directors, employees, representatives or agents, except to the extent set forth in the Successful Bid. Each Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its Bid, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the Property in making its Bid, and that it did not, does not, and will not rely on any written or oral statements, representations, promises, warranties, conditions or guarantees whatsoever, whether express or implied or arising by operation of law or otherwise, regarding the Property, made by the Receiver, the Listing Agent or their respective officers, directors, employees, representatives or agents or the accuracy or completeness of any information provided in connection therewith, except as expressly stated in this Sale Procedure or as to another Successful Bidder, the applicable Agreement of Purchase and Sale.

15. Free Of Any and All Encumbrances

Except as otherwise provided in the Successful Bid, the Property shall be sold free and clear of all Encumbrances, except the Permitted Encumbrances, in accordance with an approval and vesting order of the Court, with all Encumbrances on or against the Property that are sold, other than the Permitted Encumbrances, to attach to the net proceeds of the sale of such Property after completion of such sale under a Successful Bid.

16. Back-up Bid

If the Successful Bid is approved by the Court and the Successful Bidder fails to consummate the transaction in accordance with the terms and conditions of the Successful Bid, the Receiver shall be entitled, but not required, to deem the Back-up Bid the Successful Bid. The Receiver may seek the Court's approval to consummate the transaction with the Back-up Bidder at the Sale Hearing on a conditional basis, or may seek such approval in the event that it deems the Back-up Bid to be the Successful Bid under this section.

17. Return of Good Faith Deposit

Good Faith Deposits of all Qualified Bidders shall be held in a non-interest bearing account of the Receiver's counsel. Good Faith Deposits of all Qualified Bidders, other than the Successful Bidder and the Back-up Bidder, shall be returned, without interest, to such

Qualified Bidders within three (3) business days after the selection of the Successful Bidder and the Back-up Bidder. Good Faith Deposits of the Successful Bidder shall be applied to the purchase price of such transaction at closing. The Good Faith Deposit of the Back-up Bidder shall be returned, without interest, to the Back-up Bidder within three (3) business days after the closing of the transaction(s) contemplated by the Successful Bid. If a Successful Bidder (including any Back-up Bidder deemed to be a Successful Bidder hereunder) fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder, the Receiver shall be entitled to retain the Good Faith Deposit of the Successful Bidder as part of its damages resulting from the breach or failure to perform by the Successful Bidder. If the Successful Bidder fails to consummate an approved sale for any reason, and a transaction is completed with the Back-up Bidder, the Good Faith Deposit of the Back-up Bidder shall be applied to the purchase price of the transaction(s) contemplated by the Agreement of Purchase and Sale of the Back-up Bidder at closing.

18. Modifications and Reservations

This Sale Procedure may be modified or amended by the Receiver, provided that if such modification or amendment materially deviates from this Sale Procedure, such modification or amendment may only be made by order of the Court.

Schedule "A"**ACKNOWLEDGEMENT**

TO: TDB Restructuring Limited, in its capacity as court-appointed receiver and manager of the lands and premises described on Schedule "B" (the **"Property"**) (the **"Receiver"**)

RE: The sale procedure with respect to the sale by the Receiver of the Property (the **"Sale Procedure"**)

The undersigned hereby acknowledges receipt of, and its agreement with, the Sale Procedure.

DATED this 7Th day of October, 2024.

DocuSigned by:


Per: _____

Name: Arjun Anand In Trust For A Company To Be Formed

Title: Ambros Family Office Director

Per: _____

Name:

Title:

I/We have authority to bind the corporation.

Schedule “B”**PROPERTY****PIN No. 10306-0064 (LT) – 2849 Islington Avenue**

Part Lot 22 Concession 6 WYS Township of York as in NY735134; Toronto (N York), City of Toronto

PIN No. 10306-0035 (LT) – 2857 Islington Avenue

Part Lot 2 Plan 9059 North York as in TB379983; Toronto (N York), City of Toronto

PIN No. 10306-0034 (LT) – 2855 Islington Avenue

Part Lot 2 Plan 9059 North York as in TB379984; Toronto (N York), City of Toronto

PIN No. 10306-0033 (LT) – 2853 Islington Avenue

Part Lot 1 Plan 9059 North York as in TB221318; Toronto (N York), City of Toronto

PIN No. 10306-0032 (LT) – 2851 Islington Avenue

Part Lot 1 Plan 9059 North York as in TR92058; Toronto (N York), City of Toronto

This is **Exhibit 3** to the affidavit
of Simion Kronenfeld sworn by
the deponent on July 17, 2026 in
the City of Bucharest Romania,
before me at the City of Toronto,
in the Province of Ontario, on
July 17, 2026 in accordance with
O. Reg. 431/20, Administering
Oath or Declaration Remotely.



.....

Commissioner for taking Affidavits (or as may
be)

Dale Denis

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

-and-

CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC.

Respondents

FACTUM OF THE RECEIVER FOR APPROVAL AND VESTING ORDER MOTION
(Returnable December 4, 2024)

December 2, 2024

Paliare Roland Rosenberg Rothstein LLP

155 Wellington Street West, 35th Floor

Toronto ON M5V 3H1

Tel: 416.646.4300

Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)

Tel: 416.646-4330

jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)

Tel: 416.646-6356

ryan.shah@paliareroland.com

**Lawyers for the Receiver, TDB Restructuring
Limited**

TO: Service List

PART I. OVERVIEW

1. This motion is brought by TDB Restructuring Limited in its capacity as the Court-appointed receiver (the “**Receiver**”) of the lands and premises municipally known as 311 Conacher Drive, Kingston, Ontario (the “**Kingston Property**”) and 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the “**Toronto Property**” and together with the Kingston Property, the “**Properties**”), for, among, other things, the approval of the sale of the Toronto Property.

2. In particular, the Receiver seeks Orders:

- (i) approving the sale transaction (the “**Transaction**”) in respect of the Toronto Property, as contemplated by an asset purchase agreement between the Receiver and Arjun Anand, in trust (the “**Toronto Purchaser**”), dated September 26, 2024 (the “**APS**”);
- (ii) following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed Approval and Vesting Order (the “**AVO**”), transferring and vesting all of 5004591 Ontario Inc. (the “**Debtor**”)’s right, title and interest in and to the Toronto Property as the Toronto Purchaser will direct, free and clear of all liens, charges, security interests and encumbrances other than permitted encumbrances;
- (iii) approving the Interim Distribution (as defined below);

- (iv) approving the Third Report of the Receiver dated November 25, 2024, (the “**Third Report**”) and the Supplement to the Third Report of the Receiver dated November 28, 2024 (the “**Supplement to the Third Report**”) and the Receiver’s activities described therein;
- (v) approving the fees and disbursements of the Receiver and its counsel, as detailed in the Third Report, the fee affidavit of Arif Dhanani sworn November 22, 2024, the fee affidavit of Avrom Brown sworn November 22, 2024, and the fee affidavit of Beatrice Loschiavo sworn November 22, 2024 (together, the “**Fee Affidavits**”);
- (vi) sealing Confidential Appendix 1 and Confidential Appendix 2 to the Third Report;
- (vii) approving the Receiver’s Statement of Receipts and Disbursements for both the Toronto Property and the Kingston Property contained in the Third Report (the “**Interim SRD**”); and,
- (viii) authorizing and directing Garfinkle Biderman LLP, the solicitors to the Receiver, to release the deposit held by it, in trust, which was paid to it by 2349891 Ontario Inc. (the “**Kingston Purchaser**”) pursuant to the asset purchase agreement between the Receiver and the Kingston Purchaser (the “**Kingston APS**”) on the basis that the Kingston Purchaser defaulted on the Kingston APS and forfeited the deposit.

3. The Receiver is of the view that the relief sought in this motion, including the approval of the Transaction, is in the best interest of the Debtor's stakeholders.

PART II. FACTS

A. Background

4. On December 6, 2023, the Receiver was appointed as receiver, without security, of the Properties pursuant to an Order of this Court (the "**Appointment Order**"). The Receiver's appointment became effective on December 22, 2023.¹

5. On March 1, 2024, the Court granted an order substituting the name TDB Restructuring Limited in place of RSM Canada Limited.²

6. The Debtors' primary asset is the Toronto Property, which is the site of a residential property development.

B. Secured Creditor

7. On December 18, 2019, pursuant to a loan agreement (the "**Loan**") between Cameron Stephens Mortgage Capital Ltd. (the "**Lender**") and Conacher, 500 granted the Lender a collateral mortgage in the amount of \$15,600,000 on the Toronto Property to secure the Loan.³

8. The Lender is the only creditor with a registered charge on title to the Toronto Property.

¹ Appointment Order, Appendix A to the Third Report, Receiver's Motion Record ("**RMR**"), Tab 2A, p. 38.

² Omnibus Order, Appendix B to the Third Report, RMR, Tab 2B, p. 56.

³ Third Report, paras.33-35, RMR, Tab 2, p. 32.

9. As at November 22 2024, the amount outstanding under the Loan (and secured by the Toronto Property) is estimated to be approximately \$16 million.⁴

C. The Terminated Sale of the Toronto Property

10. On June 12, 2024, the Receiver entered into an agreement of purchase and sale for the Toronto Property (the “**Terminated APS**”) with Lakeshore Lux and Design Build Group Inc (“**Lakeshore**”).⁵

11. The Receiver sought, and obtained, an order from the Court approving the transaction on July 24, 2024.⁶

12. Lakeshore Lux then sought multiple extensions to the scheduled closing of the transaction, which closing was supposed to occur on July 30, 2024. After multiple attempts to secure a commitment from Lakeshore about the closing of the transaction, the Receiver ultimately notified Lakeshore on August 27, 2024 that it was terminating the APS due to its failure to close the transaction.⁷

D. The Re-Marketing and Sales Process

13. The Receiver immediately re-marketed the Toronto Property, and engaged in a sales process for the Toronto Property as follows.

⁴ Final Discharge Statement, Appendix H to the Third Report, RMR, Tab 2H, p. 186.

⁵ Third Report, para. 3, RMR, Tab 2, p. 24.

⁶ Third Report, para. 3, RMR, Tab 2, p. 24.

⁷ Second Report, paras. 9-15, Appendix D to the Third Report, RMR, Tab 2D, p. 95.

1. Marketing Efforts

14. The Receiver and Colliers, which had been retained for the original sale of the Toronto Property, set a bid deadline date of September 26, 2024 at 3:00 pm.⁸

15. Colliers listed the Toronto Property on MLS, and sent out an e-mail blast to its data of approximately 3,000 prospective purchasers.⁹

16. Colliers also contacted all previous bidders, and those who had signed a confidentiality agreement, to advise them that the Toronto Property was being re-marketed.¹⁰ Colliers maintained its electronic data room to provide access to confidential information pertaining to the Toronto Property to parties which had executed the Confidentiality Agreement.

2. Offers Received

17. On September 26, 2024, Colliers received two offers and one letter of intent for the Toronto Property. A subsequent offer was received on September 28, 2024. The Receiver reviewed the offers (including the late offer) with Colliers and the Lender. The Receiver determined that the offer from Toronto Purchaser was the highest and best offer, and should be accepted.¹¹

⁸ Third Report, para. 20, RMR, Tab 2, p. 29.

⁹ Third Report, para. 18, RMR, Tab 2, p. 28.

¹⁰ Third Report, para. 19, RMR, Tab 2, p. 29.

¹¹ Third Report, para. 22, RMR, Tab 2, p. 29. See also Confidential Appendix 1, submitted under seal, for a summary of the offers.

E. The APS

18. On October 7, 2024, the Receiver executed the APS with the Toronto Purchaser, subject to the approval of this Court. The salient terms of the APS include:

- (a) the APS is firm as the Toronto Purchaser has waived all conditions¹² except for the issuance of the AVO;
- (b) the Toronto Purchaser has paid the deposit required under the APS to the Receiver; and
- (c) closing of the sale contemplated in the APS is scheduled to occur within 10 business days following the date on which the AVO is granted, or such other date as agreed between the Toronto Purchaser and the Receiver.¹³

19. The Receiver is of the view that sufficient efforts were made to obtain the best price for the Toronto Property and that the marketing process was conducted fairly. The Receiver regards the APS as the most advantageous offer for the Toronto Property.¹⁴

20. The Receiver therefore recommends that this Court approve the APS and grant an Order vesting title in the purchased assets in the Toronto Purchaser or its assignee upon the closing of the Transaction.¹⁵

¹² The Toronto APS was conditional on the Toronto Purchaser's due diligence. The Toronto Purchaser subsequently indicated it was waiving its due diligence: Third Report, paras. 23-24, RMR, Tab 2, p. 29.

¹³ Third Report, para. 25, RMR, Tab 2, pp. 29-30.

¹⁴ Third Report, paras. 27-28, RMR, Tab 2, pp. 31-32.

¹⁵ Third Report, para. 29, RMR, Tab 2, p. 31.

F. Proposed Interim Distribution

21. The Receiver seeks an order authorizing it to distribute the proceeds of the sale of the Toronto Property as follows:

- (a) payment to the City of Toronto for the property taxes owing on the Toronto Property;
- (b) payment of the unpaid fees and disbursements of the Receiver and its counsel relating to the Toronto Property;
- (c) retention of \$100,000 as a holdback amount for the further fees and disbursements of the Receiver and its counsel to close the sale of the Toronto Property and do all things necessary to wind up the Receivership administration in respect of the Toronto Property; and
- (d) payment to the Lender of the balance of the funds remaining from the proceeds of sale of the Toronto Property,

(collectively, the “**Interim Distribution**”).¹⁶

G. The Confidential Appendix

22. On this motion, the Receiver also seeks an order sealing Confidential Appendix 1 and Confidential Appendix 2 to the Third Report (together, the “**Confidential Appendices**”).

¹⁶ Third Report, para. 36, RMR, Tab 2, pp. 32-33.

23. The Confidential Appendices contains a summary of offers received for the Toronto Property as well as the purchase price under the APS. If the Transaction does not close, the release of this information could potentially have an adverse influence on any subsequent sales process that the Receiver would carry out in connection with the Property.

H. Sale of the Kingston Property and Subsequent Termination

24. The Receiver also seeks relief related to the sale of the Kingston Property.

25. The Receiver entered into a purchase and sale agreement (the “**Kingston APS**”) with 2349891 Ontario Inc. (the “**Kingston Purchaser**”) on August 13, 2024.¹⁷ Pursuant to the terms of the Kingston APS, the closing of the transaction was to occur on the later of: (i) three days following the issuance of the Kingston AVO, or the next business day; or (ii) October 2, 2024, or such other date as the parties may mutually agree upon.¹⁸

26. The Receiver attended before Justice Black on October 9, 2024, in order to seek the approval of the Kingston APS. Although the putative third mortgagee on the Kingston Property raised a number of concerns at the hearing, the Court ultimately determined were “insubstantial and bordering on inappropriate”¹⁹ and approved the sale of the Kingston Property.²⁰

¹⁷ Appendix F to the Supplement to the Third Report, dated November 28, 2024 (“Supplement to the Third Report”), Supplementary Receiver’s Motion Record (“Supplementary RMR”), Tab 1F, p. 46.

¹⁸ Third Report, para. 13, RMR, Tab 2, p. 28.

¹⁹ Endorsement Approving Sale of Kingston Property, para. 11, Supplementary RMR, Tab 1A, p. 14.

²⁰ Approval and Vesting Order, Appendix B to the Supplement to the Third Report, Supplementary RMR, Tab 1B, pp. 19-24.

27. Justice Black signed the Kingston AVO on November 18, 2024, and the closing of the sale of the Kingston Property, at that point, was scheduled for November 20, 2024.

28. On November 19, 2024 the Kingston Purchaser requested a 45-day extension.²¹

On November 20, the parties agreed that:

- (a) the Kingston Purchaser would provide an additional \$500,000 non-refundable deposit by noon on November 27, 2024;
- (b) the original deposit in the amount of \$250,000 shall be non-refundable;
- (c) time continued to be of the essence; and,
- (d) the Receiver would not grant any further extensions beyond January 6, 2025.²²

29. On November 27, 2024, counsel to the Kingston Purchaser wrote to “confirm that the Purchaser is no longer in a position to provide the additional \$500,000 deposit requested by the Receiver in order to secure an extension”. The letter went on to specify that the Kingston Purchaser was providing “formal notice of the Purchaser’s inability to complete the transactions as scheduled today...”²³

²¹ E-mails between Loopstra Nixon and Garfinkle Biderman, Supplementary RMR, Tab 1C, p. 38.

²² E-mails between Loopstra Nixon and Garfinkle Biderman, Supplementary RMR, Tab 1C, p. 33.

²³ Letter from Loopstra Nixon, Supplementary RMR, Tab 1D, p. 40.

30. Despite this, the Kingston Purchaser took the position that it does not consent to the release of the existing deposit of \$250,000, and that the deposit should be returned to the Kingston Purchaser.²⁴

31. On the same day (November 27, 2024), the Receiver confirmed the termination of the Kingston APS on the basis of the Kingston Purchaser neither closing the transaction, nor fulfilling the conditions necessary for an extension (despite the Kingston Purchaser already having agreed to those conditions). The solicitors to the Receiver confirmed the Receiver's position that the deposit had been forfeited, but would not release it pending further order from the Court.²⁵

32. The Receiver thus requests that the Court authorize and direct the solicitors to the Receiver to release the deposit held by it, in trust, which was paid by the Kingston Purchaser.

PART III. ISSUES

33. The Receiver's motion raises the following three legal issues, all of which should be answered in the affirmative:

- (a) should the Court approve the APS and the Transaction contemplated therein?
- (b) should the Court approve the contemplated Interim Distribution?;

²⁴ Letter from Loopstra Nixon, Supplementary RMR, Tab 1D, p. 40.

²⁵ Termination Letter, dated November 27, 2024, Supplementary RMR, Tab 1E, p. 43.

- (c) is it appropriate for the Court to seal the Confidential Appendices to the Third Report pending the closing of the Transaction?;
- (d) should the activities, fees and interim SRD of the Receiver, and the fees of its legal counsel be approved?; and,
- (e) should the deposit provided pursuant to the Kingston APS, which is being held in trust, be released to the Receiver?

PART IV. LAW

A. The Court Should Approve the APS

34. The factors to be considered by this Court in its assessment of the approval of a sale by a receiver are well established. A court should consider:

- (a) whether the receiver has made a sufficient effort to get the best price and has not acted improvidently;
- (b) the interests of all parties;
- (c) the efficacy and integrity of the process by which offers are obtained; and
- (d) whether there has been unfairness in the working out of the process.²⁶

35. Having regard to the foregoing, the Receiver submits and recommends that this Court should approve the APS in order to give effect to the Transaction contemplated by the APS. In particular, the Receiver notes the following:

²⁶ *Royal Bank v. Soundair Corp.*, [1991 CanLII 2727 \(ONCA\)](#) at [para 16](#) [*Soundair*].

- (a) the Toronto Property was sufficiently exposed to the market through, among other things, distribution of promotional brochures to over 3,000 potential purchasers and a public MLS listing for approximately 4 weeks (which followed an initial 10-week listing period during the first sale that was ultimately terminated);²⁷
- (b) the Receiver considered three offers and one letter of intent for the Toronto Property;²⁸
- (c) the Receiver has concluded that the offer from the Toronto Purchaser highest and best offer received;²⁹ and
- (d) the APS contains no conditions which would delay any closing.³⁰

36. As the Ontario Court of Appeal agreed with and adopted in *Soundair*:

If the court were to reject the recommendation of the Receiver in any but the most exceptional circumstances, it would materially diminish and weaken the role and function of the Receiver both in the perception of receivers and in the perception of any others who might have occasion to deal with them. It would lead to the conclusion that the decision of the Receiver was of little weight and that the real decision was always made upon the motion for approval. That would be a consequence susceptible of immensely damaging results to the disposition of assets by court-appointed receivers.³¹

37. In the present case, there are no exceptional circumstances which would warrant a rejection of the Receiver's recommendation.

²⁷ Third Report, para. 27, RMR, Tab 2, pp. 30-31.

²⁸ Third Report, para. 22, RMR, Tab 2, p. 29.

²⁹ Third Report, para. 22, RMR, Tab 2, p. 29.

³⁰ Third Report, para. 25(c), RMR, Tab 2, p. 30.

³¹ *Soundair* at [para 21](#).

38. In all, the marketing process was fair and transparent and yielded the most advantageous offer for the Toronto Property. There is no basis to interfere with the Receiver's recommendation to approve the APS.³²

39. This Court should also approve the Interim Distribution. The Lender has a valid and enforceable charge on the Toronto Property in first priority and is therefore entitled to the net proceeds of the Transaction.³³ The approval of this distribution will permit the Receiver to proceed towards the conclusion of its mandate in an efficient manner, minimizing the need for the added expense of further court attendances.

B. The Court Should Seal the Confidential Appendix

40. As noted above, the Receiver seeks an Order sealing the Confidential Appendices pending the closing of the Transaction contemplated by the APS.

41. The circumstances in which this Court should seal part of a record before it were described by the Supreme Court of Canada in the case of *Sierra Club of Canada v. Canada (Minister of Finance)*.³⁴

42. In that case, the Supreme Court observed that a confidentiality order should be granted in two circumstances:

³² 1180554 Ontario Ltd. v. CBJ Developments Inc. et al. - CV-23-00707989-00CL - Ont. S.C.J. at paras. 6-7 ([Endorsement](#) of Justice Kimmel, May 29, 2024) [*"CBJ"*].

³³ Third Report, paras. 33-35, RMR, Tab 2, p. 32.

³⁴ *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC 41 (CanLII) at [para. 45](#).

- (a) when an order is needed to prevent serious risk to an important interest, including a commercial interest, in the context of litigation because reasonable alternative measures will not prevent the risk; and
- (b) when the salutary effects of the confidentiality order, including the effects on the right of civil litigants to a fair trial, outweigh its deleterious effects, including the effects on the right to free expression, which includes public interest in open and accessible court proceedings.

43. In the context of court-supervised sale proceedings, this Court has routinely applied *SierraClub* and held that it is appropriate to seal information and documentation filed in support of a motion to approve a sale where the materials “disclose the valuations of the assets under sale, the details of the bids received by the court-appointed officer and the purchase price contained in the offer for which court approval is sought”.³⁵

44. Sealing these materials is necessary to ensure that the Receiver can maximize value for the Property if the contemplated Transaction does not close and the Receiver (or someone else) markets the Toronto Property for sale again.³⁶

C. The Kingston Deposit has been Forfeited

45. The Kingston APS was an unconditional offer from the Kingston Purchaser. The Kingston Purchaser paid a \$250,000 deposit to the solicitors for the Receiver as a non-refundable deposit.³⁷

³⁵ *GE Canada Real Estate Financing Business Property Co. v. 1262354 Ontario Inc.*, [2014 ONSC 1173 \(CanLII\)](#) at [para. 32](#) [“*GE Canada*”]. For a similar example, see *CBJ* at [paras. 13-14](#).

³⁶ *GE Canada* at [paras. 32-34](#).

³⁷ Supplement to the Third Report, para. 5, Supplementary RMR, p. 7.

46. Despite multiple extensions, the Kingston Purchaser has now indicated that it is “no longer interested in pursuing financing”, but has taken the position that its deposit should be returned to it “in full”.³⁸

47. The Kingston APS clarifies what if the sale was not completed on the Closing Date as a result of the Kingston Purchaser’s default, “the Deposit shall be forfeited to the Vendor.”³⁹

48. The Receiver has acted in good faith in the sale of the Kingston Property, and was ready, willing and able to close the transaction:

- (a) the Receiver agreed to an initial extension to November 20, 2024, at no additional cost to the Kingston Purchaser.⁴⁰
- (b) on November 20, 2024, at the request of the Kingston Purchaser the Receiver agreed to a further extension of the closing date to January 6, 2025 on terms including the payment of a further deposit by November 27, 2025. The Kingston Purchaser agreed unconditionally to the terms of the extension, including that the original deposit in the amount of \$250,000 is non-refundable.⁴¹

³⁸ Letter from Loopstra Nixon, Appendix D to the Supplement to the Third Report, Supplementary RMR, Tab 1(D), p. 40.

³⁹ Redacted Kingston APS, art. 2.5(c), Supplement to the Third Report, Supplementary RMR, Tab 1F, p. 55.

⁴⁰ Supplement to the Third Report, para. 13(c), Supplementary RMR, p. 9.

⁴¹ E-mails between Loopstra Nixon and Garfinkle Biderman, Appendix C to the Supplement to the Third Report, Supplementary RMR, Tab 1(C), p. 33.

49. The Kingston Purchaser breached the APS by (1) failing to satisfy the conditions of the further extensions by failing to provide the additional \$500,000 deposit⁴² and (2) failing to close the transaction on November 20, 2024.

50. The Kingston Purchaser asserts that it is entitled to the deposit due to the delay in the issuance of the Kingston AVO. In its view, because issuance of the Order was delayed by three weeks, the Kingston Purchaser lost the remainder of the 2024 construction season.⁴³

51. This argument fails for several reasons:

- (a) first, this is not a valid basis for breaching the Kingston APS. The parties agreed that the Kingston APS was subject to Court approval,⁴⁴ and that this condition was incapable of waiver.⁴⁵ The Kingston Purchaser further agreed that the Closing Date would be contingent on the issuance of the court order approving the sale.⁴⁶ At no point did the Kingston Purchaser make it a condition of the purchase that the transaction had to be completed in order to permit construction in the 2024 season;
- (b) second, there is no basis for the Kingston Purchase to request and agree to the terms of the extension if it was no longer interested in the Kingston

⁴² Letter from Loopstra Nixon, Appendix D to the Supplement to the Third Report, Supplementary RMR, Tab 1(D), p. 40.

⁴³ Letter from Loopstra Nixon, Appendix D to the Supplement to the Third Report, Supplementary RMR, Tab 1(D), p. 40.

⁴⁴ Redacted Kingston APS, art. 2.15(a)(i), Supplement to the Third Report, Supplementary RMR, Tab 1F, p. 59.

⁴⁵ Redacted Kingston APS, art. 4.5, Supplement to the Third Report, Supplementary RMR, Tab 1F, p. 64.

⁴⁶ Redacted Kingston APS, art. 1.1(j), Supplement to the Third Report, Supplementary RMR, Tab 1F, p. 46.

Property due to the loss of the 2024 construction season. In fact, it was the Kingston Purchaser which requested on November 20 that the closing date be extended to January 6, 2025, and then explicitly agreed to the conditions for this extension as proposed by the Receiver. Simply put, the issue of the 2024 construction season is a red herring for the Kingston Purchaser's inability to close; and

- (c) finally, the Kingston Purchaser's extension requests came *after* the Kingston AVO was issued. Therefore, the Kingston Purchaser clearly waived any delay as a result of the late issuance of the Kingston AVO.

52. It is well-established that when a purchaser repudiates an APS and fails to close the transaction, the deposit is forfeited, without proof of any damage suffered by the vendor.⁴⁷ The deposit paid by the Kingston Purchaser stood as security for the performance of the contract, and by its failure to perform, has forfeited the deposit.⁴⁸

53. Moreover, both the Kingston APS⁴⁹ as well as the parties subsequent correspondence⁵⁰ confirm that time remained of the essence. The Court of Appeal has been clear that where time is of the essence, "a time limit in an agreement is essential such that breach of the time limit will permit the innocent party to terminate the contract."⁵¹

⁴⁷ *Azzarello v. Shawqi*, [2019 ONCA 820](#) at [para. 45](#), citing *Tang v. Zhang*, [2013 BCCA 52](#) and *Redstone Enterprises Ltd. v. Simple Technology Inc.*, [2017 ONCA 282](#).

⁴⁸ *Azzarello v. Shawqi*, [2019 ONCA 820](#) at [para. 54](#), citing *Benedetto v. 2453912 Ontario Inc.*, [2019 ONCA 149](#).

⁴⁹ Redacted Kingston APS, art. 6.3, Supplement to the Third Report, Supplementary RMR, Tab 1F, p. 69.

⁵⁰ E-mails between Loopstra Nixon and Garfinkle Bideman, Appendix C to the Supplement to the Third Report, Supplementary RMR, Tab 1(C), p. 33.

⁵¹ *3 Gill Homes Inc. v. 5009796 Ontario Inc. (Kassar Homes)*, [2024 ONCA 6](#) at [para. 24](#), citing *Di Millo v. 2099232 Ontario Inc.*, [2018 ONCA 1051](#).

The Receiver was entitled to terminate the Kingston APS due to the Kingston Purchaser's default as a result of missing deadlines.

54. There is also no concern with unfairness to the Kingston Purchaser. The Receiver agreed to multiple extension requests and was fully co-operative in facilitating the closing of the transaction. The Receiver itself was able to close. Meanwhile, creditors to the Debtor will be prejudiced due to the Kingston Purchaser's default since interest on the secured charges will continue accrue while the Receiver re-markets the Kingston Property for sale. Even though damages are not necessary for the deposit to be forfeited,⁵² the forfeited deposit will address this prejudice in part.

55. The Receiver respectfully requests that the Receiver's solicitors be authorized and directed to release the deposit held by it, in trust, for the benefit of the Debtor's creditors.

D. The Activities, Fees and Interim SRD of the Receiver, and the Fees of its Legal Counsel, Should be Approved

56. The fees and disbursements incurred by the Receiver and its counsel for the period from January 1, 2024 to June 30, 2024, were previously approved by the Court pursuant to an order of the Court dated July 24, 2024.

57. The Receiver submits that the fees, activities and disbursements of the Receiver and those of its legal counsel should be approved because the Receiver and its counsel engaged diligently since July 1, 2024, among other things:

- (a) obtain the approval and sale order of the first Terminated APS;

⁵² *Azzarello v. Shawqi*, [2019 ONCA 820](#) at [para. 45](#).

- (b) negotiate further extensions with Lakeshore;
- (c) oversee the re-marketing and sale of the Toronto Property;
- (d) negotiate the APS with the Toronto Purchaser; and
- (e) prepare the Third Report and the Supplement to the Third Report.

58. The fees and disbursements of the Receiver and its counsel were incurred at each party's standard rates and charges as set out in their respective fee affidavits. The Receiver submits that these fees and disbursements are fair, reasonable and justified in the circumstances.⁵³

59. The Receiver seeks approval of the interim receipts and disbursements for both the Toronto Property and the Kingston Property. The Receiver has received and paid monies on behalf of the Debtors for the benefit of all stakeholders, as set out in the Toronto Property Interim R&D, the Kingston Property Interim R&D, and Third Report.⁵⁴ Accordingly, this Court should approve the Toronto Property Interim R&D and the Kingston Property Interim R&D.

PART V. ORDER REQUESTED

60. The Receiver respectfully requests that this Court make an order in the form of the draft AVO and ancillary relief order as uploaded on Case Centre.

⁵³ See Fee Affidavit of Arif Dhanani, sworn November 22, 2024, Appendix K to the Third Report, RMR, Tab 2K, p. 192; Fee Affidavit of Beatrice Loschiavo, sworn November 22, 2024, Appendix L to the Third Report, RMR, Tab 2L, p. 210; Fee Affidavit of Avrom Brown, sworn November 22, 2024, Appendix M to the Third Report, RMR, Tab 2M, p. 232.

⁵⁴ Toronto Property Interim R&D, Appendix I to the Third Report, RMR, Tab 2I, p. 188; Kingston Property Interim R&D, Appendix J to the Third Report, RMR, Tab 2J, p. 190.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 2nd day of December, 2024.

A handwritten signature in blue ink, appearing to be 'JL' or 'RS' with a stylized flourish.

Jeffrey Larry / Ryan Shah

SCHEDULE “A” – AUTHORITIES CITED

1. *GE Canada Real Estate Financing Business Property Co. v. 1262354 Ontario Inc.*, [2014 ONSC 1173 \(CanLII\)](#).
2. *Royal Bank v. Soundair Corp.*, [1991 CanLII 2727 \(ONCA\)](#).
3. *Sierra Club of Canada v. Canada (Minister of Finance)*, [2002 SCC 41 \(CanLII\)](#).
4. *1180554 Ontario Ltd. v. CBJ Developments Inc. et al.* - CV-23-00707989-00CL – Ont. S.C.J. (Commercial List) ([Endorsement](#) of Justice Kimmel, May 29, 2024).
5. *3 Gill Homes Inc. v. 5009796 Ontario Inc. (Kassar Homes)*, [2024 ONCA 6](#), citing *Di Millo v. 2099232 Ontario Inc.*, [2018 ONCA 1051](#).
6. *Azzarello v. Shawqi*, [2019 ONCA 820](#)

This is **Exhibit 4** to the affidavit
of Simion Kronenfeld sworn by
the deponent on July 17, 2026 in
the City of Bucharest Romania,
before me at the City of Toronto,
in the Province of Ontario, on
July 17, 2026 in accordance with
O. Reg. 431/20, Administering
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Commissioner for taking Affidavits (or as may
be)

Dale Denis

From: rooney@paulfrooneyprofcorp.com <rooney@paulfrooneyprofcorp.com>
Sent: December 3, 2024 1:07 PM
To: adhanani@tdbadvisory.ca
Cc: 'Avrom Brown' <abrown@GARFINKLE.com>; steve.keyzer@colliers.com
Subject: Potential Sale by Receiver of lands on Islington Avenue

Gentlemen,

Please see attached my correspondence of today, with attached Purchase Agreement, deposit, and proof of available funds to close, in relation to the above topic.

Yours very truly,

Paul F. Rooney

Paul F. Rooney Professional Corporation
Barrister & Solicitor,
121 King Street West, Suite 510
Toronto, ON M5H 3T9

Direct Line: 647-981-7838

Email: rooney@paulfrooneyprofcorp.com

Paul F. Rooney
Professional Corporation
 Barrister & Solicitor

121 King Street West, Suite 510
 Toronto, Ontario
 M5H 3T9

Telephone: (647) 981-7838
 Email: rooney@paulfrooneyprofcorp.com

BY EMAIL
 December 3, 2024

Our File No. 19507

TDB Restructuring Limited,
 11 King Street West, Suite 700
 Toronto, Ontario M5H 4C7

Attention: Arif Dhanani adhanani@tdbadvisory.ca

AND TO
 Garfinkle Biderman LLP
 801-1 Adelaide Street East
 Toronto, ON M5C 2V9
 Attention: Avrom W. Brown abrown@garfinkle.com

AND TO

Colliers Macaulay Nicolls Inc.
 181 Bay Street, Suite 1400
 Toronto, ON M5J 2V1
 Attention: Steve Keyzer steve.keyzer@colliers.com

Re: Re: Receivership of properties located at 2857 Islington Avenue, Toronto (the “Islington Properties”) and 311 Conacher Drive, Kingston (the “Kingston Property” and with the Toronto Property, the “Properties”)

As previously advised, we are commercial and real estate counsel for AJGL Group Inc. It was only in the Motion materials recently served late Friday, November 29, 2024 by Paliare Roland (counsel for the Receiver) returnable December 4, 2024, that my client first became aware that the agreed sale of the Kingston Property had fallen through. As you are aware, my client’s submissions to the Court at the prior Motion included the submission that the marketing of the Islington Properties should be paused until the Kingston Property sale closed or was otherwise terminated. Given the fact that the proceeds from the Court-approved Kingston sale would have been sufficient to repay in full the Cameron Stephens debt obligations, there would have been no reason to sell the Islington Properties, and also, no reason for my client to consider offering to purchase the Islington Properties. Further, your Second Report as Receiver disclosed that, despite demands to them, the Second and Third mortgagees on the

Kingston Property still had not provided any proof of any actual advances thereunder or indebtedness outstanding, meaning the validity of any claim by them remains unproven.

Despite my client's position as a beneficial owner of the Islington Properties, no notice was given to my client that offers for the Islington Properties were being entertained and evaluated for potential acceptance. The disclosure by the Receiver a few days ago that a conditional contract had been entered into for the sale of the Islington Properties by the Receiver was a surprise to my client.

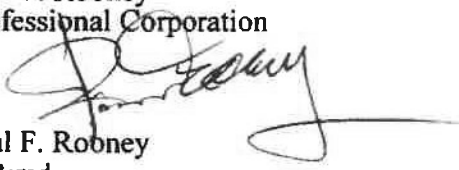
At the same time, in this context, my client is now even more concerned with the potential for offers that significantly undervalue the true value of the Islington Properties being accepted by the Receiver. The Motion materials do not state the proposed sales price for the Islington Properties, with the result that my client has no way to resolve its concerns in that respect. Therefore, an offer to purchase the Islington Properties is being submitted to the Receiver today. The offer is for \$3,000,000, and includes a 10% deposit of \$300,000 as required in your standard form of agreement. There is no due diligence condition, nor other conditions, save for being conditional on the obtaining of the Approval and Vesting Order in favour of this purchaser. This offer (signed by the purchaser) is open for acceptance by the Receiver until such date as the Court determines whether or not it should be accepted (and if accepted, then until the date the Receiver obtains court approval for the Agreement). It is not necessary that the purchaser have access to the Confidential Data Room, and so there is also no need for a Confidentiality Agreement regarding the data in the Confidential Data Room. However if for some reason the Receiver shows a need for the Confidentiality Agreement, the purchaser is willing to provide a confidentiality agreement that is appropriate to this context.

In addition to the enclosed deposit from the purchaser (in form of my trust cheque payable to Garfinkel Biderman LLP in trust, as counsel for the Receiver), I am also enclosing confirmation from the Bank of Nova Scotia that the purchaser has liquid funds available to it in excess of \$3,000,000, which is evidence of the ability of the purchaser to close the transaction. The principal of the purchaser is Simion Kronenfeld, who is an experienced land developer, and has the ability to complete this transaction. I note that he or his associated entities already once before assembled and completed the acquisition of these lands, which is evidence of that ability.

The existence of this offer and Agreement should be considered by the Receiver, and also made known to the Court in relation to the December 4 Motion. If the Receiver wishes additional information in respect of this Agreement, please let me know. If this offer and Agreement is not going to be recommended to the Court by you on December 4, my client will require additional time to prepare to respond to the Motion. Please advise me as to the forgoing as soon as possible.

Yours very truly,

Paul F. Rooney
Professional Corporation

per 

Paul F. Rooney
PFR:md

AGREEMENT OF PURCHASE AND SALE

This AGREEMENT made as of the 4th day of December 2024.

BETWEEN:

TDB RESTRUCTURING LIMITED (the "Receiver")

in its capacity as Court-Appointed Receiver over the lands and premises set out on Schedule "A" attached hereto and not in its personal or corporate capacity

(the "Vendor")

and

1001079582 ONTARIO INC., a corporation formed pursuant to the laws of Ontario

(the "Purchaser")

RECITALS:

- A. Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated December 6, 2023, (the "Appointment Order") RSM Canada Limited was appointed as Receiver over the lands legally described in Schedule "A" attached hereto, effective December 22, 2023;
- B. Pursuant to the Substitution Order of the Ontario Court of Justice (Commercial List) dated March 1, 2024, (the "Substitution Order") the Receiver's name was substituted in the place of the name of RSM Canada Limited;
- C. The Vendor desires to sell and the Purchaser desires to purchase the Purchased Assets, as more particularly set out herein, subject to the terms and conditions hereof.

NOW THEREFORE in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Parties covenant and agree as follows:

SECTION 1 - INTERPRETATION

1.1. Definitions

In this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- (a) **"Acceptance Date"** means the date that this Agreement is executed and delivered by the Parties;
- (b) **"Agent"** shall mean Colliers Macaulay Nicolls Inc.;
- (c) **"Agreement"** means this Agreement of Purchase and Sale, including the Schedules to this Agreement, as it or they may be amended or supplemented from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement;
- (d) **"Applicable Laws"** means, with respect to the Purchased Assets or to any Person, property, transaction or event, all laws, by-laws, rules, regulations, orders, judgments, decrees, decisions or other requirements having the force of law relating to or applicable to such Person, property, transaction or event;
- (e) **"Assumed Liabilities"** has the meaning ascribed to it in Section 2.10.
- (f) **"Business Day"** means a day on which banks and the Land Registry Office for the City of Toronto are open for business but does not include a Saturday, Sunday, or statutory holiday in the Province of Ontario;
- (g) Intentionally deleted.
- (h) **"Claim"** means any claim, demand, action, cause of action, damage, loss, cost, liability or expense (including legal fees on a substantial indemnity basis) and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;
- (i) **"Closing"** means the successful completion of the Transaction;
- (j) **"Closing Date"** means that date that is six (6) business days immediately following the date upon which the Approval and Vesting Order is granted.
- (k) Intentionally Deleted
- (l) **"Court"** means the Court defined in the first recital of this Agreement;
- (m) Intentionally deleted.
 - (n) **"Data Room"** means the electronic data room established by or on behalf of the Vendor containing documents related to the Purchased Assets for review by the Purchaser;

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(o) Intenti
onally
deleted.

- (p) Intentionally deleted.
- (q) **"Debtor or Debtors"** means all or any one of Kings Townhomes Limited (formerly Conacher Kingston Holdings Inc.) and 5004591 Ontario Inc.;
- (r) **"Deposit"** has the meaning ascribed to it in Section 2.5;
- (s) **"Encumbrance"** means any mortgage, charge, pledge, hypothecation, security interest, trust, deemed trust (statutory or otherwise) assignment, lien (statutory or otherwise), Claim, title retention agreement or arrangement, restrictive covenant, rights of way, easements, encroachments, reserves, or other encumbrance of any nature or any other arrangement or condition which, in substance, secures payment or performance of an obligation;
- (t) **"Environmental Condition"** has the meaning ascribed to it in Section 2.2(a).
- (u) **"Environmental Laws"** means all Applicable Laws concerning pollution or protection of the natural environment or otherwise relating to the environment or health or safety matters, including Applicable Laws pertaining to (i) reporting, licensing, permitting, investigating and remediating the presence of Hazardous Materials, and (ii) the storage, generation, use, handling, manufacture, processing, transportation, treatment, release and disposal of Hazardous Materials including without limiting the generality of the foregoing the following any written policies and guidelines and directives, administrative rulings or interpretations, that are in effect and applicable to the Vendor or the Property on the Closing Date, as well as the common law and any judicial or administrative order, consent decree or judgment that is in effect and applicable to the Vendor or the Property on the Closing Date, that relates to pollution or the protection of the environment, including, without limitation, the *Atomic Energy Control Act* (Canada), the *Canadian Environmental Protection Act* (Canada), the *Pest Control Products Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada), the *Environmental Protection Act* (Ontario), the *Environmental Assessment Act* (Ontario), the *Ontario Water Resources Act* (Ontario) and the *Occupational Health & Safety Act* (Ontario), and the regulations and guidelines promulgated pursuant thereto or issued by any Government Authority in respect thereof, and equivalent or similar local and provincial ordinances and statutory programs and the regulations and guidelines promulgated pursuant thereto.
- (v) **"Ereg"** has the meaning ascribed to it in Section 5.7;
- (w) **"ETA"** means the *Excise Tax Act* (Canada), as it may be amended from time to time;

- (x) **"Excluded Assets"** means the assets, if any, listed in Schedule "C";
- (y) **"Final Order"** means, in respect of any order, such order after i) the expiry of applicable appeal periods; or (ii) in the event of an appeal or application for leave to appeal or to stay, vary, supersede, set aside or vacate such order, final determination of such appeal or application by the applicable court or appeal tribunal;
- (z) **"Governmental Authority"** means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal government having or claiming to have jurisdiction over part or all of the Purchased Assets, the Transaction or one or both of the Parties and shall include a board, commission, courts, bureau, agency or any quasi-governmental or private body exercising any regulatory authority including an association of insurance underwriters;
- (aa) **"Hazardous Materials"** means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Governmental Authority and any "contaminants", "dangerous substances", "hazardous materials", "hazardous substances", "hazardous wastes", "industrial wastes", "liquid wastes", "pollutants" and "toxic substances", all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health or safety matters;
- (bb) **"HST"** means all goods and services taxes and harmonized sales tax payable under the ETA;
- (cc) **"Land Transfer Tax"** means all the taxes payable under the *Land Transfer Tax Act* (Ontario) and any other applicable provincial or municipal land transfer tax legislation, including all registration fees, license fees, and other like charges payable upon a transfer of real property, together with interest, penalties and additions thereto;
- (dd) **"Leases"** means any leases with any tenants relating to the Property;
- (ee) Intentionally deleted.
- (ff) **"Liabilities"** means all costs, expenses, charges, debts, liabilities, claims, demands and obligations, whether primary or secondary, direct or indirect, fixed, contingent, absolute or otherwise, liquidated or unliquidated under or in respect of any contract, agreement, arrangement, lease, commitment or undertaking, Applicable Law and Taxes.

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- (gg) **"Parties"** means the Vendor, the Purchaser and any other Person who may become a party to this Agreement. **"Party"** means any one of the foregoing;
- (hh) **"Permits"** means all permits, licenses and applications that may have been issued or applied for in the name of the Debtor and/or the Vendor in connection with the servicing and/or development of the Property;
- (ii) **"Permitted Encumbrances"** means those Encumbrances listed in Schedule "B" attached hereto;
- (jj) **"Person"** means an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;
- (kk) **"Plans"** means all plans and documentation in the possession or control of the Vendor relevant to the development of the Property including, without limitation, any project documents, engineering drawings, architectural plans and working drawings, landscaping plans, reports, project documents other documentation prepared to illustrate or define a particular aspect of the development of the Property, in each instance, to the extent forming part of the Data Room created by the Vendor in respect of the Transaction;
- (l) **"Property"** means the real property described in Schedule "A" attached hereto;
- (mm) **"Property Documents"** means the documents in the Data Room;
- (nn) **"Purchaser Closing Conditions"** has the meaning ascribed to it in Section 4.1;
- (oo) **"Purchase Price"** shall have the meaning ascribed to it in Section 2.4. For greater certainty, the Purchase Price shall be exclusive of Transfer Taxes and any other taxes payable as a result of or in connection with the Transaction;
- (pp) **"Purchaser's Solicitors"** means the law firm of Paul F. Rooney Professional Corporation;
- (qq) **"Purchased Assets"** means those assets being the lands which are the subject of this Agreement;
- (rr) **"Receiver"** has the meaning described thereto in the Recitals;

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- (ss) **"Reports"** means collectively any written reports or documents received or obtained by the Receiver from any third party regarding any aspect of the Property;
- (tt) **"Rights"** has the meaning ascribed to it in Section 2.13;
- (uu) Intentionally deleted;
- (vv) Intentionally deleted.
- (ww) Intentionally deleted;
- (xx) Intentionally deleted;
- (yy) **"Transaction"** means the transaction of purchase and sale and assignment and assumption contemplated by this Agreement;
- (zz) **"Transfer Taxes"** means all HST, Land Transfer Tax, sales, excise, use, transfer, gross receipts, documentary, filing, recordation, value-added, stamp, stamp duty reserve, and all other similar taxes, duties or other like charges, however denominated together with interest, penalties and additional amounts imposed with respect thereto;
- (aaa) Intentionally deleted.
- (bbb) **"Vendor Closing Conditions"** has the meaning ascribed to it in Section 4.3;
- (ccc) **"Vendor's Solicitor"** means the law firm of Garfinkle Biderman LLP;
- (ddd) **"Approval and Vesting Order"** means the order of the Court approving the sale by the Receiver to the Purchaser of the Purchased Assets and vesting all rights, title and interest of the Purchased Assets in favour of the Purchaser free and clear of all Encumbrances (other than Permitted Encumbrances) (in a form to be agreed upon by the parties);
- (eee) **"Vesting Order Motion"** means a motion by the Receiver seeking the granting of the Approval and Vesting Order; and
- (fff) **"Work Orders"** means any work orders, deficiency notices, outstanding building permits, orders, or requirements to comply with any Applicable Laws or issued by any Governmental Authorities.

1.2. Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of

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this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof

1.3. Extended Meanings

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

1.4. Schedules

The following Schedules are incorporated in and form part of this Agreement;

- Schedule "A" Property
- Schedule "B" Permitted Encumbrances
- Schedule "C" Excluded Assets
- Schedule "D" Intentionally deleted

SECTION 2 - SALE AND PURCHASE AND ASSIGNMENT

2.1. Sale and Purchase of Purchased Assets

On the Closing Date, subject to the terms and conditions of this Agreement, the Vendor shall sell and the Purchaser shall purchase the Purchased Assets and the Purchaser shall assume the Assumed Liabilities, all in accordance with and pursuant to the terms hereof and the Approval and Vesting Order. The Purchaser acknowledges that it is not purchasing any other property or assets of the Debtor other than the Purchased Assets.

2.2. "As is, Where is"

The Purchaser acknowledges and agrees that

- (a) the Vendor is selling and the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis subject to whatever defects, conditions, impediments, Hazardous Materials or deficiencies which may exist on the Closing Date, including, without limiting the generality of the foregoing, any latent or patent defects in the Purchased Assets. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to any matter including, title, encumbrances, description, fitness for purpose or use, merchantability, condition, quantity or quality, latent defects, cost, size, value, state of repair, zoning,



permitted uses, permits, compliance with Applicable Laws of Government Authorities, threatened claims, litigation, the existence or non-existence of Hazardous Materials flowing onto or from the Property or any part thereof, or in the air, surface or ground water flowing through, onto or from the Property, or any part thereof, any non-compliance with Environmental Laws including any adverse matters contained in the Reports (the "**Environmental Condition**"), compliance with any or all Environmental Laws, or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Vendor to sell or assign same save and except as expressly provided for in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation do not apply hereto and are hereby waived by the Purchaser. The descriptions of the Purchased Assets set out in this Agreement or in the Property Documents are for the purposes of identification only and no representation, warranty or condition has or will be given by the Vendor concerning the completeness or accuracy of such descriptions. The Purchaser further acknowledges that the Property Documents and all other written and oral information (including, without limitation, any analyses, financial information and projections, compilations, studies and the Plans) obtained by the Purchaser from the Vendor or the Agent with respect to the Purchased Assets or otherwise relating to the Transaction has been provided for the convenience of the Purchaser only and is not warranted to be accurate or complete. The Purchaser further acknowledges that the Vendor shall not be under any obligation to deliver the Purchased Assets to the Purchaser and that it shall be the Purchaser's responsibility to take possession of the Purchased Assets.

- (b) notwithstanding any statutory provisions to the contrary, the Purchaser has no right to submit requisitions on title or in regard to any outstanding Work Orders, and the Purchaser shall accept the title to the Property subject to the Permitted Encumbrances and the Environmental Condition.
- (c) the various parties who prepared the Property Documents may have restricted the use thereof to the Debtor only, in their respective retainers with the Debtor and any purported conveyance of any of the Property Documents by the Vendor to the Purchaser may be subject to such limitations.
- (d) Without limiting the generality of this Section 2.2, the Purchaser acknowledges and agrees that the parties have expressly agreed to exclude from this Agreement all express or implied representations and warranties with respect to the following matters:
 - (i) the compliance of the Property with Applicable Laws, by-laws or regulations including without limitation, municipal zoning by-laws and regulations;
 - (ii) any easements, rights of way, instruments, documents, agreements or other registered or unregistered interest in the Property which impacts the

use, enjoyment, income or development opportunities connected with the Property;

- (iii) that the present use or any future use of the Purchased Assets intended by the Purchaser is or will be lawful or permitted;
 - (iv) the execution, good standing, validity, binding effect or enforceability of the Permitted Encumbrances;
 - (v) that the Vendor has any right, title or interest in any goodwill associated with the Purchased Assets, or the use of any name associated with the operation of the Purchased Assets;
 - (vi) the description, title, condition, value, state of repair and fitness for any purpose of the Purchased Assets; and
 - (vii) the compliance of the Property with Environmental Laws, Reports or the existence or non-existence of Hazardous Materials, environmental, soil or water contamination or pollution on or about the Property, or otherwise with respect to the environmental condition of the Property;
- (e) the Property Documents and any assets lists, information packages and other material concerning the Purchased Assets or the sale thereof provided by or on behalf of the Vendor and the Agent have been prepared solely for the convenience of the Purchaser and are not warranted or represented to be complete or accurate and are not part of this Agreement (unless specifically provided in such material) and the descriptions of the Purchased Assets provided to the Purchaser are for the purposes of identification only, no conditions, warranty or representation has been or will be given by the Vendor concerning the accuracy, completeness or any other matter concerning such descriptions;
- (f) the Vendor is entering into this Agreement solely in its capacity as Receiver of the Property pursuant to the Appointment Order and not in its personal or other capacity and the Vendor and its agents (including the Vendor's Solicitors), officers, directors and employees will have no personal or corporate liability under or as a result of this Agreement, or otherwise in connection herewith;
- (g) save as to any valid objection to title made in respect of matters arising after the Acceptance Date, the Purchaser shall be conclusively deemed to have accepted the title to the Property and to have accepted the Property subject to the Permitted Encumbrances and the Environmental Condition and subject to all Applicable Laws, by-laws and regulations affecting its use. If any valid objection to title expressly permitted herein is made by the Purchaser prior to the Closing Date, which the Vendor is unwilling or unable to remove, remedy, or satisfy and which the Purchaser will not waive or is not satisfied by title insurance, then the Receiver may terminate this Agreement by notice to the Purchaser, whereupon, except as herein expressly set forth, the Deposit without interest accrued thereon shall be forthwith returned to the Purchaser in accordance with and subject to the

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terms in Section 2.5 and 2.12 each of the Purchaser and the Receiver shall be released from all obligations under this Agreement;

- (h) the Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title except such of the foregoing as are in the possession or control of the Receiver;
- (i) the Purchaser acknowledges that, the Vendor has provided the Purchaser access to the Data Room and that the Purchaser has had sufficient opportunity to review, and has satisfied itself with respect to, the Property Documents. If for any reason the transaction is not completed, the Purchaser shall forthwith return the Property Documents, and delete any electronic copies of them in its possession or control. The Vendor makes no representation or warranty, express or implied, as to the accuracy or completeness of any information contained in any of the Property Documents; and
- . in entering into this Agreement, the Purchaser has relied and will rely entirely and solely upon its own inspections and investigations with respect to the Property and the Purchased Assets, including the physical condition and the Environmental Condition of the Purchased Assets including compliance with Applicable Laws and has relied solely upon its own judgement resulting from doing so and has not relied and will not rely on any information, written or oral, furnished by the Vendor or any other person or entities on behalf of or at the direction of the Vendor including the Agent, including with respect to value of the Purchased Assets, the development potential of the Property, adequacy, marketability, quantity, location, condition, quality, fitness or state of repair. The information in the Data Room and description of the Purchased Assets in any marketing material, listing information, and any like material delivered or made available by the Vendor and/or the Agent, the Vendor's agents or any other party on its behalf to the Purchaser or its representatives are believed to be correct, but if any misstatement, error, inaccuracy or omission (collectively the "Inaccuracies") is found in the them, the Purchaser shall not be entitled to any abatement, damages, reimbursement, costs or to termination of this Agreement as a result of them and the Purchaser releases the Vendor and its agents from any Claims the Purchaser had, has or may have as a result of such Inaccuracies.

2.3. Permitted Encumbrances

The Purchaser acknowledges that the Vendor is selling the Purchased Assets subject to the Assumed Liabilities and that the Vendor undertakes no obligation to discharge the Permitted Encumbrances on Closing or thereafter.

2.4. Purchase Price

The purchase price payable by the Purchaser to the Vendor for the Purchased Assets (the "Purchase Price") shall be an amount of \$3,000,000.00, allocated as set out in paragraph 2.7.

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2.5. Deposit

The Parties acknowledge and agree that the sum of \$300,000.00, being ten (10%) percent of the Purchase Price (the "**Deposit**") will be delivered by the Purchaser to the Vendor's solicitor in trust within 24 hours of acceptance of an executed copy of the Agreement by the Purchaser and the Vendor. The Deposit shall be held in a non-interest bearing account of a Canadian chartered bank or trust company, in trust and to be disbursed in accordance with the following provisions:

- (a) if the purchase and sale of the Purchased Assets is completed on the Closing Date, then the Deposit shall be released from trust and applied towards payment of the Purchase Price;
- (b) if the purchase and sale of the Purchased Assets is not completed on the Closing Date for any reason other than the default of the Purchaser hereunder, then the Deposit shall, subject to any Claim by the Vendor for damages under Section 2.12(d) herein, be released from trust and paid to the Purchaser in full satisfaction of all Claims incurred by the Purchaser as a result of such non-completion; or
- (c) if the purchase and sale of the Purchased Assets is not completed on the Closing Date as a result of the Purchaser's default hereunder, then the Deposit shall be forfeited to the Vendor and released from trust as liquidated damages and not as a penalty and paid to the Vendor without prejudice to the Vendor's rights to reimbursement on account of any Claim of the Vendor against the Purchaser as a result of such failure and the Vendor shall be entitled to pursue all of its rights and remedies against the Purchaser, including the resale of the Purchased Assets. Upon any such resale, the Purchaser shall pay to the Vendor: (i) an amount equal to the amount, if any, by which the Purchase Price under the Agreement exceeds the net purchase price received by the Vendor pursuant to such resale (net of any commissions and costs and expenses incurred to effect the completion of such resale including legal costs on a full indemnity basis), and (ii) an amount equal to all costs and expenses incurred by the Vendor in respect of the Transaction or occasioned by the Purchaser's failure to comply with this Agreement.

2.6 Payment of Purchase Price

The Purchase Price shall be paid and satisfied as follows:

- (a) on Closing, the Deposit shall be released from trust and credited against the Purchase Price in accordance with Section 2.5(a); and
- (b) on Closing, the Purchase Price, subject to adjustments and minus the amount paid to the Vendor pursuant to Section 2.6(a), shall be paid to the Vendor or as the Vendor may direct in writing by way of wire transfer using the Large Value Transfer System.

2.7 Intentionally deleted.

2.8 Adjustment of Purchase Price

- (1) The Purchase Price shall be adjusted as of the Closing Date in accordance with the terms of this Agreement for any property taxes (including interest thereon, if applicable), utilities and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a Court supervised sale (the "Adjustments"). The Receiver shall prepare a statement of adjustments and deliver same to the Purchaser for its approval by no later than 3 Business Days prior to the Closing Date. If the amount of any Adjustments required to be made pursuant to this Purchase Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be made by the Vendor as of the Closing Date based upon the best information available to the Vendor at such time. When such cost or amount is determined, the Vendor or Purchaser, as the case may be, shall, within 30 days of determination, provide a complete statement thereof to the other and within 30 days thereafter the Vendor and the Purchaser shall make a final adjustment as of the Closing Date for the item in question. In the absence of agreement by the Parties the final cost or amount of an item shall be determined by an accountant or such other financial professional appointed jointly by the Vendor and the Purchaser, with the cost of such accountant's or other financial professional's determination being shared equally between the Parties. All re-adjustments shall be requested in a detailed manner on or before the 60th day after the Closing Date, after which time neither party shall have any right to request re-adjustment.
- (2) Other than as provided for in this section 2.8, there shall be no Adjustments to the Purchase Price.

2.9 Excluded Liabilities

Other than the Assumed Liabilities, the Purchaser shall not assume and shall not be liable for any other Liabilities of the Vendor or the Debtor.

2.10 Assumed Liabilities

From and after Closing, the Purchaser shall assume and be liable for the Assumed Liabilities. The Assumed Liabilities shall consist only of the Liabilities incurred under or in respect of:

- (a) Permitted Encumbrances;
- (b) the use of the Purchased Assets from and after the Closing Date to the extent relating to periods from and after the Closing Date; and

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- (c) the Environmental Condition, and any and all Liabilities for the remediation of the soil and groundwater in, on, over, under or flowing through, onto or from the Property or any part thereof.

(the foregoing being the "Assumed Liabilities").

2.11 Taxes

In addition to the Purchase Price, the Purchaser or the beneficial owner of the Property if different from the Purchaser shall pay all applicable Transfer Taxes exigible in connection with the purchase and sale of the Purchased Assets, including, without limitation, HST and Land Transfer Tax.

The Purchaser will be an HST registrant and a prescribed recipient under the ETA on or before the Closing Date and will provide its registration number to the Vendor on or before the Closing Date.

The Purchaser shall deliver, prior to Closing, a certificate in form prepared by the Vendor acting reasonably certifying that the Purchaser shall be liable for, shall self-assess and shall remit to the appropriate Government Authority all HST payable in respect of the Transaction. The Purchaser's certificate shall also include certification of the Purchaser's prescription and/or registration as the case may be, and the Purchaser's HST registration number together and the Purchaser shall indemnify and hold harmless the Vendor from and against any and all Claims, HST, penalties, costs and any interest that may become payable by or assessed against the Vendor for all Transfer Taxes arising out of, related to or connected in any way with the Property or this Transaction. If the Purchaser shall fail to deliver its certificate, then the Purchaser shall tender to the Vendor at Closing, in addition to the balance due on Closing, an amount equal to the HST that the Vendor shall be obligated to collect and remit in connection with the Transaction.

2.12 Inspections

The Vendor will permit the Purchaser, its consultants, agents and representatives to carry out, at the Purchaser's sole expense and risk, such investigations, soil tests, and environmental audits as the Purchaser, acting reasonably, may deem necessary with respect to the Property, subject to and conditional upon the following terms and conditions:

- (a) any invasive testing shall require the Vendor's written approval prior to such testing;
- (b) the Purchaser shall provide at least two Business Days' notice to the Vendor of any such tests and inspections and the Vendor will be entitled to have a representative present during all such tests and inspections;
- (c) all soil tests or environmental audits shall be coordinated with the Vendor;

- (d) any damage to the Property caused by such tests and inspections will be promptly repaired by the Purchaser and the Purchaser will indemnify and save the Vendor harmless from all Claims which the Vendor may suffer as a result of the said tests and inspections or any other breach of this Section by the Purchaser; and
- (e) prior to entering the Property to conduct the Purchaser's tests and investigations, the Purchaser shall deliver (or shall cause its representatives completing the Purchaser's investigations on its behalf to deliver) to the Vendor evidence of liability insurance coverage for at least \$2,000,000.

The Purchaser agrees that the Vendor shall be entitled to deduct from the Deposit the amount of any Claims which the Vendor may suffer as a result of a breach of this Section 2.12 by the Purchaser. To the extent that the Purchaser commissions any reports in connection with its tests and investigations of the Property, copies of all such reports shall be delivered to the Vendor at no cost to the Vendor within three (3) Business Days of issuance.

2.13 Non-Transferable and Non-Assignable Purchased Assets

To the extent that any of the Purchased Assets to be transferred to the Purchaser on the Closing, or any Claim, right or benefit arising under or resulting from such Purchased Assets (collectively, the "Rights") is not capable of being transferred without the approval, consent or waiver of any third Person, or if the transfer of a Right would constitute a breach of any obligation under, or a violation of, any Applicable Law unless the approval, consent or waiver of such third Person is obtained, then, except as expressly otherwise provided in this Agreement and without limiting the rights and remedies of the Purchaser contained elsewhere in this Agreement, this Agreement shall not constitute an agreement to transfer such Rights unless and until such approval, consent or waiver has been obtained. After Closing and for a period of sixty (60) days following Closing, the Vendor shall:

- (a) maintain its existence and hold the Rights in trust for the Purchaser;
- (b) comply with the terms and provisions of the Rights as agent for the Purchaser at the Purchaser's cost and for the Purchaser's benefit;
- (c) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Rights to the Purchaser; and
- (d) enforce, at the reasonable request of the Purchaser and at the expense and for the account of the Purchaser, any rights of the Vendor arising from such Rights against any third Person, including the right to elect to terminate any such Rights in accordance with the terms of such Rights upon the written direction of the Purchaser.

In order that the full value of the Rights may be realized for the benefit of the Purchaser,

the Vendor shall, at the request and expense and under the direction of the Purchaser, in the name of the Vendor or otherwise as the Purchaser may specify, take all such action and do or cause to be done all such things as are, in the reasonable opinion of the Vendor, necessary or proper in order that the obligations of the Vendor under such Rights may be performed in such manner that the value of such Rights is preserved and ensures to the benefit of the Purchaser. To the extent that such approval, consent or waiver has not been obtained by the 60th day following the Closing, such Right shall be deemed to be an excluded Purchased Asset and the Vendor may terminate any agreement pertaining to such Right unless otherwise agreed to by the Parties. The Purchaser shall indemnify and hold the Vendor harmless from and against any Claim under or in respect of such Rights arising because of any action of the Vendor taken in accordance with this Section.

2.14 Intentionally deleted.

2.15 Approval and Vesting Order

- (a) The Receiver and the Purchaser acknowledge that:
 - i. this Agreement is subject to Court approval; and
 - ii. closing of the Transaction is subject to the issuance of the Approval and Vesting Order.
- (b) If this Agreement is accepted by both parties, the Receiver shall use its commercially reasonable efforts to promptly thereafter file and serve the Vesting Order Motion on notice to the necessary parties.
- (c) If the Receiver accepts this Agreement, the Purchaser shall provide all information if any, and take any such actions as may be reasonable requested by the Receiver to assist the Receiver in obtaining the Approval and Vesting Order and any other order of the Court reasonably necessary to consummate the Transaction.
- (d) From and after the Acceptance Date, the Receiver shall provide such prior notice as may be reasonable under the circumstances before filing any materials with the Court that relate, in whole or in part, to this Agreement, the Purchaser, or the Approval and Vesting Order and shall consult in good faith with the Purchaser regarding the content of such materials prior to any such filing (provided that the Receiver shall not be obligated to incorporate the comments of the Purchaser and do any such filings).

2.16 Closing Certificate

The parties hereto acknowledge and agree that the Receiver shall be entitled to file with

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the Court a certificate, substantially in the form attached to the Approval and Vesting Order (the "**Closing Certificate**") upon receiving written confirmation from the Purchaser that all conditions to close under this Agreement have been satisfied or waived. The Receiver shall have no liability to the Purchaser or any other person as a result of filing the Closing Certificate.

2.17 Receiver's Capacity

The Purchaser acknowledges and agrees that in all matters pertaining to this Agreement, including in its execution, the Receiver has acted and is acting solely in its capacity as Receiver and manager of the Property pursuant to the Appointment Order and not in its personal, corporate or any other capacity and the Receiver and its agents, officers, directors, employees and representatives will have no personal or corporate liability under or as a result of this Agreement, or otherwise in connection herewith.

SECTION 3 - REPRESENTATIONS AND WARRANTIES

3.1 Purchaser's Covenants

The Purchaser covenants and agrees that it will, effective on and after the Closing Date, assume and be fully responsible for:

- (a) all obligations which are to be observed or performed from and after completion of this Transaction under the Permitted Encumbrances; and
- (b) the Assumed Liabilities and any other obligations and liabilities assumed by the Purchaser as provided for by this Agreement.

3.2 Purchaser's Representations and Warranties

The Purchaser represents and warrants to the Vendor, which representation and warranties the Vendor is relying upon, that:

- (a) the Purchaser is and will be as of Closing, a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified to purchase and own the Purchased Assets;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the Transaction has been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) no consent or approval of or registration, declaration or filing with any Government Authority is required for the execution or delivery of this Agreement by the Purchaser, the validity or enforceability of this Agreement against the Purchaser, or the performance by the Purchaser of

any of its obligations hereunder;

- (d) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (e) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the Transaction and the Purchaser is not aware of any existing ground on which any action, suit or proceeding may be commenced with any reasonable likelihood of success;
- (f) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as of Closing, duly and validly executed and delivered by the Purchaser and constitute or will, as of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (g) the Purchaser is not a non-Canadian person as defined in the *Investment Canada Act*;
- (h) The Purchaser has now and will have on the Closing Date the financial resources to complete this transaction in accordance with the terms of this Agreement; and
- (i) the Purchaser is registered or will be registered on Closing under Part IX of the ETA.

3.3 Record of Site Condition in the Environmental Registry

If at any time following Closing the Purchaser, in its sole discretion, elects to file a Record of Site Condition ("RSC") in respect of any Property, then the following clause will be deemed to have formed part of this Agreement as at the time of execution hereof, in respect only of the Property for which the RSC is filed:

"The Purchaser covenants and agrees that following the Closing, it shall file, at its sole cost and expense, a Record of Site Condition in the Environmental Registry as contemplated under s.168.4 of the Environmental Protection Act for the Property."

On Closing, the Purchaser shall deliver an indemnity in favour of the Vendor in which it

agrees to indemnify and save the Vendor harmless from any and all Claims incurred by the Vendor in the event the Purchaser fails to make such filings.

3.4 Receiver's Representations

The Receiver represents and warrants to the Purchaser as follows:

- (a) the Receiver has been duly appointed as the receiver of the Purchased Assets pursuant to the Appointment Order and has full right, power and authority, subject to obtaining the Approval and Vesting Order prior to Closing, to sell the Purchased Assets, in accordance with the terms and conditions of this Agreement and the Approval and Vesting Order; and
- (b) the Receiver is not a non-resident of Canada for purposes of Section 116 of the *Income Tax Act* (Canada).

3.5 Survival of Representations, Warranties and Covenants

The representations, warranties, agreements and covenants made by the Purchaser herein or in any other agreement, certificate or instrument delivered by the Purchaser to the Vendor pursuant to this Agreement shall survive the Closing, and notwithstanding the Closing, shall continue in full force and effect for the benefit of the Vendor, without limitation.

SECTION 4 - CONDITIONS

4.1 Purchaser Closing Conditions

The obligation of the Purchaser to complete the Transaction is subject to the following conditions precedent being fulfilled or performed at or prior to the Closing Date (the "**Purchaser Closing Conditions**"):

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Closing Date in all material respects with the same effect as though made on and as of that date;
- (b) the Vendor shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing in all material respects and shall have executed and delivered or caused to have been executed and delivered to the Purchaser at Closing all the documents contemplated in Section 5.3 or elsewhere in this Agreement;
- (c) intentionally deleted;
- (d) the Appointment Order and the Approval and Vesting Order shall be Final Orders and no order shall have been issued which restrains or prohibits the completion of the Transaction; and

The Purchaser Closing Conditions are for the exclusive benefit of the Purchaser. Any Purchaser Closing Condition may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

4.2 Purchaser Closing Conditions Not Fulfilled

If any Purchaser Closing Condition has not been fulfilled at or prior to Closing, then the Purchaser in its sole discretion may, either:

- (a) terminate this Agreement by notice to the Vendor, in which event the Purchaser shall be released from its obligations under this Agreement and the Deposit shall be promptly returned to the Purchaser in accordance with and subject to the provisions of Section 2.5 hereof; or
- (b) waive compliance with any such Purchaser Closing Condition, without prejudice to its right of termination in the event of non-fulfillment of any other Purchaser Closing Condition.

4.3 Vendor Closing Conditions

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Date (the "**Vendor Closing Conditions**"):

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date in all material respects with the same effect as though made on and as of that date;
- (b) the Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing in all material respects and shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents contemplated in Section 5.2 or elsewhere in this Agreement;
- (c) there shall be no litigation or proceedings pending against the Vendor, in respect of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
- (d) On the Closing Date, the Appointment Order and the Approval and Vesting Order shall be Final Orders and no order shall have been issued which restrains or prohibits the completion of the Transaction.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. The Closing of the Transaction shall deem all conditions to be waived or satisfied.

4.4 Vendor Closing Conditions Not Fulfilled

If any Vendor Closing Condition shall not have been fulfilled at or prior to Closing, then the Vendor in its sole subjective discretion may, without limiting any rights or remedies available to the Vendor at law or in equity, either:

- (a) terminate this Agreement by notice to the Purchaser in which event the Vendor shall be released from all obligations under this Agreement and, unless the Vendor Closing Condition(s) that was not fulfilled was the Vendor Closing Condition contained in Section 4.3(c) or (d), the Deposit shall be retained by the Vendor in accordance with the provisions of Section 2.5 hereof; or
- (b) waive compliance with any such Vendor Closing Condition without prejudice to its right of termination in the event of non-fulfillment of any other Vendor Closing Condition.

4.5 Approval and Vesting Order

The obligations of the Vendor and the Purchaser hereunder are subject to the mutual condition that the Vesting Order shall have been made by the Court on a date to be determined by the Receiver approving this Agreement and the Transaction and vesting in the Purchaser all the right, title and interest of the Debtor in the Purchased Assets free and clear of all Encumbrances, other than the Permitted Encumbrances. The Parties hereto acknowledge that the foregoing condition has been inserted for the mutual benefit of the Parties and is incapable of waiver. In the event that said condition has not been fulfilled by the aforesaid date, the Transaction shall automatically be deemed to be null and void and of no further force and effect as of said date and provided that the Purchaser is not in default of its obligations hereunder, the Deposit shall be promptly returned to the Purchaser in accordance with and subject to the provisions of Section 2.5 hereof. The Parties further acknowledge that the Application to the Court for the Vesting Order will be made as soon as reasonably practical after the binding Agreement is entered into by the Parties.

SECTION 5 - CLOSING

5.1. Closing

The completion of the Transaction shall take place on the Closing Date as specified in this Agreement or as otherwise determined by mutual agreement of the Parties in writing.

The Closing Date shall be subject to the approval of the Vesting Order, and to any approvals required from the City of Toronto pursuant to Instrument AT4601555 and related restrictions having been received. If either of the approval of the Vesting Order or any approvals required from the City of Toronto pursuant to Instrument AT4601555 and related restrictions have not been received by the initial Closing Date, then the Closing Date shall be extended ("Extended Closing Date") for a further period of 60 days. In the event that the approvals have not been received by the Extended Closing Date, then the Purchaser shall have the right to terminate this Agreement in writing to the Vendor

or to the Vendor's Solicitor at his absolute and sole discretion and the Deposit shall be returned to the Purchaser in full without interest or deduction.

5.2. Purchaser's Deliveries on Closing

On or before Closing, the Purchaser shall execute or deliver as applicable, to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the Purchase Price;
- (b) a certificate, dated as of the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (c) an acknowledgement dated as of the Closing Date, that each of the Purchaser Closing Conditions have been fulfilled, performed or waived as of the Closing Date;
- (d) assignment of the Purchased Assets and assumption of the Assumed Liabilities with an indemnification by the Purchaser in favour of the Vendor for any Claims under the Assumed Liabilities;
- (e) the certificate and indemnity provided for under Section 2.11;
- (f) an undertaking to re-adjust any item on or omitted from the statement of adjustments subject to 60 day limitation period in Section 2.8;
- (g) an environmental release and indemnity indemnifying and holding the Vendor harmless from any and all damages, claims, actions, losses, costs, liabilities or expenses (collectively "**Damages**") suffered or incurred by the Vendor, directly or indirectly, as a result of or in connection with any of the following, and without restricting the generality of the foregoing, which include Damages incurred in addressing an administrative order by a Government Authority or in addressing a notice, investigation or other process which could reasonably be anticipated to result in such an order:
 - (i) the presence, release, or the threat of a release of any Hazardous Materials in, on or under the Property;
 - (ii) the presence of any Hazardous Materials in, on or under properties adjoining or proximate to the Property;
 - (iii) any other environmental matters relating to the Property;
 - (iv) the breach of any Environmental Laws applicable to the Property;
 - (v) the release or threatened release of any Hazardous Materials owned, managed, generated, disposed of, controlled or transported by or on behalf of the Purchaser;

- (vi) the Environmental Condition; or
- (vii) the Indemnity provided for in Schedule 3.3; and
- (h) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

5.3 Vendor's Deliveries on Closing

- (a) On or before the Closing, the Vendor shall execute and deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:
 - (i) statement of adjustments;
 - (ii) an acknowledgement dated as of the Closing Date, that each of the Vendor Closing Conditions have been fulfilled, performed or waived as of the Closing Date;
 - (iii) an assignment of the Purchased Assets and assumption of the Assumed Liabilities with an indemnification by the Purchaser in favour of the Vendor for any Claims under the Assumed Liabilities;
 - (iv) assignment of all Leases;
 - (v) the Approval and Vesting Order; and
 - (vi) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.
- (b) Upon the completion of the deliveries pursuant to Section 5.2 and 5.3(a), the Vendor shall immediately file a certificate with the Court (the "**Receiver's Certificate**") that the Transaction has been completed and title to the Property shall vest in the Purchaser effective immediately upon the filing with the Court of the Receiver's Certificate and shall deliver to the Purchaser a copy of same.

5.4 Risk

The Purchased Assets shall be and remain at the risk of the Vendor until Closing. From and after Closing, the Purchased Assets shall be at the risk of the Purchaser. In the event that the Purchased Assets shall be damaged prior to Closing, then the Vendor shall advise the Purchaser in writing within twenty-four (24) hours of the Vendor learning of same. In the event that the Purchased Assets shall be materially damaged prior to Closing then the Vendor shall be entitled, in its sole and absolute discretion, to elect to terminate this Agreement by notice, in writing, to the Purchaser and in such event the Parties hereto shall be released from all obligations and liabilities hereunder. If the Vendor shall not elect to terminate this Agreement as set out above, then the Transaction shall be completed in accordance with the terms and conditions hereof and the Purchaser shall be entitled to all proceeds of insurance payable in respect thereof, if any.

5.5 Termination

If either the Vendor or the Purchaser validly terminates this Agreement pursuant to the provisions of Sections 4.2, 4.4, 4.5 or 5.4:

- (a) all the obligations of both the Vendor and Purchaser pursuant to this Agreement shall be at an end; and
- (b) the Purchaser shall have no right to specific performance or any other remedy against, or any right to recover on account of any Claim it may have from, the Vendor.

5.6 Breach by Purchaser

If all of the Purchaser Closing Conditions have been complied with or waived by the Purchaser and the Purchaser fails to comply with the terms of this Agreement, the Vendor may by notice to the Purchaser elect to treat this Agreement as having been repudiated by the Purchaser. In addition, the Purchaser shall pay to the Vendor, on demand, the deficiency, if any, arising upon such resale (after deducting the expenses of resale) together with interest and all other damages or charges occasioned by or resulting from the default by the Purchaser.

5.7 Electronic Registration

In the event that a system for electronic registration ("**Ereg**") is operative and mandatory in the applicable land registry office, the Purchaser agrees to cause all necessary procedures to be taken, as may be required by the Vendor or the Vendor's solicitors, to complete the Transaction using Ereg in accordance with the Law Society of Ontario's (the "**LSO**") guidelines. If Ereg is operative on the Closing Date, (i) the Purchaser agrees to use a lawyer authorized to use Ereg and who is in good standing with the LSO, (ii) the Purchaser's solicitors will enter into the Vendor's solicitors' standard form of escrow closing agreement or document registration agreement, which will establish the procedures for closing the Transaction provided same are in accordance with LSO guidelines, and (iii) if the Purchaser's solicitors are unwilling or unable to complete the Transaction using Ereg, then the Purchaser's solicitors must attend at the Vendor's solicitors' office or at another location designated by the Vendor's solicitors at such time on Closing as directed by the Vendor's solicitors to complete the Transaction using Ereg utilizing the Vendor's solicitors' computer facilities, in which event, the Purchaser shall pay to the Vendor's solicitors a reasonable fee therefor.

SECTION 6 - GENERAL

6.1. Further Assurances

Each of the Parties shall, from time to time after the Closing Date, at the request and expense of the other, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

6.2. Notice

Any notice or other communication under this Agreement shall be in writing and may be

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delivered personally or transmitted by electronic transmission, addressed
in the case of the Purchaser, as follows:

Attention: Simion Kronenfeld

Telephone No: 416-520-7111

Email: simion@ajglgroup.com

and in the case of the Vendor, as follows:

TDB Restructuring Limited, Court-Appointed
Receiver of 5004591 Ontario Inc.
11 King Street West
Suite 700, PO Box 27
Toronto, ON M5H 4C7

Attention: Arif Dhanani
Email: adhanani@tdbadvisory.ca

with a copy to:

Garfinkle Biderman LLP
801-1 Adelaide Street East
Toronto, ON M5C 2V9

Attention: Avrom W. Brown
Email: abrown@garfinkle.com

and a copy to:

Colliers Macaulay Nicolls Inc.
181 Bay Street, Suite 1400
Toronto, ON M5J 2V1

Attention: Steve Keyzer
Email: steve.keyzer@colliers.com

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by electronic transmission before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on that Business Day, and if transmitted by electronic transmission after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

6.3. Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors.

6.4. Currency

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

6.5. Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns, provided that the Purchaser shall not assign the benefit of this Agreement without the prior written consent of the Vendor; provided the Purchaser may assign its rights and obligations under this Agreement to an "affiliate" of the Purchaser (as such term is defined in the *Business Corporations Act* (Ontario)), provided that the Purchaser remains liable, jointly, with such affiliate for all the obligations of the Purchaser hereunder. To the extent that any such assignment occurs, this Agreement and all provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

6.6. Amendments and Waiver

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Purchaser and the Vendor. The Vendor and the Purchaser may consent to any such amendment at any time prior to the Closing with the prior authorization of their respective boards of directors.

6.7. Entire Agreement

This Agreement and the attached Schedules constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the Party to be bound thereby. Subject to the Approval and Vesting Order being issued by the Court, this Agreement is intended to create binding obligations on the part of the Vendor as set

forth herein and on acceptance by the Purchaser, is intended to create binding obligations on the part of the Purchaser, as set out herein.

6.8. Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

6.9. Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

6.10. Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

6.11. Commission

The Vendor shall be responsible for any commissions to the Agent. Any other commissions payable to any other party shall be the responsibility of the Purchaser.

6.12. Certain Words

In this Agreement, the words "including" and "includes" means "including (or includes) without limitation", and "third party" means any Person who is not a Party.

6.13. Statutory References

All references to any statute is to that statute or regulation as now enacted or as may from time to time be amended, re-enacted or replaced and includes all regulations made thereunder, unless something in the subject matter or context is inconsistent therewith or unless expressly provided otherwise in this Agreement.

6.14. Actions to be Performed on a Business Day

Whenever this Agreement provides for or contemplates that a covenant or obligation is to be performed, or a condition is to be satisfied or waived on a day which is not a Business Day, such covenant or obligation shall be required to be performed, and such condition shall be required to be satisfied or waived on the next Business Day following

such day.

6.15. No Registrations

The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document providing evidence of this Agreement against title to the Property. Should the Purchaser be in default of its obligations under this Section, the Vendor may (as agent and attorney of the Purchaser) cause the removal of such notice of this Agreement, caution, certificate of pending litigation or other document providing evidence of this Agreement or any assignment of this Agreement from the title to the Property and the Purchaser shall be deemed to be in default of its obligations hereunder. The Purchaser irrevocably nominates, constitutes and appoints the Vendor as its agent and attorney in fact and in law to cause the removal of such notice of this Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Property. The Purchaser acknowledges and agrees that until Closing, the Purchaser has no interest in the Property whatsoever, notwithstanding anything to the contrary herein.

6.16. Strict Construction

Each Party acknowledges that it and its legal counsel have reviewed and participated in settling the terms of this Agreement and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the interpretation of this Agreement.

6.17. No Third Party Beneficiaries

This Agreement shall be binding upon and enure solely to the benefit of each of the Parties hereto and its permitted assigns and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement. Nothing in this Agreement shall be construed to create any rights or obligations except between the Parties, and no person or entity shall be regarded as a third party beneficiary of this Agreement. Each of the Parties agrees that all provisions of this Agreement, and all provisions of any and all documents and security delivered in connection herewith, shall not merge and except where otherwise expressly stipulated herein, survive the closing of the Transaction.

6.18. Planning Act

This Agreement is entered into subject to the express conditions that it is to be effective only if the provisions of Section 50 of the *Planning Act* (Ontario) and amendments, are complied with.

6.19. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or electronic mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

6.21 Expenses

Each Party shall be responsible for its own legal and other expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transaction and for the payment of any broker's commission, finder's fee or like payment payable by it in respect of the purchase and sale of the Purchased Assets pursuant to this Agreement.

(Remainder of this page intentionally left blank)

6.22 Announcements

Except as required by law including applicable regulatory and stock exchange requirements, all public announcements concerning the Transaction shall be jointly approved as to form, substance and timing by the Parties after consultation.

The Parties have executed this Agreement by their duly authorized officers.

**TDB RESTRUCTURING LIMITED in its
capacity as Court-Appointed Receiver and not in
its personal capacity**

Per: _____
Name: Arif Dhanani, CPA, CA, CIRP, LIT
Title: Managing Director

1001079582 ONTARIO INC.

PER _____
Name:
Title:

Schedule "A"

Property

PIN No. 10306-0064 (LT) - 2849 Islington Avenue

Part Lot 22 Concession 6 WYS Township of York as in NY735134; Toronto (N York), City of Toronto

PIN No. 10306-0035 (LT) - 2857 Islington Avenue

Part Lot 2 Plan 9059 North York as in 18379983; Toronto (N York), City of Toronto

PIN No. 10306-0034 (LT)- 2855 Islington Avenue

Part Lot 2 Plan 9059 North York as in 18379984; Toronto (N York), City of Toronto

PIN No. 10306-0033 (LT)- 2853 Islington Avenue

Part Lot 1 Plan 9059 North York as in 18221318; Toronto (N York), City of Toronto

PIN No. 10306-0032 (LT)- 2851 Islington Avenue

Part Lot 1 Plan 9059 North York as in TR92058; Toronto (N York), City of Toronto

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Schedule "B"**Permitted Encumbrances**

"Permitted Encumbrances" means the following:

1. The exceptions and qualifications contained in Section 44(1) of the *Land Titles Act*, R.S.O. 1990, and any amendments thereto or any successor legislation, except paragraph 11;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any registered or unregistered easements or rights of way in favour of any governmental authority or public utility provided that none of the foregoing interfere in any material adverse respect with the current use of the Property;
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due;
5. All agreements and easements, registered or otherwise, for utilities and services for hydro, water, heat, power, sewer, drainage, cable and telephone serving the Property, adjacent or neighbouring properties, provided none of the foregoing interfere in any material adverse respect with the current use of the Property;
6. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property provided that in either case same do not materially adversely impair the use, operation, or marketability of the Property;
7. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
8. Any breaches of any Applicable Laws, including Work Orders;
9. Any subdivision agreements, site plan agreements, developments and any other agreements with the Municipality, Region, publicly regulated utilities or other governmental authorities having jurisdiction;
10. Minor title defects, if any, that do not in the aggregate materially affect the use of the Property for the purposes for which it is used on the date of acceptance of this Agreement;
11. The following specific instruments registered on title against the Property:

Permitted Encumbrances related to the Property
(unaffected by the Approval and Vesting Order)

Reg. Num.	Date	Instrument Type	Parties To
NY524794	November 21, 1967	Agreement	The Corporation of the Borough of North York
NY579166	July 20, 1970	By-law exempting Part Lot Control	
NY593705	May 12, 1971	Agreement	The Borough of North York
NY608306	December 29, 1971	Agreement	The Corporation of the Borough of North York
NY620929	July 28, 1972	Municipal By-law	
NY632269	January 29, 1973	Notice of Airport Zoning Regulations	Department of Transportation
TB379984	December 29, 1986	Statutory Declaration of Anthony Dillena	
TR57844	March 27, 2000	Notice	Her Majesty the Queen in Right of the Department of Transport Canada
AT4601553	June 19, 2017	Section 37 Agreement	City of Toronto
AT4601554	June 19, 2017	Rental Housing Agreement	City of Toronto
AT4601555	June 19, 2017	Restriction preventing any Transfer or Charge of the lands or any part thereof without the prior written consent of the Chief Planner, of the City of Toronto	
AT4867240	May 18, 2018	Site Plan Agreement	City of Toronto

33**Schedule "C"****Excluded Assets**

BMO Bank of Montreal • Banque de Montréal CANADIAN \$ DRAFT / TRAITE EN DOLLARS CANADIENS

981504 DATE DEC 03 2024
4800 DUFFERIN ST. M3H 5S8
DOWNSVIEW, ONTARIO, CANADA

CTI

Pay to the order of / Payez à l'ordre de GARTINKEL BIDERMAN LLP IN TRUST \$ 300,000.00

for Bank of Montreal / pour la Banque de Montréal

*****CAD300,000.00*****

PAUL F. ROONEY PROFESSIONAL CORPORATI

ON
Purchaser's name / Nom de l'acheteur
204 TAVISTOCK RD
TORONTO, ON M3M2P6
Purchaser's address / Adresse de l'acheteur

Signing Officer / Signataire

Signing Officer / Signataire

⑆06952⑆001⑆ 24640298150461198

The Bank of Nova Scotia
Finch & Dufferin
845 Finch Avenue West
Toronto, Ontario
Canada M3J 2C7
Tel: (416) 665-8742
Fax: (416) 665-5911



Confidential

TDB Restructuring Limited,
11 King Street West, Suite 700,
Toronto, Ontario M5H 4C7

Re: Receiver of 5004591 Ontario Inc.

This is to confirm that as on Dec 03rd, 2024, Mr. Simion Kronenfeld, 425 Alness Street Toronto, ON, M3J2T8, has Liquid funds of CAD \$ 3,000,000.00 (three million) in his accounts at our Branch, Scotia Bank, 845 Finch Avenue West, Toronto, Ontario, Canada, M3J 2C7.

In-case of any query please feel free to contact the undersigned.

Thanks

A handwritten signature in black ink, appearing to read "Vikas Sharma", with a stylized flourish at the end.

Vikas Sharma

Small Business Banking

845 Finch Avenue West, Toronto, Ontario, Canada M3J 2C7

T 1.416.665.3336 x 4301 M 1.437.533.7915

vikas1.sharma@scotiabank.com

www.scotiabank.com

Scotiabank is a business name used by The Bank of Nova Scotia

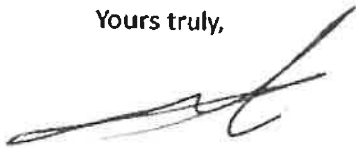
Confirmation

December 3, 2024

TO: 100079582 Ontario Inc.

You have advised the undersigned that you have submitted to TBD Restructuring Limited an agreement to purchase five contiguous properties located on Islington Ave., Toronto (the "Properties"), for a purchase price of \$3 million (the "Agreement"). By this Confirmation, I am confirming to you my commitment to provide advances to you in the amount of \$3 million and as may be required pursuant to the Agreement, to fund the closing of your purchase of the Properties as described in the Agreement. I understand and agree that you are relying on this commitment in submitting the Agreement to TBD Restructuring Limited.

Yours truly,

A handwritten signature in black ink, appearing to read 'Simion Kronenfeld', with a long horizontal stroke extending to the left.

Simion Kronenfeld