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Cc: beatrice.loschiavo@paliareroland.com
Subject: RE: Order - TBD - Conacher Kingston (101971) – CV-23-00701672-00CL - Toronto [IWOV-PRiManage.FID407588]
Attachments: Order for Sale Process signed Justice Black-Receiver TDB-2024-12-04.pdf

Dear Service List:

Attached is an issued and entered copy of the Order of the Honourable Justice Black, dated December 10, 2024.

Sincerely,

Candace Baumtrog
Legal Assistant to Gordon Capern, Hailey Bruckner, and Ryan Shah

Phone: 416.646.7487
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Court File No. CV-23-00701672-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 10TH
	)	
JUSTICE BLACK	)	DAY OF DECEMBER, 2024

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

-and-

CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC.

Respondents

ORDER

(SALES PROCESS)

THIS MOTION, made by 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**") for an order for an approval and vesting order in respect of the Toronto Property was heard this day at the courthouse at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Receiver, the Third Report of the Receiver dated November 25, 2024 (the "**Third Report**"), the Supplement to the Third Report of the Receiver dated November 28, 2024 (the "**Supplement to the Third**

Report"), the Second Supplement to the Third Report of the Receiver dated December 3, 2024 (the "**Second Supplement to the Third Report**"), the Third Supplement to the Third Report of the Receiver dated December 7, 2024 (the "**Third Supplement to the Third Report**"), the Factum of the Receiver, the Supplementary Factum of the Receiver, the First Affidavit of Simion Kronenfeld, the Second Affidavit of Simion Kronenfeld, the Third Affidavit of Simion Kronenfeld, the Affidavit of Carly Vande Weghe, the First Affidavit of Jamie Erlick, the Second Affidavit of Jamie Erlick, the Third Affidavit of Jamie Erlick, the Affidavit of Vincent Zhang, the First Aide Memoire of AJGL Group Inc. and 1001079582 Ontario Inc., the Second Aide Memoire of AJGL Group Inc. and 1001079582 Ontario Inc., the Receiver's Responding Submissions to the Second Aide Memoire of AJGL Group Inc. and 1001079582 Ontario Inc., the Factum of Issam A. Saad and 2858087 Ontario Inc., the Aide Memoire of Arjun Anand (in trust for a company to be formed) 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 party although properly served as appears from the Lawyer's Certificate of Service of Ryan Shah, dated November 25, 2024 and the Affidavit of Service of Beatrice Loschiavo, dated November 29, 2024:

A. Definitions

1. THIS COURT ORDERS that for the purposes of this Order, the following definitions apply:

(a) "**Anand**" means Arjun Anand (in trust for a company to be formed);

(b) "**Bid Deadline**" means December 16, 2024 at 5:00 PM E.S.T.; and

(c) "**Potential Bidders**" mean all persons who, as of December 10, 2024, have submitted to the Receiver offers to purchase the Toronto Property which term includes, for certainty, 1001079582 Ontario Inc. and Anand.

B. Approval and Vesting Order

2. THIS COURT HEREBY does not approve the sale transaction in respect of the Toronto Property as contemplated by an Agreement of Purchase and Sale as between the Receiver and Anand, dated September 26, 2024 (the "**Transaction**").

3. THIS COURT HEREBY does not approve the proposed sale transaction in respect of the Toronto Property as contemplated by an Agreement of Purchase and Sale submitted to the Receiver by 1001079582 Ontario Inc. on December 6, 2024.

4. THIS COURT HEREBY dismisses the Receiver's motion seeking an Approval and Vesting Order approving the Transaction.

C. Final Sales Process

5. THIS COURT ORDERS AND DIRECTS that, beginning forthwith and continuing until the Bid Deadline, the Receiver shall solicit and consider further offers to purchase the Toronto Property from Potential Bidders (such process being the "**Final Sales Process**").

6. THIS COURT ORDERS that, for certainty, the Final Sales Process shall conclude at the Bid Deadline and that the Receiver shall not consider offers for the purchase of the Toronto Property received after the Bid Deadline.

7. THIS COURT ORDERS that the Receiver shall forthwith advise the Potential Bidders that all such persons shall have a final opportunity to submit an offer for the purchase of the Toronto Property in the Final Sales Process.

8. THIS COURT ORDERS that, following the Bid Deadline:

(a) the Receiver shall review the offers it received in the Final Sales Process prior to the Bid Deadline and, in its discretion, determine which offer the Receiver intends to accept and recommend to the Court for approval (such successful bid being the "**Successful Bid**"); and

(b) the Receiver shall promptly thereafter file and serve a motion seeking an approval and vesting order in respect of the transaction contemplated by the Successful Bid.

D. Reimbursement of Anand

9. If Anand is not the offeror of the Successful Bid, AJGL Group Inc. shall reimburse Anand for its reasonable legal costs associated with the Transaction up to the date hereof.

10. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Order and are enforceable without the need for entry and filing.

Justice W.D. Black

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

CAMERON STEPHENS MORTGAGE CAPITAL LTD.
Applicant

-and-

CONACHER KINGSTON HOLDINGS INC. et al.
Respondents

Hearing Brief p. 1043

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ORDER
(SALES PROCESS)

Hearing Brief p. 1043

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Lawyers for the Receiver, TDB Restructuring Limited

This is **Exhibit 21** 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

From: Candace.Baumtrog@Paliareroland.com
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Subject: Serve Revised Factum of the Receiver - Court File No. CV-23-00701672-00CL - CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC. - CAMERON STEPHENS MORTGAGE CAPITAL LTD. [IWOV-PRiManage.FID422513]
Attachments: Factum of the Receiver - TDB - April 30, 2025.pdf

Good morning,

Attached please find the revised Factum of the Receiver, served on you pursuant to the *Rules of Civil Procedure.*

Sincerely,

Candace Baumtrog
Legal Assistant to Gordon Capern, Hailey Bruckner, and Ryan Shah

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Subject: re. Serve Factum + BOA + Compendium of the Receiver - Court File No. CV-23-00701672-00CL - CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC. - CAMERON STEPHENS MORTGAGE CAPITAL LTD. [IWOV-PRiManage.FID422513]

Good afternoon,

Attached please find the Factum, Book of Authorities and Compendium of the Receiver, served on you pursuant to the *Rules of Civil Procedure.*

Sincerely,

Candace Baumtrog
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Court of Appeal File No. COA-24-CV-13328
Court File No. CV-23-00701672-00CL

COURT OF APPEAL FOR ONTARIO

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant/Respondent in Appeal

-and-

CONACHER KINGSTON HOLDINGS INC. and **5004591 ONTARIO INC.**

Respondents/Respondents in Appeal

FACTUM OF THE RECEIVER

April 30, 2025

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Lawyers for the Receiver, TDB Restructuring Limited

TO: **Service List**

PART I. OVERVIEW

1. This appeal arises from the decision (the "**Decision**") of the Honourable Justice Black (the "**Motion Judge**") on a motion (the "**Motion**") by TDB Restructuring Limited (the "**Receiver**"), for, among, other things, the approval of the sale of the Toronto Property (as defined below) to Arjun Anand (the "**Appellant**") pursuant to an agreement of purchase and sale dated October 7, 2024 (the "**Toronto APS**").

2. Shortly before the Motion was heard, 1001079582 Ontario Inc. ("**100 Inc.**") made an offer to purchase the Toronto Property, which offer was 37% higher than the price contained in the Toronto APS.

3. 100 Inc. sought an Order directing the Receiver to sell the Toronto Property to 100 Inc. or, in the alternative, a direction that the Receiver re-commence the sales process for the Toronto Property. The Receiver took the position that the Court should approve the Toronto APS or, if the Court found that 100 Inc.'s offer was "substantially higher" than the Toronto APS, direct that the Toronto Property be re-marketed for a brief period of time.

4. While the Motion Judge found that the sales process that gave rise to the Toronto APS was fair, the Motion Judge also found that 100 Inc.'s offer was "substantially higher" than the Toronto APS and that it would not be appropriate or in the interest of the majority of stakeholders to leave that much money "on the table".

5. The Appellant now appeals the Decision on the grounds that the Motion Judge exercised his discretion improperly by directing the re-opening of the sales process for the Toronto Property.

6. The appeal should be dismissed. The Motion Judge's decision was made in the context of a unique factual matrix that required the balancing of a number of diverse stakeholder interests. The Motion Judge's decision to allow for a further marketing period was not a reviewable error, but instead the exercise of discretion that is subject to considerable deference.

PART II. FACTS

A. Background

7. On December 6, 2023, the Receiver was appointed receiver of 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**") pursuant to an Order of this Court (the "**Appointment Order**"). The Receiver's appointment became effective on December 22, 2023.[1]

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

[1] Appointment Order, Appendix A to the Third Report of the Receiver, November 25, 2025 ("**Third Report**"), Compendium of the Receiver ("**RC**"), Tab 1A, pp. 22-39.
[2] Omnibus Order, Appendix B to the Third Report, RC, Tab 1B, pp. 41-51.

9. The Toronto Property, which is the site of a residential property development, is owned by 5004591 Ontario Inc. ("**500 Inc.**").

B. Creditors

10. On December 18, 2019, pursuant to a loan agreement (the "**Loan**") between Cameron Stephens Mortgage Capital Ltd. (the "**Lender**") and Conacher Kingston Holdings Inc. ("**Conacher**"), Conacher granted the Lender a first mortgage against the Kingston Property owned by Conacher.

11. The Loan was guaranteed by 500 Inc. who granted the Lender a collateral mortgage in the amount of $15,600,000 on the Toronto Property in furtherance of the guarantee.[3]

12. The Lender is the only creditor with a registered charge on title to the Toronto Property, however a number of other parties claim an interest in the property through a variety of legal theories, including:

(a) 2462686 Ontario Inc., the second mortgagee on the Kingston Property, which claims an interest in the Toronto Property under the doctrine of marshalling;

(b) 2478659 Ontario Ltd., the third mortgagee on the Kingston Property, which claims an interest in the Toronto Property under the doctrine of marshalling;[4] and

[3] Third Report, paras. 33-35, RC, Tab 1, p. 17.
[4] Endorsement at paras. 22-26, Appendix E to Third Report, RC, Tab 1E, pp. 80-81.

(c) 2858087 Ontario Inc. ("**285 Inc.**"), a party that claims that it was granted an equitable mortgage in both of the Properties.[5]

C. The Terminated Sale of the Toronto Property

13. 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**").[6]

14. The Receiver sought, and obtained, an order from the Court approving the transaction on July 24, 2024.[7]

15. 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.[8]

D. The Re-Marketing and Sales Process

16. Following the termination of the Terminated APS, the Receiver immediately re-marketed the Toronto Property and engaged in a sales process for the Toronto Property as follows.

[5] Promissory Note, Exhibit B to the Affidavit of Carly Vande Weghe, RC, Tab 3B, p. 114.
[6] Third Report, para. 3, RC, Tab 1, p. 9.
[7] Third Report, para. 3, RC, Tab 1, p. 9.
[8] Second Report, paras. 9-15, Appendix D to the Third Report, RC, Tab 1D, pp. 60-61.

1. Marketing Efforts

17. The Receiver and Colliers ("**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.[9]

18. Colliers listed the Toronto Property on MLS and sent out an e-mail blast to its data of approximately 3,000 prospective purchasers.[10]

19. 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.[11] Colliers maintained its electronic data room to provide access to confidential information pertaining to the Toronto Property to parties which had executed a Confidentiality Agreement.

2. Offers Received

20. 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.[12]

E. The APS

21. On October 7, 2024, the Receiver executed the Toronto APS with the Appellant, subject to the approval of this Court.

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[9] Third Report, para. 20, RC, Tab 1, p. 14.
[10] Third Report, para. 18, RC, Tab 1, p. 13.
[11] Third Report, para. 19, RC, Tab 1, p. 14.
[12] Third Report, para. 22, RC, Tab 1, p. 14.

22. The Receiver is and was 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.[13]

23. The Receiver therefore recommended that the Court approve the Toronto APS and grant an Order vesting title in the purchased assets in the Appellant or its assignee upon the closing of the transaction contemplated by the Toronto APS (the "**Transaction**").[14]

F. The December 4, 2024 hearing

24. The Motion was originally scheduled for December 4, 2024. On the day before the hearing, 100 Inc. made two offers to purchase the Toronto Property (the "**First Offer**" and the "**Second Offer**") from the Receiver. The Receiver understands that 100 Inc. is a company related to 500 Inc.

25. The First Offer and the Second Offer were 6.7% and 14.2% higher than the Toronto APS, respectively. 100 Inc. also provided proof of funds in connection with these offers.

26. In light of these offers, on December 4, 2024, the Motion Judge adjourned the hearing of the Motion to December 10, 2024 so as to accommodate comprehensive submissions on these new developments.[15]

27. On December 6, 2024, 100 Inc. made a further offer to purchase the Toronto Property, which was 37% higher than the Toronto APS (the "**Third Offer**").[16]

[13] Third Report, paras. 27-28, RC, Tab 1, pp. 15-16.
[14] Third Report, para. 29, RC, Tab 1, p. 16.
[15] Endorsement of Justice WD Black, dated December 4, 2024, RC, Tab 4, pp. 116-117.
[16] Third Supplement to the Third Report, para. 28-29, RC, Tab 2, pp. 107-108.

G. The December 10, 2024 hearing and the Decision

28. At the December 10, 2024 hearing of the Motion, the Receiver maintained its initial position that the Court should approve the Toronto APS but also acknowledged that, in light of the magnitude of the Third Offer, it was also open to the Court to find that the Third Offer was "substantially higher" than the Toronto APS in which case, the Receiver would recommend that the Toronto Property be re-marketed for a brief period of time. In this regard, the Receiver provided the Court with various examples of where a court considered if a subsequent offer was "substantially higher".[17]

29. The Third Offer was supported by several stakeholders including the Lender, 285 Inc. and the estate of the now deceased principal of Conacher.

30. The Motion Judge held that the Receiver's conduct of its sale process for the Toronto Property was "unassailable." However, the Motion Judge ultimately found that the Third Offer was "substantially higher" than the Toronto APS, such that it was in the interests of the stakeholders of the Toronto Property to re-open bidding for the Toronto Property.

31. In particular, the Motion Judge held as follows:

> I find that the magnitude by which the Third Offer exceeds the subject price does in fact qualify as "substantially higher," and that it is not appropriate or in the interests of a majority of stakeholders to leave that much money "on the table."[18]

[17] Supplementary Factum of the Receiver, December 3, 2024, RC, Tab 6, p. 127.

[18] Endorsement of Justice Black December 10, 2024 ["**December 10 Endorsement**"] at para. 34, RC Tab 5, p. 123.

32. In so deciding, the Motion Judge noted that he viewed the situation as "unique" and "unlikely to be regularly repeated."[19]

PART III. ISSUES

33. The Appeal raises the following issues:

(a) What is the appropriate standard of review of the Decision?;

(b) Did the Motion Judge err in principle or misapply the *Soundair* test in directing that the Receiver re-open the sales process for the Toronto Property?;

(c) Did the Receiver's motion materials improperly disclose confidential information to 100 Inc.?; and

(d) Did the Motion Judge err in granting standing to the 100 Inc.?

34. These issues should be answered as follows:

(a) the Motion Judge's Decision should only be interfered with if the Motion Judge "erred in law, seriously misapprehended the evidence, exercised his or her discretion based upon irrelevant or erroneous considerations, or failed to give any or sufficient weight to relevant considerations";[20]

(b) the Motion Judge did not err in applying the *Soundair* test and directing that the Receiver re-open the sales process for the Toronto Property;

---

[19] December 10 Endorsement, para. 13, RC, Tab 5, p. 121.

[20] *Reciprocal Opportunities Incorporated v. Sikh Lehar International Organization*, 2018 ONCA 713 at para. 54 ["***Sikh Lehar***"], Book of Authorities of the Receiver ["**BOA**"], Tab 4, p. 15.

(c) the Receiver's motion materials did not improperly disclose any confidential information to 100 Inc. or any other party; and

(d) it was open to the Motion Judge to consider the Third Offer and the Motion Judge committed no error in doing so.

PART IV. LAW

A. The Motion Judge's Decision is subject to a deferential standard of review

35. The Decision was discretionary in nature and, accordingly, this Court ought to give deference to the Motions Judge's decision. As this Court has decided in the past:

> An appeal court will interfere only where the judge considering the receiver's motion for approval of a sale has erred in law, seriously misapprehended the evidence, exercised his or her discretion based upon irrelevant or erroneous considerations, or failed to give any or sufficient weight to relevant considerations.[21]

36. The Decision, in particular, required the weighing of a multitude of factors in an insolvency with many stakeholders with diverse and competing interests. This should weigh strongly in favour of significant deference for the Motion Judge's Decision.

B. The Motion Judge did not err in principle or misapply the Soundair test

37. In the case of *Royal Bank of Canada v. Soundair Corp*, the Court of Appeal for Ontario developed a multi-factor test for the Court to use in determining whether an insolvent's property by a Court-appointed officer should be approved.

38. In making this determination, the Court should consider:

[21] *Sikh Lehar* at para. 54, BOA, Tab 4, p. 15.

(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.[22]

39. The Motion Judge gave due consideration to all of these factors and it cannot, therefore, be said that the Motion Judge committed an error in weighing the same.

40. The Motion Judge noted that Receiver's sales process was fair and managed with integrity and correctly found that these factors weighed in favour of approving the Toronto APS.

41. At the same time, the Motion Judge found that the Third Offer was of such a magnitude above the Toronto APS that it engaged the interests of the many stakeholders of the Toronto Property, which interests ultimately outweighed other, competing considerations.

42. The Appellant's factum argues that, in so doing, the Motion Judge committed the following errors:

[22] *Royal Bank v. Soundair Corp*., 1991 CanLII 2727 (ONCA) at para. 16 ["***Soundair***"], BOA, Tab 5, p. 19.

(a) refusing to accept the Toronto APS, given that the Motion Judge did not find that the price of the Toronto APS was "unreasonably low" or that the Receiver had acted "improvidently"; and

(b) failing to "consider the interests of the Appellant whose offer was accepted by the Receiver in making his decision."

43. Neither of these arguments justifies allowing the Appeal.

1. The Motion Judge was not required to have found that the Receiver had acted improvidently in entering into the Toronto APS to have directed the re-marketing of the Toronto Property

44. The Appellant's factum appears to assert that the only basis upon which the Court can refuse to approve a receiver's proposed sale of assets is when the Court finds the Court finds that the sale price is "unreasonably low" or that the receiver has acted "improvidently." According to the Appellant, because the Motion Judge did not make either of these findings, it was not open to the Motion Judge to rely on the quantum of the Third Offer to direct that the sale process be re-opened.

45. This proposed standard is impractical and contrary to the principles of insolvency law.

46. First, while the Receiver agrees that, generally, a late blooming offer should only be considered if it calls into question the providence of the Receiver's sale process, the Receiver disagrees that this is the only basis upon which a late blooming offer can be taken into account by the Court. If this rule were applied without exception, as the Appellant proposes it should, it would unduly restrict the ability of the Court to address fast-moving commercial realities and would be contrary to the principles of insolvency

law, which emphasize the inherent, flexible jurisdiction of the Court to respond to what "practicality demands."[23]

47. Second, this case is distinguishable from that principally relied on by the Appellant[24] for the above proposition because, in this case, the Receiver acknowledged that it was open to the Court to find that the Third Offer was so much higher than the Toronto APS that it would justify re-opening the sales process for the Toronto Property.[25]

48. The case law recognizes that, in considering whether to approve a receiver's proposed asset sale, the Court should not "enter into the market-place"[26] or "sit as on appeal from the decision of the Receiver."[27] However, this is not what the Motion Judge did.

49. Indeed, this is not a case where the Motion Judge rejected the Toronto APS over the objection of the Receiver, to whose business judgment the Court owes deference. Instead, this is a case where the Receiver sought to balance between competing concerns and stakeholders in offering the Court a primary (the Toronto APS) and secondary (re-opening the sales process for the Toronto Property as a result of the Third Bid) recommendation.

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[23] See *Third Eye Capital Corporation v. Ressources Dianor Inc.*, 2019 ONCA 508 at paras. 56-57, BOA, Tab 6, pp. 23-24.

[24] *River Rentals Group Ltd. v. Hutterian Brethren Church of Codesa*, 2010 ABCA 16.

[25] December 10 Endorsement, RC, Tab 5, pp. 120-121.

[26] *Gentra Canada Investments Inc. v. 724270 Ontario Ltd.*, 1994 CarswellOnt 3852 at para. 68 (C.J. (Gen. Div.) [Commercial List]), BOA, Tab 2, p. 9, citing *Crown Trust v. Rosenberg*, 1986 CanLII 2760 (ON SC), (1986) 60 O.R.(2d) 87 ["***Crown Trust***"], BOA, Tab 1, p. 6.

[27] *Crown Trust* at para. 65, BOA, Tab 1, p. 6.

50. It is entirely consistent with the principles enunciated in *Soundair* for the Motion Judge to have ultimately selected the Receiver's secondary recommendation

2. The Motion Judge did consider the interests of the Appellant in making the Decision

51. Contrary to the submission of the Appellant, the Motion Judge took into account all relevant factors in coming to his Decision, including the interests of the Appellant.

52. Indeed, the Motion Judge's reasons and Decision explicitly addressed and accounted for the fact that the lateness of the Third Offer and the direction that the Receiver re-open the sales process for the Toronto Property were contrary to the interests of the Appellant.

53. In particular, the Motion Judge directed that, in the event the Appellant is not successful in the re-opened sales process for the Toronto Property, 100 Inc.'s parent company shall reimburse the Appellant for its reasonable legal costs associated with the Transaction to the date of the Decision.

54. This decision by the Motion Judge was exclusively for the benefit of the Appellant and demonstrates that the Motion Judge specifically considered the effect that the Decision would have on the interests of the Appellant.

55. Additionally, the Motion Judge specifically considered and addressed the primary argument raised by the Appellant, being that the refusal to accept the Toronto APS would undermine the integrity and predictability of asset sales in receiverships.

56. The Appellant submitted that countenancing the Third Offer and refusing the Toronto APS would create an "unpredictable free-for-all" and undermine the ability of receivers to maximize value for a debtor's creditors.[28]

57. The Motion Judge did not accept this submission because he found as a fact that the circumstances of this case were "unique, likely singular, and unlikely to be replicated in future (or certainly not often)."[29] It was open to the Motion Judge to make this finding of fact and rely on it in rejecting the Appellant's position that the Decision would have the effect of undermining insolvency sales processes.

58. In light of such consideration, it cannot be said that the Motion judge failed to consider the interests or position of the Appellant.

C. The Receiver's motion materials did not disclose any confidential information to 100 Inc. or any other party

59. The Appellant's factum argues that, in advising the Court and the parties that the First Offer and the Second Offer were "only marginally (6.7%-14.2%) higher" than the Toronto APS, the fairness of the Motion was compromised.

60. In essence, the Appellant is taking issue with the fact that this information would have allowed 100 Inc. and others to deduce the value of the Toronto APS.

61. The disclosure of this information in the Receiver's materials was within the discretion of the Receiver as an officer of the Court. In any event, this information did nothing to undermine the fairness of the Motion or the sales process and was necessary

[28] December 10 Endorsement at para. 12, RC, Tab 5, p. 121.
[29] December 10 Endorsement at para. 13, RC, Tab 5, p. 121.

to enable the Toronto Property's many stakeholders (including the Appellant) to make submissions on the First Offer and the Second Offer.

1. The disclosure of the percentage difference between the Toronto APS, the First Offer and the Second Offer was within the Receiver's discretion

62. The Appointment Order specifically empowers the Receiver 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 receivership, and to share information, subject to terms as to confidentiality as the Receiver deems advisable.[30]

63. This provision clearly confers upon the Receiver the authority to share information concerning the Toronto Property with interested parties in its discretion, as it did in this case.

64. The Receiver's exercise of such discretion should attract considerable deference from the Court. As the Court of Appeal for Ontario has recognized:

> Receivers will often have to make difficult business choices that require a careful cost/benefit analysis and the weighing of competing, if not irreconcilable, interests. Those decisions will often involve choosing from among several possible courses of action, none of which may be clearly preferable to the others. Usually, there will be many factors to be identified and weighed by the receiver. Viable arguments will be available in support of different options. The receiver must consider all of the available information, the interests of all legitimate stakeholders, and proceed in an evenhanded manner. That, of course, does not mean that all stakeholders must be equally satisfied with the course of conduct chosen by the receiver. If the receiver's decision is within the broad bounds of reasonableness, and if it proceeds fairly, having considered the interests of all stakeholders, the court will support the receiver's decision.[31]

65. While the Appellant may disagree with the disclosure of the percentage difference between its offer and that of 100 Inc., there is no requirement that all stakeholders be equally satisfied with the Receiver's course of conduct. As set out in greater detail below,

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[30] Appointment Order at para. 3(m), RC, Tab 1A, p. 27.

[31] *Ravelston Corp. (Re)*, 2005 CanLII 63802 at para. 40 (Ont. C.A.), BOA, Tab 3, p. 12

the Receiver's disclosure of this information had the salutary effect of enabling the Toronto Property's diverse stakeholders to consider and make submissions on the Toronto APS and the offers submitted by 100 Inc., putting the Receiver's decision firmly within the "broad bounds of reasonableness" in which the Court ought to defer to the Receiver.

2. The disclosure of the percentage difference between the Toronto APS, the First Offer and the Second Offer did nothing to undermine the sales process and was appropriate in the circumstances

66. On its merits, the Receiver's decision to identify the percentage difference between the Toronto APS, the First Offer and the Second Offer did nothing to advantage 100 Inc. or disadvantage the Appellant. On the contrary, this disclosure was a reasonable decision by the Receiver that provided the Toronto Property's numerous stakeholders with the opportunity to consider, and make submissions on, a late breaking offer that affected their financial and legal interests.

67. In this regard, it is important to remember that the reason that the Motion Judge directed that the Receiver re-open the sales process for the Toronto Property is because the Motion Judge found that the Third Offer was "substantially higher" than the Toronto APS.[32] This is not a case where 100 Inc. used the information it gleaned from the Receiver's materials to outbid the Appellant by a tactical, nominal amount.

68. On the contrary, 100 Inc. made an offer that was of such a magnitude above the Toronto APS that the Motion Judge found there to be exceptional circumstances which justified re-opening the sales process for the general benefit of the Toronto Property's

[32] December 10 Endorsement, para. 34, RC, Tab 5, p. 123.

stakeholders. The notion that such outcome was the product of 100 Inc.'s tactical misuse of confidential information, as opposed to 100 Inc.'s strong desire to obtain the Toronto Property, is speculative at best and no reason for this Court to replace the Motion Judge's judgment with its own.

D. The Motion Judge did not err in granting standing to 100 Inc.

69. The Appellant takes the position that the Motion Judge erred in granting standing to 100 Inc. to participate in the hearing of the Motion.

70. The Motion Judge's Order did not explicitly grant standing to 100 Inc. However, in the Receiver's view, this issue is largely irrelevant. The Motion Judge's decision was explicitly based on a consideration of the best interests of the Toronto Property's stakeholders rather than the recognition of any legal right possessed 100 Inc. The Motion Judge's reason for re-opening the bidding process for the Toronto Property was because "it is not appropriate or in the interests of a majority of stakeholders to leave that much money "on the table.""[33]

71. There can be no question that it was open to the Motion Judge to consider such stakeholder interests in exercising his discretion.[34] Such discretion did not depend on whether or not 100 Inc. had standing and, accordingly, the Appellant's emphasis on this purported error by the Motion Judge is, respectfully, misplaced.

[33] December 10 Endorsement, para. 34, RC, Tab 5, p. 123.
[34] *Soundair* at para. 16, BOA, Tab 5, p. 19.

PART V. ORDER REQUESTED

72. The Receiver respectfully requests that this Court dismiss the Appeal.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 30th day of April, 2025.

Jeffrey Larry / Douglas Montgomery / Ryan Shah

Court of Appeal File No. COA-24-CV-13328
Court File No. CV-23-00701672-00CL

COURT OF APPEAL FOR ONTARIO

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant/Respondent in Appeal

-and-

CONACHER KINGSTON HOLDINGS INC. and **5004591 ONTARIO INC.**

Respondents/Respondents in Appeal

CERTIFICATE

I estimate that 1 hour will be needed for my oral argument of the appeal, not including reply. An order under subrule 61.09(2) (original record and exhibits) is not required. The factum complies with Rule 61.11(3).

There are 4,251 words in Parts I to V.

The Person signing this Certificate is satisfied as to the authenticity of every authority listed in Schedule A.

Date:____April 30 , 2025_____ Ryan Shah

SCHEDULE "A" – AUTHORITIES CITED

1. *Crown Trust v. Rosenberg*, 1986 CanLII 2760 (ON SC).
2. *Gentra Canada Investments Inc. v. 724270 Ontario Ltd.*, 1994 CarswellOnt 3852 (C.J. (Gen. Div.) [Commercial List]).
3. *Ravelston Corp. (Re)*, 2005 CanLII 63802 (Ont. C.A.).
4. *Reciprocal Opportunities Incorporated v. Sikh Lehar International Organization*, 2018 ONCA 713.
5. *River Rentals Group Ltd. v. Hutterian Brethren Church of Codesa*, 2010 ABCA 16.
6. *Royal Bank v. Soundair Corp.*, 1991 CanLII 2727 (ONCA).
7. *Third Eye Capital Corporation v. Ressources Dianor Inc.*, 2019 ONCA 508.

I certify that I am satisfied as to the authenticity of every authority cited in this factum.

Ryan Shah

SCHEDULE “B”

1. **“N/A”**

Court of Appeal File No. COA-24-CV-13328
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

PROCEEDING COMMENCED AT
TORONTO

FACTUM OF THE RECEIVER

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Tel: 416.646.4330
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Ryan Shah (LSO# 88250C)
Tel: 416.646-6356
ryan.shah@paliareroland.com

Lawyers for the Receiver, TDB Restructuring Limited

This is **Exhibit 22** 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

From: rooney@paulfrooneyprofcorp.com <rooney@paulfrooneyprofcorp.com>
Sent: October 24, 2025 4:34 PM
To: adhanani@tdbadvisory.ca
Cc: 'Avrom Brown' <abrown@garfinkle.com>; steve.keyzer@colliers.com; Jeff.Larry@paliareroland.com
Subject: Withdrawal of Potential Offer re Islington Avenue Lands

Gentlemen,

Please see attached my correspondence of today in relation to the above topic. It is being sent to you the recipients because you are the recipients who received the previous offer to purchase made by my client. And, given Mr. Dhanani's previous comment/request, I have also added Mr. Larry.

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

This message is solicitor-client privileged and contains confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited. If you have received this message in error, please notify us immediately by telephone and delete the message without making a copy.

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
October 24, 2025

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")

This letter is further to my letter to you of December 16, 2024 on this topic.

By way of my letter of December 16, 2025, my client 1001079582 Ontario Inc. submitted to the Receiver a further revised offer to purchase the Islington Properties, which replaced the previous offers and partial Agreements. The offer to purchase was submitted pursuant to the terms set out in the Endorsement of Justice Black, dated December 10, 2024, and in particular Paragraph 35 thereof, which described what Justice Black called the "Proposed Auction Process", which would allow for and govern additional offers to be submitted and considered on the terms Justice Black described. The subsequently-issued and entered Order of Justice Black dated December 10, 2024 (only issued in March, long after my client's offer was submitted) referred in Paragraph 5 thereof to a "Final Sales Process" (the Receiver considering further offers) and in Paragraph 7 stated that certain persons could "submit an offer in the

Final Sales Process". The Receiver had a discretion whether to accept any of those offers (Paragraph 8(a)). As at the date hereof, the Receiver has not accepted my client's offer made pursuant to the Proposed Auction Process.

This letter shall constitute notice that effective immediately today and as of this email transmission, my client is withdrawing its offer previously made pursuant to my December 16, 2024 letter with its enclosed form of agreement that my client had signed. That offer made by my client (which is also the only existing offer made by my client that is outstanding) is no longer open for acceptance by the Receiver, and is now of no effect. Mr. Brown is in possession of funds in the amount of $300,000 held by his firm in trust, which my client had voluntarily (it was not yet required by any term in the offer) and conditionally delivered to be held in this manner on account of any subsequent deposit that might have become payable by my client if and when its offer had been accepted by the Receiver. Those trust funds must now be returned to my client right away, without deduction. In that respect, please contact the undersigned to make arrangements for the return of those trust funds.

Yours very truly,

Paul F. Rooney
Professional Corporation

per

Paul F. Rooney
PFR:md

E:\Office\Client Matters\Islington\\Letter to Receiver with Withdrawal of Agreement (4th revised agmt) doc

This is **Exhibit 23** 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

Dale Denis

From: Fernando, Shanella (JUD) <Shanella.Fernando@ontario.ca>
Sent: October 27, 2025 10:30 AM
To: jkulathungam@teplitskycolson.com; wgreenspoon@garfinkle.com; rsparano@himprolaw.com; Dale Denis; rooney@paulfrooneyprofcorp.com; jeff.larry@paliareroland.com; ryan.shah@paliareroland.com; mbyers@cmblaw.ca; kwasielewski@cmblaw.ca; JWajs@stikeman.com
Cc: Glynn, Wil (JUD); Leal, Sandra (JUD); Singh, Rebecca (JUD); Karim, Aliyah (JUD)
Subject: Decision Release: COA-24-CV-1328 – Cameron Stephens Mortgage Capital Ltd. v. Conacher Kingston Holdings Inc., 2025 ONCA 732
Attachments: COA-24-CV-1328.rere.htm; COA-24-CV-1328.rere.pdf

Good morning:

A copy of the decision from the Court of Appeal for Ontario in the above-mentioned matter is attached for your information.

Thank you,

Shanella Fernando (she/her)
Judicial Assistant
Court of Appeal for Ontario
Phone number: 416-300-6812
Address, hours, other contact info: ontariocourts.ca/coa/contact/

e-Filing: coa.e-file@ontario.ca

COURT OF APPEAL FOR ONTARIO

CITATION: Cameron Stephens Mortgage Capital Ltd. v. Conacher Kingston Holdings Inc., 2025 ONCA 732
DATE: 20251027
DOCKET: COA-24-CV-1328

Miller, Paciocco and Coroza JJ.A.

BETWEEN

Cameron Stephens Mortgage Capital Ltd.

Applicant (Respondent)

and

Conacher Kingston Holdings Inc. and 5004591 Ontario Inc.

Respondents (Respondents)

Jonathan Kulathungam, for the appellant Arjun Anand, in Trust for a Company to Be Incorporated

Wendy H. Greenspoon-Soer, for the respondent Cameron Stephens Mortgage Capital Ltd.[1]

Raffaele Sparano, for the respondents Yury Boltyansky and 2462686 Ontario Inc.[2]

Dale Denis and Paul Rooney, for the respondents AJGL Group Inc. and 1001079582 Ontario Inc.

Jeffrey Larry and Ryan Shah, for the receiver TDB Restructuring Ltd.

Michael L. Byers and Katarina Wasielewski, for the respondents Issam A. Saad and 2858087 Ontario Inc.

---

[1] Wendy H. Greenspoon-Soer appeared but made no written or oral submissions on behalf of the respondent.
[2] Raffaele Sparano appeared but made no written or oral submissions on behalf of the respondents.

Jordan D. Wajs, for the interested party Ron Barbaro[3]

Heard: May 26, 2025

On appeal from the order of Justice William Black of the Superior Court of Justice, dated December 10, 2024.

Coroza J.A.:

I. OVERVIEW

[1] The appellant, Arjun Anand, entered into an Agreement of Purchase and Sale ("APS") with a court-appointed receiver ("Receiver") to purchase a debtor's real estate. Consequently, the Receiver brought a motion before the Superior Court of Justice seeking an approval and vesting order. However, due to late-breaking offers, including one that was 37% higher than the appellant's offer, the motion judge declined to approve the sale. Instead, the motion judge ordered a six-day extension of the bidding process to ensure that the creditors received the highest value for the property.

[2] The appellant submits that the motion judge erred in re-opening the process, and in doing so, improperly applied the principles articulated by this court in *Royal Bank of Canada v. Soundair Corp.* (1991), 4 O.R. (3d) 1 (C.A.). The appellant asks this court to set aside the motion judge's order and direct the Receiver to proceed with the sale of the property to him.

---

[3] Jordan D. Wajs appeared but made no written or oral submissions on behalf of the interested party.

[3] As I will explain, I do not accept the appellant's submission that the motion judge erred. Accordingly, I would dismiss the appeal.

II. FACTUAL BACKGROUND

[4] To provide context for the appeal, some brief background is necessary.

[5] On December 6, 2023, TDB Restructuring Limited was appointed as the Receiver over a series of the debtor's properties on Islington Avenue (the "Toronto Property"). The appointment of the Receiver was sought by a secured lender, Cameron Stephen Mortgage Capital Inc., pursuant to a mortgage in the amount of $15,600,000 registered on the Toronto Property. AJGL Group Inc. ("AJGL") is the owner of the Toronto Property.

[6] The Receiver conducted a sales process over the course of eight months. Initially, the Receiver invited eight commercial real estate brokers to submit proposals for the marketing and sale of the Toronto Property. An MLS listing agreement was subsequently entered into between the Receiver and Colliers Macaulay Nicolls Inc. ("Colliers").

[7] Colliers listed the property on March 25, 2024. It conducted an extensive marketing campaign by sending the listing to approximately 3,000 parties. Offers were received, but Colliers could not close on the sale of the property. As a result, the Toronto Property was re-marketed by Colliers beginning on August 29, 2024.

[8] On October 7, 2024, the Receiver entered an APS with the appellant, subject to the approval of the court (the "Subject Transaction"). The appellant completed his due diligence and waived all conditions. Court approval was the only remaining contingency.

[9] The Receiver filed a motion before the Superior Court of Justice seeking approval of the sale of the Toronto Property to the appellant. The approval motion was scheduled for December 4, 2024.

[10] On December 3, 2024, a third party, 1001079582 Ontario Inc. ("100 Inc."), made two offers on the Toronto Property. 100 Inc. is a wholly owned subsidiary of AJGL. These two offers were 6.7% and 14.2% higher than the price of the Subject Transaction.

[11] Following these offers, the Receiver filed a factum with the court outlining its position. The Receiver was of the view that the court had discretion to consider the late offers, but that these offers were not "substantially higher", such that they would not cast doubt on the providence of the sales process. The Receiver did not disclose the price of the Subject Transaction or the late offers. Rather, the Receiver provided the percentage differences between the two.

[12] On December 4, 2024, the parties appeared before the motion judge. The motion judge adjourned the matter to December 10, because of the "flurry of activity" leading up to the hearing. He acknowledged the two late-breaking offers

from 100 Inc. and sought to give all parties more time to respond. The motion judge directed that any parties who wished to submit additional offers could do so by December 9, 2024.

[13] On December 6, 2024, 100 Inc. submitted a third, higher offer. The third offer was 37% higher than the appellant's offer.

[14] On December 10, 2024, the parties appeared again before the motion judge. At this hearing, the Receiver put forward an alternative position. The Receiver continued to seek approval of the Subject Transaction but recognized that given the magnitude of the third offer, the court could order a further auction process whereby the bidders are asked to submit their best offers by a specified date.

[15] The motion judge declined to approve the sale, finding that the preferable approach was to re-open the auction process. He recognized the need to preserve the integrity and predictability of the sales process within receiverships but found that the unique circumstances of the case warranted re-opening the auction process.

[16] The motion judge recognized that there were no flaws in the sales process, and that the Receiver's conduct throughout the process was unassailable. However, the motion judge held that the magnitude of the third offer qualified as "substantially higher", such that the price of the Subject Transaction risked

improvidence. Further, he found that it would not be in the interests of the stakeholders to forego the value differential between the two offers.

[17] To maintain fairness to the appellant, the motion judge ordered that if the appellant did not remain the successful bidder following the auction process, AJGL would reimburse his reasonable legal costs associated with the process to date.

[18] The motion judge's order provided that all bidders who previously submitted an offer, including the appellant and 100 Inc., would be able to re-bid on the Toronto Property.

[19] Consequently, the motion judge ordered that the auction process would run from December 10, 2024, to 5:00 p.m. on December 16, 2024. The appellant appealed, and the auction process was automatically stayed as the appellant filed the appeal as an appeal as of right.

III. ISSUES

Preliminary Issue

[20] In his notice of appeal and amended notice of appeal, the appellant took the position that he had an automatic right of appeal to this court under s. 193(c) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "*BIA*"). In the alternative, if necessary, the appellant sought leave to appeal under s. 193(e) of the *BIA*.

[21] During oral argument, this court asked the appellant to address whether his appeal was before the court as of right under s. 193(c), or whether he needed

leave to appeal under s. 193(e). The respondents and Receiver took no position on this issue.

[22] Section 193(c) of the *BIA* states:

> 193 Unless otherwise expressly provided, an appeal lies to the Court of Appeal from any order or decision of a judge of the court in the following cases:
>
> …
>
> (c) if the property involved in the appeal exceeds in value ten thousand dollars.

[23] This provision has been narrowly interpreted by this court: *2403177 Ontario Inc. v. Bending Lake Iron Group Limited*, 2016 ONCA 225, 369 D.L.R. (4th) 635, at paras. 46-53. Section 193(c) does not apply to orders that: (1) are procedural in nature; (2) do not bring into play the value of the debtor's property; or (3) do not result in a loss. As Pepall J.A. recently clarified, falling into any of the three categories identified in *Bending Lake* is fatal to an as of right appeal under s. 193(c): *North House Foods Ltd. (Re)*, 2025 ONCA 563, 20 C.B.R. (7th) 1, at para. 48.

[24] The motion judge's decision to re-open the auction process is about the method of the sale of the Toronto Property. The core effect of the order is to dismiss the Receiver's motion seeking approval of the Subject Transaction, and to set the terms for the auction process. Arguably, this is a procedural step in the Receiver's sale of the Toronto Property. Even the grounds of appeal are also

process-related. The appellant seeks to set aside the order based on his concerns about the timing of the late offers and their impact on the receivership process. The claim to leave therefore fails on *Bending Lake* exception (2). In addition, the operative effect of the motion judge's order does not directly result in a loss. It solely concerns a matter of procedure and is an order as to the manner of sale alone: *Hillmount Capital Inc. v. Pizale*, 2021 ONCA 364, 462 D.L.R. (4th) 228, at para. 40. For these reasons, the appellant does not have an automatic right of appeal under s. 193(c). Leave must be granted pursuant to s. 193(e) of the *BIA*.

[25] In deciding whether to grant leave under s. 193(e), the court must consider whether the proposed appeal:

(a) raises an issue that is of general importance to the practice in bankruptcy/insolvency matters or to the administration of justice as a whole, and is one that this court should therefore consider and address;

(b) is *prima facie* meritorious; and

(c) would unduly hinder the progress of the bankruptcy/insolvency proceedings: *Business Development Bank of Canada v. Pine Tree Resorts Inc.*, 2013 ONCA 282, 115 O.R. (3d) 617, at para. 29.

[26] Granting leave under s. 193(e) "must be exercised in a flexible and contextual way": *Pine Tree*, at para. 29. I am satisfied that leave should be granted.

[27] The appellant submits that the appeal raises an issue of general importance because it seeks to clarify whether the magnitude of a late offer, alone, can warrant re-opening the auction process. I agree that this issue may be of significance

beyond the parties and to receivership proceedings where late-breaking offers are made. Furthermore, I am satisfied that the appeal is arguable. No party suggests that hearing the appeal will unduly hinder the progress of the bankruptcy proceedings.

[28] The appellant raises three issues on appeal:

- First, the appellant submits that the motion judge misapplied the principles articulated by this court in *Soundair* in deciding to re-open and extend the bidding process.
- Second, the appellant contends that the Receiver improperly disclosed the appellant's confidential bid price causing prejudice to him.
- Third, the appellant submits that the motion judge erred in granting standing to the respondent 100 Inc.

IV. ANALYSIS

[29] The standard of review on this appeal is not controversial. The motion judge's order relating to the approval of a sale is discretionary. This court will only interfere if the motion judge erred in law, seriously misapprehended the evidence, exercised his discretion based upon irrelevant or erroneous considerations, or failed to give any or sufficient weight to relevant considerations: see *Reciprocal Opportunities Incorporated v. Sikh Lehar International Organization*, 2018 ONCA

713, 426 D.L.R. (4th) 273, at para. 54; *Bank of Canada v. Regal Constellation Hotel (Receiver of)* (2004), 71 O.R. (3d) 355 (C.A.), at para. 22.

Issue 1: Did the motion judge misapply the principles articulated in *Soundair*?

[30] This court gives substantial deference to the discretion of commercial court judges supervising insolvency and restructuring proceedings: *Ravelston Corporation Limited (Re)*, 2007 ONCA 135, 85 O.R. (3d) 175, at para. 3; *Marchant Realty Partners Inc. v. 2407553 Ontario Inc.*, 2021 ONCA 375, 90 C.B.R. (6th) 39, at para. 18. Accordingly, the motion judge's decision to re-open the auction process is entitled to substantial deference.

[31] Commercial court judges also give substantial deference to the recommendations of a court-appointed receiver, so long as: (1) the receiver's recommendations are within the broad bounds of reasonableness; and (2) the receiver proceeded fairly: *Ravelston*, at para. 3; *Marchant Realty*, at para. 19.

[32] The appellant argues that the motion judge misapplied the principles set out by this court in *Soundair* for reviewing and approving a receiver's sale of property.

[33] Under the principles described in *Soundair*, the motion judge had to consider:

- whether a sufficient effort has been made to obtain the best price and whether the Receiver has acted improvidently;

- the interests of all of the parties;
- the efficacy and integrity of the process by which the offers were obtained; and
- whether the working out of the process was unfair: *Soundair*, at p. 9.

[34] Starting from this point of deference, I do not agree that the motion judge erred in his application of *Soundair*. The *Soundair* principles are flexible and case specific. No one factor is determinative. Rather, they are principles that a court must consider when deciding whether a receiver who has sold a property acted properly.

(i) Whether a sufficient effort has been made to obtain the best price and whether the Receiver has acted improvidently

[35] First, the motion judge considered whether the Receiver made sufficient efforts to get the best price, and whether the Receiver acted improvidently. For ease of reference, I reproduce the relevant passages of the motion judge's reasons on this point:

> [32] I do so, also, with an appreciation of the need to preserve the integrity and predictability of the marketing and sale process within receiverships, and the reasonable expectation in the vast majority of cases that the process will yield a value-maximizing result that should not be subverted by late-breaking offers.
>
> [33] As noted, I do not find that there are any flaws with the sale and marketing process undertaken here; to the contrary I find that the conduct of the Receiver, and those

> involved in the process, including Collier, was unassailable.
>
> [34] Nonetheless I find that the magnitude by which the Third Offer exceeds the subject price does in fact qualify as "substantially higher," and that it is not appropriate or in the interests of a majority of stakeholders to leave that much money "on the table."

[36] While the motion judge found that the Receiver's conduct was unassailable, this did not assuage his concern that the Subject Transaction risked improvidence based on the magnitude of the price differential between the Subject Transaction and 100 Inc.'s third offer. This concern was reflected in earlier paragraphs of the reasons:

> [9] While the Receiver, quite appropriately, stands by its submissions about the integrity of the process, and the worrisome precedent associated with giving effect to an offer received very late in the process (and in the face of the subject offer that the Receiver has accepted and recommended), the Receiver also clearly recognizes that at a certain level, a late-breaking offer can and perhaps must be considered simply by dint of its value.
>
> [10] It is apparent that the Receiver allows that the Third Offer may be in that category. Before me today Receiver's counsel submitted that, albeit the Receiver's first position remains that the proposed subject transaction should be approved, it now says that, as a second possibility, if the court is persuaded that 37% is a sufficiently higher price to qualify as "substantially higher" such that that the subject price risks improvidence, then the Receiver suggests a further "auction" process whereby the bidders are asked to submit their best offers by a specified date in the near term. [Emphasis added.]

[37] I see no error in the motion judge's approach. I also find no support for the appellant's submission that the first *Soundair* factor imposes a mandatory two-step test before re-opening the bidding that required the motion judge to find both: (1) a significantly higher price; and (2) that the integrity of the process was compromised. I see nothing in *Soundair* that would support the appellant's interpretation.

[38] I agree with the Receiver's submission on appeal that the appellant's submission, if accepted by this court, would establish a rigid rule to be applied without exception, would unduly restrict the court to address fast-moving commercial realities, and would be contrary to the principles of insolvency which requires courts to respond with practical solutions. In my view, the motion judge's approach and his assessment that a late-breaking offer should be considered in this case is entirely consistent with the court's guidance at p. 14 of *Soundair*:

> If, however, the subsequent offer is so substantially higher than the sale recommended by the receiver, then it may be that the receiver has not conducted the sale properly. In such circumstances, the court would be justified itself in entering into the sale process by considering competitive bids. However, I think that that process should be entered into only if the court is satisfied that the receiver has not properly conducted the sale which it has recommended to the court. [Emphasis added].

(ii) Interests of all of the parties

[39] Second, the motion judge considered the interests of all parties and creditors. The motion judge acknowledged that re-opening the auction process was contrary to the appellant's interests. However, the motion judge also recognized the interests of the creditors in securing the best possible price. In my view, the motion judge's reasons reflect a thoughtful and practical balancing of competing interests.

(iii) The efficacy and integrity of the process by which the offers were obtained

[40] Third, the motion judge considered the efficacy and integrity of the process that led to the Subject Transaction. The motion judge was satisfied that up to the point of the late offer, there were no issues with the sales process. He rejected the appellant's submission that re-opening the auction and considering the late offer would create unpredictability and instability in future receiverships. He found that the concern was diminished in this case because the circumstances were "unique, likely singular, and unlikely to be replicated in the future (or certainly not often)". One of these unique facts is the Receiver's change in position following 100 Inc.'s third offer to alternatively recommend re-opening the auction process.

[41] Plainly, the motion judge appropriately considered and grappled with the Receiver's alternate recommendation that the process be re-opened. The motion judge stated:

> [28] As noted, despite its appropriately stated concerns about the integrity of the process, the 37% delta between the Third Offer and the subject price caused the Receiver to suggest, as an alternative to approval of the subject offer, a further process to ensure that the value of the Third Offer is captured and maximized.
>
> [29] In the unique circumstances as described, I find that this is the preferable approach.
>
> [30] I do so without suggesting that the subject purchaser acted in anything other than good faith.
>
> [31] I do so, also, with an appreciation of the need to preserve the integrity and predictability of the marketing and sale process within receiverships, and the reasonable expectation in the vast majority of cases that the process will yield a value-maximizing result that should not be subverted by late-breaking offers.

[42] I see no reversible error in the motion judge's approach. Again, commercial judges should "be reluctant to second guess, with the benefit of hindsight, the considered business decisions made by its receiver": *Soundair*, at p. 8. Put another way, the motion judge owed deference to the Receiver's business judgment. And, in this case, the Receiver sought to balance between competing concerns and stakeholders in offering the court more than one option in how best to proceed. It was not an error for the motion judge to proceed with the alternate recommendation.

(iv) Whether the working out of the process was unfair

[43] Finally, the motion judge considered whether there was unfairness in extending the bidding process. It is obvious that the motion judge recognized that the late-breaking offer was contrary to the interests of the appellant. He considered the effect that re-opening would have on the appellant and, to remedy any potential unfairness, he ordered that if the appellant is not the successful bidder, AJGL will reimburse the appellant's reasonable legal costs incurred to date. This was a practical solution to the potential prejudice suffered by the appellant and has been ordered by this court in other cases to maintain fairness: e.g., *Peakhill Capital Inc. v. 1000093910 Ontario Inc.*, 2024 ONCA 584, 14 C.B.R. (7th) 230, at paras. 13-20.

[44] In sum, the appellant's submissions are an invitation to engage in a minute parsing of specific phrases used by the motion judge, in search of error. Read fairly, the motion judge applied the guidance in *Soundair*. His decision balances the interests of all parties and favours the Receiver's judgment in recommending that the auction process be re-opened. There is no basis to disturb the motion judge's considered decision.

Issue 2: Did the Receiver improperly disclose the appellant's confidential bid price?

[45] The appellant submits that the process was unfair because the Receiver disclosed confidential information by including the percentage differences between

the Subject Transaction and the late offers in its factum before the motion judge. I do not agree with the appellant that the Receiver's choice to disclose the percentage differences worked any unfairness.

[46] First, the order appointing the Receiver explicitly provides that it can disclose information relating to the Toronto Property and the receivership as it deems appropriate. Disclosing information about the late offers was a matter within the Receiver's discretion, and within its authority as a court-appointed officer.

[47] Second, the court should not forensically examine the Receiver's choice to disclose the percentage differences. This was a reasonable approach that balanced the confidentiality of the Subject Transaction with the need to alert the motion judge to the significance of the late offers.

[48] Third, the Receiver's disclosure of the percentage differences did not cause prejudice to the appellant. By disclosing the percentage differences rather than gross figures, only the appellant and 100 Inc. could determine the price of the Subject Transaction and the late offers. The world at large, or other bidders who might engage in the auction process, do not know the quantum of the offers. Further, this is not a situation where a late bidder tactically used confidential information to make an offer slightly above that of the appellant. The third offer made by 100 Inc. was 37% higher than the appellant's. The offer is of such a magnitude that it does not suggest tactical use of confidential information.

Issue 3: Did the motion judge err in granting standing to the respondent 100 Inc.?

[49] In his written material, the appellant also advanced a submission that the motion judge erred in granting standing to the respondent 100 Inc. to participate in the motion hearing. This argument was not pressed in oral argument, and it can be disposed of briefly.

[50] It is not clear whether 100 Inc. was explicitly granted standing. In any event, the motion judge's exercise of discretion did not depend on whether 100 Inc. was granted standing. I see nothing in the record that suggests that 100 Inc.'s involvement in the motion caused delay, additional expense, or prejudice to the appellant in any way. This submission has no merit.

V. DISPOSITION

[51] For these reasons, I would dismiss the appeal. I would order the appellant to pay the respondents and the Receiver the costs of the appeal in the agreed upon amount of $45,000, all-inclusive. If the parties cannot agree on the distribution of costs amongst the respondents and the Receiver, written submissions may be made within seven days of the release of these reasons.

[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.

Released: October 27, 2025

S. Coroza J.A.

I agree J.A.

I agree J.A.

This is **Exhibit 24** 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

Arif Dhanani

From: ryan.shah@paliareroland.com
Sent: Monday, October 27, 2025 12:00 PM
To: Jeff.Larry@paliareroland.com; ryan.shah@paliareroland.com; wgreenspoon@garfinkle.com; dullmann@blaney.com; jwajs@stikeman.com; dmurdoch@stikeman.com; navis@stikeman.com; rtaylor@cmblaw.ca; jwadden@tyrllp.com; ssherrington@tyrllp.com; jlee@cl-law.ca; ronald@davidzonlaw.com; Arif Dhanani; Bryan Tannenbaum; peter@himprolaw.com; rsparano@himprolaw.com; jmorley@LN.law; dale@dilitigation.com; paul@starkmanlawyers.com; calvin@starkmanlawyers.com; asamat@blaney.com; jkulathungam@teplitskyllp.com; rooney@paulfrooneyprofcorp.com; MByers@CMBLaw.ca; aeftekharnejad_ca@yahoo.ca; Tarek.Mansour@colliers.com
Cc: Candace.Baumtrog@Paliareroland.com
Subject: Cameron Stephens Mortgage Capital Ltd. v. Conacher Kingston Holdings Inc. - COA-24-CV-1328 [IMAN-PRIMANAGE.FID407588]
Attachments: COA-24-CV-1328.rere.pdf; Order for Sale Process signed Justice Black-Receiver TDB-2024-12-04.pdf

External sender

Good morning:

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.

Regards,

Paliare Roland

Ryan Shah
Associate

Phone: 416.646.6356
Email: ryan.shah@paliareroland.com

155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

paliareroland.com

This is **Exhibit 25** 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

From: ryan.shah@paliareroland.com
Sent: October 27, 2025 4:16 PM
To: rooney@paulfrooneyprofcorp.com
Cc: Dale Denis; Candace.Baumtrog@Paliareroland.com; Jeff.Larry@paliareroland.com; btannenbaum@tdbadvisory.ca; adhanani@tdbadvisory.ca; abrown@garfinkle.com
Subject: Receivership of real property municipally known as 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario [IMAN-PRIMANAGE.FID407588]
Attachments: 27-OCT-2025 Letter to P. Rooney re. Toronto Property(10077101.2).pdf; COA-24-CV-1328.rere.pdf; 16-DEC-2024 Letter from P. Rooney re. Offer.pdf

Good afternoon:

Please find attached a letter from Jeffrey Larry of today's date and enclosures.

Regards,

Ryan Shah
Associate

Phone: 416.646.6356
Email: ryan.shah@paliareroland.com

155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

paliareroland.com

The information contained in this e-mail message may be privileged, confidential and protected from disclosure. If you are not the intended recipient, any use, disclosure, dissemination, distribution or copying of any portion of this message or any attachment is strictly prohibited.

Paliare Roland

Jeffrey Larry
Paliare Roland Rosenberg Rothstein LLP
155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

jeff.larry@paliareroland.com
T. 416.646.4330 / F. 416.646.4301

File # 102488

October 27, 2025

VIA EMAIL: rooney@paulfrooneyprofcorp.com

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

Dear Mr. Rooney:

Re: Receivership of real property municipally known as 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the "Toronto Property") and 311 Conacher Drive, Kingston, Ontario (the "Kingston Property" and, together with the Toronto Property, the "Real Property")

As you know, we are counsel to TDB Restructuring Limited in its capacity as receiver (the "**Receiver**") of the Real Property.

I write in response to your letter of October 24, 2025 in which you purport to withdraw 1001079582 Ontario Inc. ("**100 Inc.**")'s offer to purchase the Toronto Property, which offer was submitted to the Receiver on December 16, 2024 (the "**Offer**").

100 Inc. is not entitled to withdraw the Offer, which continues to remain open for acceptance in accordance with both the terms of your letter dated December 16, 2024 (and which is enclosed herewith) and the understanding that all offers were irrevocable until the end of the sales process.

With regards to your December 16, 2024 letter, you indicated (appropriately) that the Offer remained "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 [Offer])."

This letter placed no other conditions or limitations on the availability of the Offer for acceptance by the Receiver and, in the context of a Court-supervised sales process, this language clearly establishes the Offer as irrevocable pending final court approval.

Given that the Receiver does not recognize your client's purported withdrawal of the Offer, the Receiver will not authorize the return of the $300,000 presently being held in trust by Garfinkle Biderman LLP.

Paliare Roland

If, at the conclusion of the extended 48-hour bidding period for the Toronto Property provided for in the decision of the Court of Appeal for Ontario (which has been provided to you and which is enclosed herewith), the Receiver does not receive a bid that is superior to the Offer, then the Receiver will proceed to sign back the Offer.

If, in such event, your client purports to repudiate the Offer, the Receiver will enforce the Offer through all rights and remedies available to it including a claim for damages if your client fails to close on the Offer.

Yours very truly,
Paliare Roland Rosenberg Rothstein LLP

Jeffrey Larry
JL:RS

Encls.

C: R. Shah
B. Tannenbaum
A. Dhanani
A. Brown
D. Denis

This is **Exhibit 26** 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

From: rooney@paulfrooneyprofcorp.com
Sent: October 27, 2025 6:45 PM
To: ryan.shah@paliareroland.com; Jeff.Larry@paliareroland.com
Cc: Dale Denis; Candace.Baumtrog@Paliareroland.com; btannenbaum@tdbadvisory.ca; adhanani@tdbadvisory.ca; abrown@garfinkle.com; steve.keyzer@colliers.com
Subject: RE: Receivership of real property municipally known as 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario [IMAN-PRIMANAGE.FID407588]
Attachments: Letter to Receiver with Withdrawal of Agreement (signed Oct 27 2025).pdf

Please see attached my client's response to Mr. Larry's letter of today.

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

This message is solicitor-client privileged and contains confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited. If you have received this message in error, please notify us immediately by telephone and delete the message without making a copy.

From: ryan.shah@paliareroland.com <ryan.shah@paliareroland.com>
Sent: October 27, 2025 4:16 PM
To: rooney@paulfrooneyprofcorp.com
Cc: dale@dilitigation.com; Candace.Baumtrog@Paliareroland.com; Jeff.Larry@paliareroland.com; btannenbaum@tdbadvisory.ca; adhanani@tdbadvisory.ca; abrown@garfinkle.com
Subject: Receivership of real property municipally known as 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario [IMAN-PRIMANAGE.FID407588]

Good afternoon:

Please find attached a letter from Jeffrey Larry of today's date and enclosures.

Regards,

Paliare Roland

Ryan Shah
Associate

Phone: 416.646.6356
Email: ryan.shah@paliareroland.com

155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

paliareroland.com

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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
October 27, 2025

Our File No. 19507

Paliare Roland Rosenberg Rothstein LLP
155 Wellington St. West, 35th floor
Toronto, Ontario M5V 3H1

Attention: Jeffrey Larry jeff.larry@paliareroland.com

AND TO

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")

I have Mr. Larry's letter of October 27, 2025 in reply to my letter of October 24, 2025 to you on the above-noted topic. I am not attempting to provide at this time all comments that might be made by my client in relation to the statements in Mr. Larry's letter. At this moment however, my client does want to

state that, contrary to the assertions of Mr. Larry, firstly, there was no "understanding" to which my client was a party "that all offers were irrevocable until the end of the sales process", and secondly, my client does not agree with, among other things, the statement that the wording in my December 16, 2024 letter that my client's offer was "open for acceptance" until the potential events I described, made the offer irrevocable in law (or otherwise) or precluded or precludes my client from withdrawing its offer at this time or before the Receiver actually accepted it.

My client will not be responsible for any acts or omissions of the Receiver that it decides to make based on its position that my client's offer remains open for acceptance.

Therefore, my client repeats and again submits at this time this notice of withdrawal. I again note that by way of my letter of December 16, 2025, my client 1001079582 Ontario Inc. submitted to the Receiver a further revised offer to purchase the Islington Properties, which replaced the previous offers and partial Agreements. The offer to purchase was submitted pursuant to the terms set out in the Endorsement of Justice Black, dated December 10, 2024, and in particular Paragraph 35 thereof, which described what Justice Black called the "Proposed Auction Process", which would allow for and govern additional offers to be submitted and considered on the terms Justice Black described. The subsequently-issued and entered Order of Justice Black dated December 10, 2024 (only issued in March, long after my client's offer was submitted) referred in Paragraph 5 thereof to a "Final Sales Process" (the Receiver considering further offers) and in Paragraph 7 stated that certain persons could "submit an offer in the Final Sales Process". The Receiver had a discretion whether to accept any of those offers (Paragraph 8(a)). As at the date hereof, the Receiver has not accepted my client's offer made pursuant to the Proposed Auction Process.

This letter shall constitute notice that effective immediately today and as of this email transmission, and without limiting the effect of the prior notice given to you October 24, 2025 and in addition thereto and not in replacement thereof, my client is withdrawing its offer previously made pursuant to my December 16, 2024 letter with its enclosed form of agreement that my client had signed. That offer made by my client (which is also the only existing offer made by my client that had been outstanding) is no longer open for acceptance by the Receiver, and is no longer of any effect. Mr. Brown is in possession of funds in the amount of $300,000 held by his firm in trust, which my client had voluntarily (it was not yet required by any term in the offer) and conditionally delivered to be held in this manner on account of any subsequent deposit that might have become payable by my client if and when its offer had been accepted by the Receiver. Those trust funds must now be returned to my client right away, without deduction. In that respect, please contact the undersigned to make arrangements for the return of those trust funds.

Yours very truly,

Paul F. Rooney
Professional Corporation

per

Paul F. Rooney
PFR:md

E:\Office\Client Matters\Islington\\Letter to Receiver with Withdrawal of Agreement (Oct 27 2025) doc

This is **Exhibit 27** 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

From: Paul Rooney <rooney@paulfrooneyprofcorp.com>
Sent: October 28, 2025 5:24 PM
To: abrown@garfinkle.com
Subject: Fwd: Scanned from a Xerox Multifunction Printer

Re Prior Offer for Islington Properties

Hello Avrom,
Please see attached my further letter regarding my client's funds that you are holding in trust.

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

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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
October 28, 2025

Our File No. 19507

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

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.

Yours very truly,

Paul F. Rooney
Professional Corporation

per

Paul F. Rooney
PFR:md

E:\Office\Client Matters\Islington\\Letter to A Brown re deposit and Withdrawal of Agreement (Oct 27 2025) 2 doc

This is **Exhibit 28** 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

From: ryan.shah@paliareroland.com
Sent: October 30, 2025 2:45 PM
To: rooney@paulfrooneyprofcorp.com
Cc: Jeff.Larry@paliareroland.com; Candace.Baumtrog@Paliareroland.com; btannenbaum@tdbadvisory.ca; adhanani@tdbadvisory.ca; abrown@garfinkle.com; Dale Denis
Subject: Receivership of 2849, 2851, 2853, 2855 and 2857 Islington Ave., Toronto, ON - APS [IMAN-PRIMANAGE.FID407588]
Attachments: COA-24-CV-1328.rere.pdf; 27-OCT-2025 Letter to P. Rooney re. Toronto Property(10077101.2).pdf; Letter to Receiver with Withdrawal of Agreement Oct 24.pdf; 30-OCT-2025 Letter to P. Rooney(10082687.2).pdf; Purchase Agreement for Islington lands -4th revised (Dec 16 2024) - fully executed(209662.2).pdf

Good afternoon:

Please find attached correspondence from Jeffrey Larry of today's date and enclosures.

Regards,

Paliare Roland

Ryan Shah
Associate

Phone: 416.646.6356
Email: ryan.shah@paliareroland.com

155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

paliareroland.com

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Paliare Roland

Jeffrey Larry
Paliare Roland Rosenberg Rothstein LLP
155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

jeff.larry@paliareroland.com
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File # 102488

October 30, 2025

VIA EMAIL: rooney@paulfrooneyprofcorp.com

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

Dear Mr. Rooney:

Re: Receivership of real property municipally known as 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the "Toronto Property") and 311 Conacher Drive, Kingston, Ontario (the "Kingston Property" and, together with the Toronto Property, the "Real Property")

I write further to the Court of Appeal for Ontario's decision in the above matter, dated October 27, 2025 (the "**Decision**"), which is enclosed herewith.

The Decision directed the Receiver to consider further offers for the purchase of the Toronto Property from parties that have already submitted offers for a period of 48 hours following the Receiver giving notice of the Decision to parties. This 48-hour period concluded on October 29, 2025 at 12:00 PM Toronto time.

At the conclusion of this period, the Receiver determined that 1001079582 Ontario Inc. ("**100 Inc.**")'s offer to purchase the Toronto Property, which offer was submitted to the Receiver on December 16, 2024 (the "**Offer**"), was the highest and best offer for the Toronto Property available in the circumstances.

Accordingly, the Receiver has accepted the Offer and I enclose a copy of the agreement of purchase and sale in respect of the Offer (the "**Agreement**") which has been signed back by the Receiver.

As set out in my letter of October 27, 2025, the Receiver does not recognize 100 Inc.'s purported withdrawal of the Offer in your letter of October 24, 2025 (both letters being enclosed herewith). Now that the Receiver has signed back the Agreement, the Receiver will proceed to perform its

Paliare Roland

obligations thereunder by seeking an approval and vesting order and then closing the Agreement.

Yours very truly,
Paliare Roland Rosenberg Rothstein LLP

Jeffrey Larry
JL:RS

Encls.

C: R. Shah
D. Denis
A. Brown
B. Tannenbaum
A. Dhanani

AGREEMENT OF PURCHASE AND SALE

This AGREEMENT made as of the 16th 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) 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 apelet 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;

(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 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;

(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

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 6 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 ~~$2,000,000.00~~ $3,801,000.00, allocated as set out in paragraph 2 7

2.5. Deposit

The Parties acknowledge and agree that the sum of $380,100.00, 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

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 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 ofToronto

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Schedule "C"

Excluded Assets

This is **Exhibit 29** 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

From: Carol Ramos <cramos@garfinkle.com>
Sent: October 30, 2025 3:06 PM
To: rooney@paulfrooneyprofcorp.com
Cc: Avrom Brown <abrown@GARFINKLE.com>; Jeffrey Larry - Paliare Roland Rosenberg Rothstein LLP (jeff.larry@paliareroland.com) <jeff.larry@paliareroland.com>; 'ryan.shah@paliareroland.com' <ryan.shah@paliareroland.com>; Arif Dhanani <adhanani@tdbadvisory.ca>; Mark Lauriola <mlauriola@garfinkle.com>
Subject: Receivership of properties located at 2857 Islington Ave., Toronto and 311 Conacher Drive, Kingston

Good afternoon Paul,

Please see attached our letter with respect to the above-noted matter.

Regards,

Garfinkle | Biderman
BARRISTERS & SOLICITORS

Carol Ramos
Real Estate Law Clerk
Direct Line: 416-869-7622
Email:cramos@garfinkle.com
Suite 801, 1 Adelaide Street East
Toronto, Ontario M5C 2V9

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Garfinkle | Biderman
BARRISTERS & SOLICITORS

Avrom W. Brown
Services provided through a professional corporation
Direct Line:(416) 869-7600
e-mail: abrown@garfinkle.com

Assistant/Clerk: Carol Ramos
Direct Line: 416-869-7622
e-mail: cramos@garfinkle.com

October 30, 2025

VIA EMAIL

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

Dear Sir:

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")**

I acknowledge receipt of your letter dated October 28, 2025.

There is clearly a disagreement between your client and the Receiver as to whether or not your client's offer can be withdrawn or revoked.

Accordingly, our firm is not in a position at this time to return your clients $300,000.00 deposit.

I strongly deny that our firm's failure to return that deposit to your client at this time creates any damages for which our firm would be responsible.

Having said that, I confirm that the deposit will not be released to any party until such time as we have consent from all parties or in the alternative, a court order directing as to who is entitled to the deposit.

Yours very truly,
GARFINKLE BIDERMAN LLP

Per:
Avrom W. Brown

AWB:cr
G:\Client Data\14314\14314-002\a4-ltr.docx

This is **Exhibit 30** 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

From: Carol Ramos <cramos@garfinkle.com>
Sent: November 3, 2025 4:18 PM
To: rooney@paulfrooneyprofcorp.com
Cc: Avrom Brown <abrown@GARFINKLE.com>; Jeffrey Larry - Paliare Roland Rosenberg Rothstein LLP (jeff.larry@paliareroland.com) <jeff.larry@paliareroland.com>; 'ryan.shah@paliareroland.com' <ryan.shah@paliareroland.com>; Arif Dhanani <adhanani@tdbadvisory.ca>; btannenbaum@tdbadvisory.ca; Mark Lauriola <mlauriola@garfinkle.com>
Subject: Receivership of properties located at 2857 Islington Ave., Toronto and 311 Conacher Drive, Kingston

Good afternoon Paul,

Please see attached our letter with respect to the above-noted matter.

Regards,

Garfinkle | Biderman
BARRISTERS & SOLICITORS

Carol Ramos
Real Estate Law Clerk
Direct Line: 416-869-7622
Email:cramos@garfinkle.com
Suite 801, 1 Adelaide Street East
Toronto, Ontario M5C 2V9

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Garfinkle | Biderman
BARRISTERS & SOLICITORS

Avrom W. Brown
Services provided through a professional corporation
Direct Line:(416) 869-7600
e-mail: abrown@garfinkle.com

Assistant/Clerk: Carol Ramos
Direct Line: 416-869-7622
e-mail: cramos@garfinkle.com

November 3, 2025

VIA EMAIL

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

Dear Sir:

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")**

Further to recent correspondence to you from Paliare Roland, as you know, when your client submitted the offer, you forwarded $300,000.00 being only a portion of the required deposit.

Since the Receiver's position is that your client's offer is the offer it intends to complete, please forward the balance of the deposit as required pursuant to the agreement of purchase and sale to our firm to be held in trust pending closing.

We look forward to receiving that balance of the deposit within the next forty-eight (48) hours.

Yours very truly,
GARFINKLE BIDERMAN LLP

Per:
Avrom W. Brown

AWB:cr
G:\Client Data\14314\14314-002\a6-ltr.docx

This is **Exhibit 31** 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

From: ryan.shah@paliareroland.com
Sent: November 11, 2025 10:26 AM
To: rooney@paulfrooneyprofcorp.com
Cc: Jeff.Larry@paliareroland.com; Candace.Baumtrog@Paliareroland.com; btannenbaum@tdbadvisory.ca; adhanani@tdbadvisory.ca; abrown@garfinkle.com; Dale Denis
Subject: RE: Receivership of 2849, 2851, 2853, 2855 and 2857 Islington Ave., Toronto, ON - APS [IMAN-PRIMANAGE.FID407588]
Attachments: 11-NOV-2025 Letter to P. Rooney(10094454.1).pdf

Good morning:

Please find attached correspondence from Jeffrey Larry of today's date

Regards,

Ryan Shah
416.646.6356
Paliare Roland Rosenberg Rothstein LLP

From: Ryan Shah
Sent: October 30, 2025 2:45 PM
To: 'rooney@paulfrooneyprofcorp.com' <rooney@paulfrooneyprofcorp.com>
Cc: Jeff Larry <Jeff.Larry@paliareroland.com>; Candace Baumtrog <Candace.Baumtrog@Paliareroland.com>; 'Bryan Tannenbaum' <btannenbaum@tdbadvisory.ca>; Arif Dhanani <adhanani@tdbadvisory.ca>; Avrom Brown <abrown@garfinkle.com>; 'dale@dilitigation.com' <dale@dilitigation.com>
Subject: Receivership of 2849, 2851, 2853, 2855 and 2857 Islington Ave., Toronto, ON - APS [IMAN-PRIMANAGE.FID407588]

Good afternoon:

Please find attached correspondence from Jeffrey Larry of today's date and enclosures

Regards,

Paliare Roland

Ryan Shah
Associate

Phone: 416.646.6356
Email: ryan.shah@paliareroland.com

155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

paliareroland.com

Paliare Roland

Jeffrey Larry
Paliare Roland Rosenberg Rothstein LLP
155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

jeff.larry@paliareroland.com
T. 416.646.4330 / F. 416.646.4301

File # 102488

November 11, 2025

VIA EMAIL: rooney@paulfrooneyprofcorp.com

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

Dear Mr. Rooney:

Re: Receivership of real property municipally known as 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the "Toronto Property") and 311 Conacher Drive, Kingston, Ontario (the "Kingston Property" and, together with the Toronto Property, the "Real Property")

I write further to Avrom Brown's letter dated November 3, 2025 concerning 1001079582 Ontario Inc. ("**100 Inc.**")'s offer to purchase the Toronto Property submitted to TDB Restructuring Limited in its capacity as receiver (the "**Receiver**") of the Real Property on December 16, 2024 and signed back by the Receiver on October 30, 2025 (the "**Agreement**").

This letter required 100 Inc. to pay to Garfinkle Biderman LLP the balance of the deposit contemplated by the Agreement within 48 hours of November 3, 2025, which 100 Inc. failed to do.

100 Inc.'s failure to pay the balance of the deposit is a breach of 100 Inc.'s obligations pursuant to art. 2.5 of the Agreement.

As a result of such default, your client has repudiated the Agreement.

The Receiver elects to treat this Agreement as having been so repudiated by your client and your client's deposit as forfeited to the Receiver.

The Receiver reserves all rights and remedies against 100 Inc. in connection with the foregoing, including, without limitation, the right to commence an action against 100 Inc. for further damages.

This is **Exhibit 32** 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

2015 CarswellOnt 4306
Ontario Superior Court of Justice [Commercial List]

Target Canada Co., Re

2015 CarswellOnt 4306

In the Matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as Amended

In the Matter of a Plan of Compromise or Arrangement of Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy (Ontario) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (SK) Corp., and Target Canada Property LLC (collectively the "Applicants")

Morawetz R.S.J.

Judgment: February 11, 2015
Docket: CV-15-10832-00CL

Counsel: Counsel — not provided

Subject: Insolvency

Headnote

Bankruptcy and insolvency --- Companies' Creditors Arrangement Act — Arrangements — Approval by court — Miscellaneous

Table of Authorities

Cases considered by *Morawetz R.S.J.*:

Target Canada Co., Re (2015), 2015 CarswellOnt 4305 (Ont. S.C.J. [Commercial List]) — referred to

Statutes considered:

Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36
Generally — referred to

***Morawetz R.S.J.*:**

1 THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "*CCAA*") for an order, *inter alia*: (i) approving the Real Property Portfolio Sales Process (defined below); and (ii) extending the Stay Period (as defined in paragraph 17 of the Initial Order of Regional Senior Justice Morawetz dated January 15, 2015 [2015 CarswellOnt 4305 (Ont. S.C.J. [Commercial List])] (the "*Initial Order*")) until and including May 15, 2015, was heard this day at 330 University Avenue, Toronto, Ontario.

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Hearing Brief p. 1158

2 ON READING the Affidavit of Mark J. Wong sworn January 29, 2015 and the exhibits thereto, the Supplementary Affidavit of Mark J. Wong sworn February 9, 2015 and the exhibits thereto, the First Report of Alvarez & Marsal Canada Inc., in its capacity as the Monitor (the "*Monitor*") dated January 30, 2015 (the "*Monitor's First Report*"), the Supplementary Report to the First Report of the Monitor dated February 3, 2015 (the "*Monitor's Supplemental Report*"), and the Second Report of the Monitor (the "*Monitor's Second Report*"), and on hearing the submissions of respective counsel for the Applicants and the Partnerships listed on Schedule "A" hereto, the Monitor, Target Corporation, and such other counsel as were present, and on being advised that the Service List was served with the Motion Record herein:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and that service thereof upon any interested party other than the persons served with the Motion Record is hereby dispensed with.

APPROVAL OF THE REAL PROPERTY PORTFOLIO SALES PROCESS

2. THIS COURT ORDERS that the Real Property Portfolio Sales Process attached hereto as Schedule "B" is hereby approved. The Target Canada Entities, the Monitor and Lazard (each as defined in the Initial Order) are hereby authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the Real Property Portfolio Sales Process.

3. THIS COURT ORDERS that nothing in the Order affects the ability of One York Street Inc. to bring a motion before the Court seeking a declaration that Target Canada Co.'s arrangements relating to the property municipally known as One York Street be removed from the Real Property Portfolio Sales Process, and the terms of this Order are without prejudice to One York Street Inc.'s position on such motion.

4. THIS COURT ORDERS that at any time during the Real Property Portfolio Sales Process, the Monitor may apply to the Court for advice and directions with respect to the discharge of its powers and duties in connection with the Real Property Portfolio Sales Process.

EXTENSION OF STAY PERIOD

5. THIS COURT ORDERS that the Stay Period (as defined in paragraph 17 of the Initial Order) is hereby extended until and including May 15, 2015.

APPROVAL OF MONITOR'S REPORTS AND ACTIVITIES

6. THIS COURT ORDERS that the Monitor's First Report, the Monitor's Supplementary Report, and the Monitor's Second Report, and the activities of the Monitor described in those reports, are hereby approved.

Schedule"A" — Partnerships

Target Canada Pharmacy Franchising LP
Target Canada Mobile LP
Target Canada Property LP

Schedule"B" — Real Property Portfolio Sale Process

Introduction

On January 15, 2015, Target Canada Co. (the "*Company*") and those parties listed in Schedule "A" (collectively, the "*Applicants*") sought and obtained protection under the *Companies' Creditors Arrangement Act* (the "*CCAA*") pursuant to an initial order (as amended, restated or varied from time to time, the "*Initial Order*") granted by the Ontario Superior Court of Justice (Commercial List) (the "*Court*"). Alvarez & Marsal Canada Inc. was appointed as monitor in the CCAA proceedings (in such capacity, the "*Monitor*")

On January 29, 2015, the Applicants served a motion seeking an order for the approval of a sale process (as same may be amended from time to time, the "*Real Property Portfolio Sales Process*") under the supervision of the Court and the Monitor and in accordance with the procedures set forth herein (as same may be amended from time to time, the "*Sales Process Procedures*").

The purpose of this Real Property Portfolio Sales Process is to seek Sale Proposals from Qualified Bidders and to implement

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one or a combination of them in respect of the Leases and the Real Property, which implementation may include sales, dispositions, assumptions, assignments, disclaimers, terminations, or other transaction forms.

On February 11, 2015, the Court entered an order approving the. Real Property Portfolio Sales Process and the Sales Process Procedures (the "*Sales Process Order*"). Accordingly, the following Sales Process Procedures shall govern the Real Property Portfolio Sales Process.

This Real Property Portfolio Sales Process describes, among other things: (a) the Leases and the Real Property available for sale; (b) the manner in which prospective bidders may gain access to due diligence materials concerning the Leases and the Real Property; (c) the manner in which bidders and bids become Competing Bidders or Qualified Bidders and Competing Bids or Qualified Bids, respectively; (d) the manner in which Competing Bidders submit Stalking Horse Bids; (e) the manner in which Stalking Horse Bids, if any, become Selected Stalking Horse Bids; (f) the receipt, evaluation and negotiation of bids received; (g) the ultimate selection of one or more Successful Bidders and Backup Bidders; and (h) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of a Successful Bid, Backup Bid or Qualified Bid, as applicable.

Defined Terms

1. The following capitalized terms have the following meanings when used in this Real Property Portfolio Sales Process:

(a) "Applicants" is defined in the introduction hereto.

(b) "Approval Motion" is defined in paragraph 38.

(c) "Auctions" is defined in paragraph 32.

(d) "Backup Bid" is defined in paragraph 33(h).

(e) "Backup Bidder" is defined in paragraph 33(h).

(f) "Baseline Bid" is defined in paragraph 33(d)(i).

(g) "Break Fee" is defined in paragraph 25(b).

(h) "Broker" means Northwest Atlantic Canada, Inc.

(i) "Business Day" means a day (other than Saturday or Sunday) on which banks are generally open for business in Toronto, Ontario.

(j) "CA" means a confidentiality agreement in form and substance satisfactory to the Company, in consultation with the Monitor.

(k) "CCAA" is defined in the introduction hereto.

(l) "CCAA Charges" means the Administration Charge, the KERP Charge, the Directors' Charge, the Financial Advisor Subordinated Charge and the DIP Lender's Charge (as such terms are defined in the Initial Order) together with any other charges approved by the Court.

(m) "Claims and Interests" is defined in paragraph 4.

(n) "Company" is defined in the introduction hereto.

(o) "Competing Bid" is defined in paragraph 18.

(p) "Competing Bidder" means a bidder that submits a Competing Bid.

(q) "Confidential Information Memorandum" is defined in paragraph 9.

(r) "Court" is defined in the introduction hereto.

(s) "Deposit" is defined in paragraph 29(1).

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(t) "DIP Lender" means Target Corporation.

(u) "Expense Reimbursement" is defined in paragraph 25(b).

(v) "Financial Advisor" means Lazard Frères & Co. LLC.

(w) "Form of Purchase Agreement" means the form of purchase and sale agreement to be developed by the Applicants, in consultation with the Monitor and the Financial Advisor, and provided to Qualified Bidders that submit a Qualified LOI for a Sale Proposal.

(x) "Initial Order" is defined in the introduction hereto.

(y) "Interested Bidder" is defined in paragraph 9.

(z) "Leases" means the Applicants' leasehold interests and all related rights and obligations in connection with the properties listed in Schedule "C" hereto.

(aa) "LOI" is defined in paragraph 8.

(bb) "Landlord LOI" means a non-binding letter of intent from a landlord for an acquisition or consensual transaction for one or more of its Leases that is submitted on or before the Phase 1 Bid Deadline.

(cc) "Landlord Qualified Bid" means a final binding proposal from a landlord for an acquisition or consensual transaction for one or more of its Leases and which meets the requirements set out in paragraphs 29(a), (c), (d), (f), (h), (i), (j), (k) and (m).

(dd) "Monitor" is defined in the introduction hereto.

(ee) "Outside Backup Date" is defined in paragraph 33(h).

(ff) "Outside Date" means June 30, 2015.

(gg) "Phase 1" is defined in paragraph 8.

(hh) "Phase 1 Bid Deadline" is defined in paragraph 11.

(ii) "Phase 2" means such period of time from the Phase 1 Bid Deadline to the Approval Motion.

(jj) "Qualified Bid" means an offer or combination of offers, in the form of a Sale Proposal or Sale Proposals, which meets the requirements of paragraph 29.

(kk) "Qualified Bid Deadline" is defined in paragraph 27.

(ll) "Qualified Bidder" means a bidder that submits a Qualified Bid.

(mm) "Qualified LOI" is defined in paragraph 12.

(nn) "Real Property" means the lands and premises described in Schedule "D" hereto.

(oo) "Sales Process Order" is defined in the introduction hereto.

(pp) "Sale Process Procedures" is defined in the introduction hereto.

(qq) "Sale Proposal" means an offer to acquire or otherwise dispose of all or some of the Leases and/or the Real Property. A "Sale Proposal" may include a transaction involving the assignment and assumption, termination and/or surrender or disclaimer of a Lease or Leases.

(rr) "Selected Stalking Horse Bid" is defined in paragraph 23.

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(ss) "Selected Stalking Horse Bidder" is defined in paragraph 23.

(tt) "Stalking Horse Bid" is defined in paragraph 20.

(uu) "Successful Bid" is defined in paragraph 33(g).

(vv) "Successful Bidder" is defined in paragraph 33(g).

(ww) "Targeted Outside Date" means May 15, 2015, or such later date as may be determined by the Applicants, on the consent of the Monitor, and in consultation with the Financial Advisor and the DIP Lender, provided that in no event shall such date be after June 1, 2015.

(xx) "Teaser Letter" is defined in paragraph 6.

Supervision of the Real Property Portfolio Sales Process
2. The Monitor will supervise, in all respects, the Real Property Portfolio Sales Process and any attendant sales and, without limitation, will supervise the Financial Advisor's performance under its engagement by the Company in connection therewith. The Applicants shall assist and support the efforts of the Monitor and the Financial Advisor as provided for herein. In the event that there is disagreement or clarification required as to the interpretation or application of this Real Property Portfolio Sales Process or the responsibilities of the Monitor, the Financial Advisor or the Applicants hereunder, the Court will have jurisdiction to hear such matter and provide advice and directions, upon application of any interested person. For the avoidance of doubt, and without limiting the rights and protections afforded the Monitor under the CCAA, the Initial CCAA Order and the Sales Process Order, the terms of the Initial Order and the Sales Process Order shall govern the Monitor's role in regards to the Real Property Portfolio Sales Process.
"As Is, Where Is"
3. The sale of the Leases and the Real Property will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Monitor, the Financial Advisor, the Applicants or any of their respective directors, officers, employees, advisors, professionals, agents, estates or otherwise, except and only to the extent set forth in a definitive sale agreement executed by an Applicant.
4. [intentionally deleted]
Solicitation of Interest
5. As soon as reasonably practicable, the Monitor will cause a notice of the Real Property Portfolio Sales Process (and such other relevant information which the Monitor, in consultation with the Financial Advisor and the Applicants, considers appropriate) to be published in The Globe and Mail (National Edition) and The Wall Street Journal (National Edition) and posted on the Monitor's website.
6. As soon as reasonably practicable, but in any event no more than three (3) Business Days after the issuance of the Sales Process Order, the Financial Advisor shall distribute an initial offering summary of the Leases and the Real Property in form acceptable to the Applicants and the Monitor (the "*Teaser Letter*") notifying those potentially interested parties that are identified by the Financial Advisor, the Broker, the Monitor and the Applicants, each in their sole discretion, of the existence of the Real Property Portfolio Sales Process and inviting such parties to express an interest in making an offer to acquire all or some of the Leases and the Real Property in accordance with the Sales Process Procedures.
Participation Requirements
7. Unless otherwise ordered by the Court, or as otherwise determined by the Applicants, in consultation with the Monitor, each person seeking to participate in the Real Property Portfolio Sales Process must deliver to the Financial Advisor at the address specified in Schedule "B" hereto (including by email transmission):

(a) a letter setting forth such person's identity, the contact information for such person and full disclosure of the principals of such person; and

(b) an executed CA which shall include provisions whereby such person agrees to accept and be bound by the provisions contained therein.

Real Property Portfolio Sales Process — Phase 1
Phase 1 Initial Timing
8. For a period from the date of the Sales Process Order until the Phase 1 Bid Deadline ("*Phase 1*"), the Financial Advisor (with the assistance of the Monitor, the Applicants and the Broker) will solicit non-binding letters of intent from prospective

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parties to acquire one or more of the Leases and/or the Real Property (each, an "*LOI*").

Due Diligence

9. Subject to the provisions of paragraph 43, a confidential information memorandum (the "*Confidential Information Memorandum*") describing the opportunity to acquire all or some of the Leases and the Real Property will be made available by the Financial Advisor to those parties who have executed a CA (each party who executes a CA shall be deemed to be an "*Interested Bidder*").

10. Subject to the provisions of paragraph 43, the Financial Advisor will provide each Interested Bidder with access to an electronic data room. The Monitor, the Financial Advisor, the Broker, the DIP Lender and the Applicants make no representation or warranty as to the information: (a) contained in the Confidential Information Memorandum or the electronic data room; (b) provided through any diligence process; or (c) otherwise made available, except to the extent expressly contemplated in any definitive sale agreement executed by an Applicant.

Non-Binding Letters of Intent from Interested Bidders

11. Interested Bidders that wish to pursue a Sale Proposal must deliver an LOI to the Financial Advisor at the address specified in Schedule "B" hereto (including by email transmission), so as to be received by the Financial Advisor not later than 5:00 PM (Toronto time) on or before March 5, 2015, or such later date or time as may be determined by the Applicants, on the consent of the Monitor, and in consultation with the Financial Advisor and the DIP Lender (the "*Phase 1 Bid Deadline*").

12. An LOI so submitted will be considered a qualified LOI for the purposes hereof (a "*Qualified LOI*") only if:

(a) it is submitted on or before the Phase 1 Bid Deadline;

(b) it contains an indication of whether the Interested Bidder is offering to acquire all or some of the Leases and the Real Property;

(c) it identifies or contains the following:

(i) the purchase price (or range thereof) in Canadian dollars;

(ii) the Leases and/or the Real Property subject to the transaction; and

(iii) any proposed allocation of the purchase price as between each Lease and/or Real Property;

(d) it provides a general description of any likely financing associated with the proposed transaction;

(e) it describes any additional due diligence required to be conducted during Phase 2;

(f) it identifies any anticipated terms or conditions of the Sale Proposal that may be material to the proposed transaction; and

(g) it contains such other information reasonably requested by the Applicants in consultation with the Monitor and the Financial Advisor.

13. A Landlord LOI shall be deemed to be a Qualified LOI.

14. The Applicants, with the consent of the Monitor, and in consultation with the Financial Advisor, may waive compliance with any one or more of the requirements specified above (other than those in (c) and (d)) and deem such non-compliant bids to be a Qualified LOI. However, for the avoidance of doubt, the completion of any Sale Proposal shall be subject to the approval of the Court and the requirement of such approval may not be waived.

Assessment of Qualified LOIs and Continuation or Termination of Real Property Portfolio Sales Process

15. Within five (5) Business Days following the Phase 1 Bid Deadline, or such later date as may be determined by the Applicants, with the consent of the Monitor, and in consultation with the Financial Advisor, the Applicants will, in consultation with the Financial Advisor and the Monitor, assess the Qualified LOIs received during Phase 1, if any, and will determine whether there is a reasonable prospect of obtaining a Qualified Bid. For the purpose of such consultations and evaluations, the Monitor or the Financial Advisor may request clarification of the terms of any Qualified LOI submitted by an Interested Bidder.

16. In assessing the Qualified LOIs submitted in Phase 1, the Applicants, following consultation with the Monitor and the

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Financial Advisor will consider, among other things, the following:

(a) the form and amount of consideration being offered;

(b) the effect of accepting Sale Proposals which are not on an en bloc basis;

(c) the financial capability of the Interested Bidder to consummate the proposed transaction;

(d) the financial and other capability of the Interested Bidder to perform, observe and comply with the terms (including payment and other obligations) of the applicable Leases(s);

(e) the anticipated conditions to closing of the proposed transaction (including any required regulatory and landlord approvals);

(f) the estimated time required to complete the proposed transaction and whether, in the Applicants' reasonable business judgment, in consultation with the Monitor and the Financial Advisor, it is reasonably likely to result in the execution of a definitive agreement on or before the Targeted Outside Date; and

(g) such other criteria as the Applicants may, in consultation with the Monitor and the Financial Advisor, determine.

17. If one or more Qualified LOIs are received and the Applicants, with the consent of the Monitor, and in consultation with the Financial Advisor, determine that there is a reasonable prospect of obtaining a Qualified Bid, the Applicants shall continue the Real Property Portfolio Sales Process as set forth herein.

Phase 2

Due Diligence

18. Each Interested Bidder that: (a) submits a Qualified LOI; and (b) is not eliminated from the Real Property Portfolio Sales Process by the Applicants, following consultation with the Financial Advisor and the Monitor, and after assessing whether such Qualified LOI meets the criteria in paragraph 16 herein, may be invited by the Applicants to participate in Phase 2 (each such bidder, a "*Competing Bidder*").

19. Subject to the provisions of paragraph 43, the Financial Advisor will provide each Competing Bidder with access to additional due diligence materials and information relating to the Leases and Real Property as the Applicants, in their reasonable business judgment and in consultation with the Financial Advisor and the Monitor, determine appropriate, including all guarantees and indemnities by any person, and information or materials reasonably requested by Competing Bidders.

Stalking Horse Bids from Competing Bidders

20. The Applicants, in their reasonable business judgment, on consent of the Monitor, and in consultation with the Financial Advisor, may select one or more bids from Competing Bidders to serve as Selected Stalking Horse Bids. Paragraphs 20 to 26 apply only in the event one or more such bids is so selected to serve as a Selected Stalking Horse Bid. Any Competing Bidder that wishes to submit a stalking horse bid (a "*Stalking Horse Bid*") must deliver a Qualified Bid in accordance with paragraph 29, as applicable, to the Financial Advisor at the address specified in Schedule "B" hereto (including by email transmission) so as to be received by it not later than 5:00 pm (Toronto time) on or before March 26, 2015, or such later date or time as may be determined by the Applicants on the consent of the Monitor and in consultation with the Financial Advisor and the DIP Lender (the "*Stalking Horse Bid Deadline*").

21. The Applicants, in consultation with the Financial Advisor and the Monitor, will review and evaluate each Stalking Horse Bid in accordance with the criteria set out in paragraph 31(b) for the review of Qualified Bids, and, with the consent of the Monitor and in consultation with the Financial Advisor, may waive compliance with any one or more of the requirements with respect to Qualified Bids specified herein which are applicable to any Stalking Horse Bid(s).

22. If one or more Stalking Horse Bids is received, the Applicants, exercising their reasonable business judgment, on consent of the Monitor and in consultation with the Financial Advisor, may select the Stalking Horse Bid(s) it considers most favourable and shall negotiate and attempt to settle the terms of a definitive agreement in respect of such Stalking Horse Bid(s).

23. A definitive agreement negotiated and settled in respect of a Stalking Horse Bid as selected by the Applicants on the consent of the Monitor will be a "*Selected Stalking Horse Bid*" hereunder and the person(s) who made the Selected Stalking Horse Bid will be a "*Selected Stalking Horse Bidder*" hereunder. For greater certainty, the Applicants may select more than one Selected Stalking Horse Bid on the consent of the Monitor; provided, however, that only one Selected Stalking Horse Bid may be selected in respect of any particular Lease and/or Real Property.

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24. For the avoidance of doubt, the Applicants reserve the right, taking into account all other factors set forth herein (including execution risk), to choose, on the consent of the Monitor, one or more successful bidders as Selected Stalking Horse Bidders that did not offer the highest purchase price for the Leases and/or the Real Property.
25. The Applicants may grant, on consent of the Monitor and in consultation with the Financial Advisor, each Selected Stalking Horse Bidder, the following bid protections:

(a) a Break Fee not to exceed 3.0% of the negotiated purchase price of the applicable Leases and/or the Real Property (the "*Break Fee*"); and/or

(b) an expense reimbursement of documented and reasonable out of pocket costs in pursuing the opportunity to consummate a Sale Proposal to a maximum amount of $150,000 in the aggregate (the "*Expense Reimbursement*").

26. A Selected Stalking Horse Bidder shall only be entitled to payment of a Break Fee and/or an Expense Reimbursement, as applicable, if and when the Applicants consummate a transaction for the applicable Leases and/or Real Property with a Successful Bidder or a Backup Bidder, neither of which is the Selected Stalking Horse Bidder.
Qualified Bids
27. The deadline for submission of bids to be considered for the sales of Lease(s) and/or Real Property (the "*Qualified Bids*") shall be April 23, 2015, or such later date or time as may be determined by the Applicants on the consent of the Monitor and in consultation with the Financial Advisor and the DIP Lender (the "*Qualified Bid Deadline*").
28. A Landlord Qualified Bid shall be deemed to be a Qualified Bid.
29. Any Competing Bidder (other than a Selected Stalking Horse Bidder, which, for the avoidance of doubt, is deemed to be a Qualified 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;

(b) it is a final binding proposal in the form of a duly authorized and executed purchase agreement, including the purchase price for the Leases and/or the Real Property proposed to be acquired, based on the Form of Purchase Agreement and accompanied by a clean Word version and a blacklined mark-up of the Form of Purchase Agreement showing amendments and modifications made thereto, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Competing Bidder with all exhibits and schedules thereto;

(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;

(d) it includes an irrevocable commitment of the Competing Bidder to serve as the Backup Bidder in accordance with the Sale Process Procedures;

(e) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate and perform the proposed transaction, and to meet all of the financial obligations under the Lease(s) that will allow the Monitor, in consultation with the Financial Advisor and the Applicants, to make a reasonable determination as to the Competing "Bidder's financial and other capabilities to consummate and perform the transaction contemplated by its Qualified Bid;

(f) it lists the Leases and/or the Real Property to be subject to the bid and an allocation of the purchase price on a property by property basis;

(g) it includes details of any amendments which such Competing Bidder seeks to any such Lease(s) from the applicable landlord(s) and other non-landlord liabilities to be assumed by the Competing Bidder; for greater certainty, nothing in this Real Property Portfolio Sales Process shall be construed to (i) permit or require any amendments to the terms of any Lease(s) without the consent of the applicable landlord(s), or (ii) obligate any landlord to negotiate with a Competing Bidder regarding any such amendments;

(h) it is not conditional upon, among other things:

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(i) the outcome of unperformed due diligence by the Competing Bidder; or

(ii) obtaining financing;

(i) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of such participation;

(j) with respect to any condition to closing contained in the definitive documentation, it outlines the anticipated time frame and any anticipated impediments for obtaining such approvals;

(k) it includes evidence, in form and substance reasonably satisfactory to the Applicants, the Monitor and the Financial Advisor, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;

(l) it is accompanied by a deposit (the "*Deposit*") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of the Monitor on behalf of the Applicants, in trust, in an amount equal to 10% of the purchase price for the Leases and/or the Real Property proposed to be acquired, to be held and dealt with in accordance with the terms of a definitive agreement executed by an Applicant and this Real Property Portfolio Sales Process, provided, however, that such amount may be raised or lowered for any particular Qualified Bid by the Applicants, in their reasonable business judgment and in consultation with the Monitor and the Financial Advisor;

(m) it includes an acknowledgement and representation that the bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement; and (iii) acknowledges that the occupancy of the premises set forth in the Leases may not be available until the completion of any inventory sale at the premises; and

(n) it contains such other information reasonably requested by the Applicants, in consultation with the Monitor and the Financial Advisor.

30. The Applicants, with the consent of the Monitor and in consultation with the Financial Advisor, may waive compliance with any one or more of the requirements with respect to Qualified Bids or Landlord Qualified Bids specified herein.

31. The Applicants, in consultation with the Financial Advisor:

(a) may, in consultation with the Monitor, engage in negotiations with Qualified Bidders as they deem appropriate and may accept revisions to Qualified Bids, in their discretion, that are otherwise consistent with these Sales Process Procedures;

(b) shall, on the consent of the Monitor, determine which is the most favourable bid with respect to such Lease(s) and/or Real Property, taking into account, among other things:

(i) the form and amount of consideration being offered;

(ii) whether the Qualified Bid maximizes value for the Leases and/or the Real Property, including the effect of accepting Sale Proposals which are not on an en bloc basis;

(iii) the demonstrated financial capability of the Qualified Bidder to consummate the proposed transaction;

(iv) the conditions to closing of the proposed transaction (including any required regulatory and landlord approvals);

(v) the terms and provisions of any proposed transaction documentation;

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(vi) the estimated time required to complete the proposed transaction and whether, in the Applicants' reasonable business judgment, in consultation with the Monitor and the Financial Advisor, it is reasonably likely to result in the execution of a definitive agreement on or before the Targeted Outside Date; and

(vii) such other criteria as the Applicants may in consultation with the Monitor and the Financial Advisor determine.

Auction Process

32. The Applicants, in consultation with the Financial Advisor and the Monitor, shall commence one or more auctions (the "*Auctions*") on or about April 28, 2015.

33. The Applicants, in consultation with the Financial Advisor and the Monitor, shall conduct Auctions on the following terms:

(a) only Qualified Bidders for the Lease(s) and/or Real Property to be auctioned and their financial and legal advisors shall be entitled to participate in an Auction;

(b) the Qualified Bidders who wish to participate at an Auction must appear in person;

(c) official actions at any Auction shall be made on the record in the presence of a court reporter;

(d) the Applicants and their advisors shall, at the outset of any Auction, announce:

(i) the Qualified Bid(s) selected by the Applicants, in their reasonable business judgment and on the consent of the Monitor in consultation with the Financial Advisor, that are the most favourable Qualified Bid(s) as of the date thereof (the "*Baseline Bid*"); and

(ii) procedures for the conduct of the Auction, including, among other things, any overbid amounts;

(e) to make a bid at the Auction, a Qualified Bidder will modify and resubmit its Qualified Bid, which resubmission shall become its new Qualified Bid;

(f) subsequent bids after the Baseline Bid must be higher and better (as determined by the Applicants, in their reasonable business judgment and in consultation with the Financial Advisor and the Monitor) by at least the amount of any applicable overbids;

(g) the Auction shall continue until there are no further higher and better Qualified Bids (as determined by the Applicants, in their reasonable business judgment and in consultation with the Financial Advisor and the Monitor) that comply with the procedures set forth for the Auction, and such highest and best Qualified Bid at the time shall become the "*Successful Bid*" (and the person(s) who made the Successful Bid shall become the "*Successful Bidder*");

(h) the entity with the next-highest or otherwise second best Qualified Bid at the Auction (as determined by the Applicants, in their reasonable business judgment and in consultation with the Financial Advisor and the Monitor) shall be required to serve as a backup bidder (the "*Backup Bidder*"). The identity of the Backup Bidder and the amount and material terms of the final Qualified Bid of the Backup Bidder (the "*Backup Bid*") shall be announced by the Financial Advisor at the conclusion of the Auction concurrently with announcement of the Successful Bidder. The Backup Bidder shall be required to keep its Backup Bid open and irrevocable until the earlier of (i) 5:00 p.m. (Toronto time) on the first Business Day that is 60 days after the date of the Auction (the "*Outside Backup Date*") and (ii) the closing of the transaction with the Successful Bidder; and

(i) any break fees or other fees due to a Selected Stalking Horse Bidder who is not a Successful Bidder or Backup Bidder shall be payable upon the consummation of the Successful Bid or Backup Bid, as applicable, for the applicable Leases and/or Real Property.

34. The Applicants, with the consent of the Monitor, and in consultation with the Financial Advisor, may modify Auction procedures at any time.

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35. Notwithstanding the foregoing or anything else contained herein, the Applicants reserve the right, taking into account all other factors set forth herein (including execution risk), to choose one or more bidders as Successful Bidders that did not offer the highest purchase price for the Leases and/or the Real Property.
36. All Deposits will be retained by the Monitor and invested in a separate interest bearing trust account. If there is a Successful Bid, the Deposit (plus accrued interest) paid by any Successful Bidder whose bid is approved at the Approval Motion will be applied to the purchase price upon closing of the approved transaction and will be non-refundable. The
-Deposit (plus applicable interest) of each Qualified Bidder not selected as a Successful Bidder will be returned to such Qualified Bidder within five (5) Business Days of the date upon which the Successful Bids are approved by the Court; provided, however, that the Deposit of any Backup Bidder shall not be returned to such Backup Bidder until the earlier of (a) consummation of the Successful Bid and (b) the expiration of the Outside Backup Date. If there is no Successful Bid, subject to the following paragraph, all Deposits (plus applicable interest) will be returned to the bidders within five (5) Business Days of the date upon which the Real Property Portfolio Sales Process is terminated in accordance with the Sale Process Procedures.
37. If a Successful Bidder breaches its obligations under its Qualified Bid, its Deposit shall immediately be forfeited to the Applicants without limiting any other of the Applicants' rights and remedies at law or at equity.

Approval Motion for Definitive Agreements

38. The Applicants will apply to the Court (the "*Approval Motion*") for an order approving the Successful Bid(s), or for Lease(s) and/or Real Property not subject to an Auction, the applicable Qualified Bid(s), and authorizing the Applicants to enter into any and all necessary agreements with respect to the Successful Bid(s) and Qualified Bid(s), as applicable, and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid(s) and Qualified Bid(s), as applicable. The Approval Motion may be adjourned or rescheduled by the Applicants, in consultation with the Monitor and the DIP Lender, and without further notice by an announcement of the adjourned date at the Approval Motion. Nothing in this Real Property Portfolio Sales Process and nothing in any arrangements made during the course thereof between the Monitor and/or the Applicants on the one hand and a Successful Bidder on the other shall in any way prejudice or impair the ability of a landlord(s) to object to the Court approval of a Successful Bid.

Other Terms

Approvals

39. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid, Backup Bid or Qualified Bid, as applicable.

Amendment

40. If there is any proposed material modification to the Real Property Portfolio Sales Process by the Applicants, the Applicants will seek Court approval of such material modification on notice to the Service List. Otherwise, the Applicants retain the discretion, with the consent of the Monitor and the DIP Lender and in consultation with the Financial Advisor, to modify the Real Property Portfolio Sales Process from time to time.

DIP Lender Communications

41. The Applicants, the Monitor and the Financial Advisor will communicate and consult with the DIP Lender throughout the Real Property Portfolio Sales Process and will provide information to the DIP Lender in connection with such communications.

Monitor Updates

42. The Monitor will provide periodic updates to the Court on notice to the Service List with respect to the conduct and progress of the Real Property Portfolio Sales Process, including an update to be delivered to the Court at the conclusion of Phase 1, prior to the commencement of any Auction and at the conclusion of any Auction.

Reservation of Rights

43. The Applicants, in their reasonable business judgment and in consultation with the Monitor and the Financial Advisor, may provide Interested Bidders with any diligence materials and information, including site visits, that the Applicants deem necessary and appropriate to maximize the value of Real Property Portfolio Sales Process at any time after entry of the Sale Process Order.
44. Notwithstanding anything else contained herein, at any time after entry of the Sale Process Order, the Applicants, in their reasonable business judgment and in consultation with the Financial Advisor and the Monitor may, from time to time, withdraw any Lease(s) and/or Real Property from this Real Property Portfolio Sales Process in accordance with the CCAA, the Applicants' rights under the Initial Order, or if any agreement is reached with the landlord of the relevant Lease(s).
45. The Applicants, after consultation with the Financial Advisor and on the consent of the Monitor, may reject any or all bids.

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46. To the extent any notice of changes to these procedures or related dates, time, or locations is required or otherwise appropriate, the Monitor may publish such notices on the Monitor's public web site at http://www.alvarezandmarsal.com/targetcanada and the Applicants shall forthwith serve such notices on the Service List, and such notice shall be deemed satisfactory, subject to any other notice requirements specifically set forth herein or as required by the Court.

47. This Real Property Portfolio Sales Process does not, and will not be interpreted to, create any contractual or other legal relationship between the Applicants or the Monitor and any Qualified Bidder, other than, with respect to the Applicants, as specifically set forth in a definitive agreement that may be executed by an Applicant. At any time during the Real Property Portfolio Sales Process, the Monitor may apply to the Court for advice and directions with respect to the discharge of its power and duties hereunder.

Landlord Communications

48. The Applicants, the Monitor and the Financial Advisor will communicate with the landlords under the Leases from time to time, as appropriate, in connection with their respective interests in the Real Property Portfolio Sales Process.

Outside Date

49. If a definitive agreement with respect to a particular Lease(s) is not executed on or before June 1, 2015, any such Lease(s) that is not subject to a definitive executed agreement on or before such date (or not earlier disclaimed, which disclaimer has become effective by June 1, 2015) shall be released from the stay of proceedings and shall be disclaimed in accordance with the CCAA and the Initial Order on June 1, 2015.

50. If a transaction with respect to a particular Lease(s) has not been completed on or before June 30, 2015 or such later date as may be ordered by the Court, any such Lease(s) that is the subject of such transaction shall be released from the stay of proceedings and shall be disclaimed in accordance with the CCAA and the Initial Order on the later of (i) June 30, 2015, and (ii) such later date as may be ordered by the Court, as applicable.

Schedule"A"

Applicants
Target Canada Co.
Target Canada Health. Co.
Target Canada Mobile GP Co.
Target Canada Pharmacy (BC) Corp.
Target Canada Pharmacy (Ontario) Corp.
Target Canada Pharmacy Corp.
Target Canada Pharmacy (SK) Corp.
Target Canada Property LLC
Target Canada Pharmacy Franchising LP
Target Canada Mobile LP
Target Canada Property LP

Schedule"B"

To the Company:

Target Canada Co.

5570 Explorer Drive

Mississauga, ON L4W 0C3

Attn: Aaron Alt

Email: aaron.alt@target.com

With a copy to:

Osier, Hoskin & Harcourt LLP

100 King Street West

1 First Canadian Place

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Suite 6200, P.O. Box 50

Toronto, ON M5X 1B8

Attn: Tracy Sandler & Heather McKean

Email: tsandler@osler.com & hmckean@osler.com

To the Monitor:

Alvarez & Marsal Canada Inc., Court appointed Monitor of Target Canada Co. et al

Royal Bank Plaza, South Tower, Suite 2900

PO Box 22

Toronto ON M5J 2J1

Attn: Doug McIntosh and Bill Kosturos

Email: dmcintosh@alavarezandmarsal.com & bkosturos@alvarezandmarsal.com

With a copy to:

Goodmans LLP

Bay Adelaide Centre

333 Bay Street, Suite 3400

Toronto, Ontario M5H 2S7

Attn: Jay Carfagnini and Ken Herlin

Email: jcarfagnini@goodmans.ca & kherlin@goodmans.ca

To the Financial Advisor:

Lazard Freres & Co. LLC.

30 Rockefeller Plaza

New York, NY 10112

Attn: Tim Pohl & Phillip Summers

Email: tim.pohl@lazard.com & phillip.summers@lazard.com

To the Broker:

Northwest Atlantic Canada, Inc.

864 York Mills Road

Toronto, Ontario M3B 1Y4

Attn: Tim Sanderson

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Email: tim@nwaretail.com

To the DIP Lender:

Target Corporation

1000 Nicollet Mall

Minneapolis, MN 55403

Attn: Corey Haaland

Email: corey.haaland@target.com

With a copy to:

Faegre Baker Daniels LLP

2200 Wells Fargo Center

90 South Seventh Street

Minneapolis, MN 55402

Attn: Dennis M. Ryan

Email: dennis.ryan@faegrebd.com

Schedule"C"

Leases

ID #	*Description*	*City*	*Province*
3505	Bayshore Mall	Ottawa	ON
3507	Intercity Shopping Centre	Thunder Bay	ON
3508	Discovery Harbour Shopping Centre	Campbell River	BC
3509	Nanaimo North Town Centre	Nanaimo	BC
3510	Westmount Shopping Centre	London	ON
3511	Hazeldean Mall	Kanata	ON
3512	Driftwood Mall	Courtenay	BC
3516	Carrefour Richelieu	St-Jean-sur-Richelieu	QC
3519	South Hamilton Square	Hamilton	ON
3522	County Fair Mall	Smiths Falls	ON
3524	Queenston Place	Hamilton	ON
3526	Lawrence Square	Toronto	ON
3530	Sydney Shopping Centre	Sydney	NS
3533	Thames-Lea Plaza	Chatham-Kent	ON
3534	Lansdowne Centre	Richmond	BC
3538	Forest Lawn Shopping Centre	Calgary	AB
3547	Les Galeries Gatineau	Gatineau	QC
3548	Hillside Mall	Victoria	BC
3550	Uptown Centre	Fredericton	NB
3552	Westdale Mall	Mississauga	ON
3557	Scottsdale Mall	Delta	BC
3559	Five Points Mall	Oshawa	ON
3560	Lindsay Square Mall	Lindsay	ON
3561	Kingsway Garden Mall	Edmonton	AB
3564	Sherwood Park Mall	Edmonton (Sherwood Park)	AB

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3565	Upper Canada Mall	Newmarket	ON
3566	Northwest Centre	Moncton	NB
3572	Milton Mall Shopping Centre	Milton	ON
3574	Prairie Mall	Grande Prairie	AB
3575	Cottonwood Mall	Chilliwack	BC
3576	Carrefour St-Georges	Saint-Georges	QC
3577	The Mall At Lawson Heights	Saskatoon	SK
3586	Haney Place Mall	Maple Ridge	BC
3590	Carrefour De L'Estrie	Sherbrooke	QC
3591	Cataraqui Town Centre	Kingston	ON
3592	Les Rivieres Shopping Centre	Trois-Rivieres	QC
3595	Carrefour Angrignon	Montreal	QC
3608	Cambridge Centre	Cambridge	ON
3609	Centrepoint Mall	Toronto	ON
3610	Terrarium Shopping Centre	Pointe-Claire	QC
3613	Le Carrefour Rimouski	Rimouski	QC
3614	Medicine Hat Mall	Medicine Hat	AB
3615	Tamarack Mall	Cranbrook	BC
3616	Coquitlam Centre	Coquitlam	BC
3617	Surrey Place/Central City	Surrey	BC
3623	Bramalea City Centre	Brampton	ON
3624	Bower Place	Red Deer	AB
3628	Meadowlands Shopping Centre	Ottawa-Gatineau	ON
3630	1899 Algonquin Avenue	North Bay	ON
3634	Place Portabello	Brossard	QC
3636	Square One	Mississauga	ON
3637	Charlottetown Mall	Charlottetown	PE
3639	Durham Centre	Ajax	ON
3642	Laurentian Power Centre	Kitchener	ON
3644	Kildonan Place Shopping Centre	Winnipeg	MB
3645	Seaway Mall	Welland	ON
3646	Erin Mills Town Centre	Mississauga	ON
3647	Galeries D'Anjou	Montreal	QC
3648	West Edmonton Mall	Edmonton	AB
3650	Corner Brook	Comer Brook	NL
3652	Bayers Lake Power Centre	Halifax	NS
3655	McAllister Place	Saint John	NB
3657	Carrefour Du Nord	Saint-Jerome	QC
3658	RioCan St. Laurent	Ottawa	ON
3663	Pickering Town Centre	Pickering	ON
3665	Orillia Square	Orillia	ON
3666	Hillcrest Mall	Richmond Hill	ON
3667	Bridlewood Mall	Scarborough	ON
3668	Shoppers World Brampton	Brampton	ON
3669	Sheridan Mall	Mississauga	ON
3670	Hopedale Mall	Oakville	ON
3671	Meadowland Power Centre	Hamilton	ON
3672	Conestoga Mall	Waterloo	ON
3677	Sudbury Supermall	Sudbury	ON
3682	Southdale Centre	Winnipeg	MB
3688	Village Green Mall	Vernon	BC
3690	Willowbrook Shopping Centre	Langley	BC
3693	Carrefour St-Eustache	Saint-Eustache	QC
3694	St. Albert Centre	St. Albert	AB

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3695	Mega Centre Autoroute 13	Laval	QC
3696	Les Galeries De La Capitale	Quebec City	QC
3697	Mic Mac Mall	Halifax	NS
3698	Orchard Park Plaza	Kelowna	BC
3699	Stratford Mall	Stratford	ON
3702	Place Longueuil	Longueuil	QC
3704	Place Alexis Nihon	Westmount	QC
3705	Place Versailles Shopping Centre	Montreal	QC
3706	Masonville Place	London	ON
3707	Woodbine Centre	Toronto	ON
3708	Devonshire Mall	Windsor	ON
3709	Les Promenades Saint-Bruno	Saint-Bruno-de-Montarville	QC
3710	Bonnie Doon	Edmonton	AB
3711	Oakridge Centre	Vancouver	BC
3713	Sunridge Mall	Calgary	AB
3714	Market Mall	Calgary	AB
3715	Cloverdale Mall	Toronto	ON
3717	Metropolis At Metrotown	Burnaby	BC
3718	Les Galeries Joliette	Joliette	QC
3719	Pine Centre	Prince George	BC
3725	Galeries Chagnon	Levis	QC
3728	Northgate Mall	Regina	SK
3729	Shoppers World Danforth	Toronto	ON
3730	Pen Centre	St. Catharines	ON
3731	Bedford Place	Bedford	NS
3732	Cabot Square	St John’s	NL
3737	Shoppes At Shawnessy	Calgary	AB
3738	Burlington Mall	Burlington	ON
3739	Abbotsford Power Centre	Abbotsford	BC
3742	East York Town Centre	Toronto	ON
3743	Place Fleur De Lys	Quebec City	QC
3744	Sahali Centre Mall	Kamloops	BC
3746	Billings Bridge Plaza	Ottawa	ON
3747	Grant Park	Winnipeg	MB
3749	Aurora Shopping Centre	Aurora	ON
3751	Gates Of Fergus	Wellington	ON
3753	Centre Mall	Hamilton	ON
3754	Signal Hill Centre	Calgary	AB
3755	Place Laurier	Quebec City	QC
3757	Clarington Town Centre	Clarington	ON
3759	Stone Road Mall	Guelph	ON
3760	Tillicum Mall	Victoria	BC
3761	Millcroft Centre	Burlington	ON
3762	Flamborough Power Centre	Hamilton	ON
3763	Shoppers Mall	Brandon	MB
3764	Place D’Orleans	Ottawa	ON
3765	Faubourg Boisbriand	Boisbriand	QC
3766	Centre At Circle & Eighth	Saskatoon	SK
3767	Taunton Road Power Centre	Whitby	ON
3768	Eglinton and Warden	Toronto	ON
3769	Place Vertu	St Laurent	QC
3770	Mill Woods Town Centre	Edmonton	AB
3772	Chinook Centre	Calgary	AB
3773	Trinity Common	Brampton	ON

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7000	Centre Laval	Laval	QC
7001	RioCan Niagara Falls	Niagara Falls	ON
7002	Stockyards	Toronto	ON
7008	York Street	Toronto	ON
7325	Warehouse space	Mississauga	ON
7326	Warehouse space	Calgary	AB
7327	Warehouse space	Montreal	QC
7328	Warehouse space	Bumaby	BC
7329	Distribution Facility	Hamilton	ON
7330	Distribution Facility	Calgary	AB
7403—7404	Office space	Oshawa	ON
7405—7406	Office space	Burlington	ON
7407—7408—7409	Office space	Burnaby	BC
7410	Office space	Edmonton	AB
7411	Office space	Calgary	AB
7412	Office space	Winnipeg	MB
7413—7414—7415	Office space	Montreal	QC
7416	Office space	Quebec City	QC
7417	Office space	Ottawa	ON
7418	Office space	Dartmouth	NS
9730	Office space	Mississauga	ON
9731—7400—7401—7402—7419	Office space	Mississauga	ON

Schedule"D"

Real Property

ID #	*Description*	*City*	*Province*
7004	Park Place	Barrie	ON
7006	Candiac Power Centre	Candiac	QC
7012	Polo Park	Winnipeg	MB
7300	Distribution Facility	Milton	ON
7301	Distribution Facility	Calgary	AB
7302	Distribution Facility	Cornwall	ON

End of Document

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CAMERON STEPHENS MORTGAGE CAPITAL LTD.	**and**	**CONACHER KINGSTON HOLDINGS INC., *et al***	Court File No. CV-23-00701672-00CL
Applicant		Respondent	

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

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

Proceeding commenced at Toronto

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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.

Respondent

AFFIDAVIT OF SIMION KRONENFELD

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

1. I am a director of AJGL Group Inc. ("AJGL").

2. AJGL has for several years carried on business as, among other ventures, a property developer in various locations, including in the greater Toronto area, at times in association with other entities.

3. 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.

EXHIBIT 2 -

4. This affidavit is being prepared on short notice, with respect to the Notice of Motion of the Receiver dated October 1, 2024 for a motion returnable on October 9, 2024. This affidavit is not intended as a full account of AJGL's involvement and interest in the five properties on Islington Avenue in Toronto (2849, 2851, 2853, 2855 and 2857 Islington Avenue, hereinafter the "**Toronto Lands**"), more time is required.

5. As an example of AJGL's involvement, AJGL's online presence has for several years featured the Toronto Lands as an AJGL project, by identifying the Toronto Lands under the heading "AJGL Group", with a description of the land assembly. Also, this web page includes a copy of the AJGL site plan for the Toronto Lands. This web page is separate from another AJGL webpage which identifies other AJGL development projects.

6. I have read the affidavit of Mario Kalemi in this matter, sworn July 19, 2024 (the "Kalemi Affidavit") and I have read the affidavit of Jamie Erlick sworn October 3rd 2024 (the "Erlick Affidavit")

7. To the best of my knowledge information and belief, the contents of the Kalemi Affidavit and the contents of the Erlick Affidavit are true and accurate. In particular, wherever these two affidavits make reference to me or to facts which I knew or understood to be true, I confirm that all such statement are true and accurate.

The Agreement with Nick Kyriacopoulos

8. By early 2019 Kyriacopoulos ("Nick") and I were close friends, I trusted him. In early 2019 Nick and I entered into an oral agreement regarding the ownership and development of the Toronto Lands (the "Agreement").

9. In early 2019, before 5004591 Ontario Inc. ("5004591") took title to the Toronto Lands Nick and I agreed to the following terms of the Agreement:

1) 5004591 would hold title to the Toronto Lands as a nominee for AJGL as to a 75% ownership interest in the Toronto Lands and as nominee for Nick's 25% ownership interest in the Toronto Lands;

2) Since 5004591 was a nominee title holder, we agreed that the shares of 5004591 were to be held in trust in the same percentages as the land, with Nick as a 25% shareholder of 5004591 and AJGL as a 75% shareholder of 5004591;

3) Nick would pay for his 25% interest by personally contributing the amount of $2,575,000, which was the amount of the Mortgage from Firm Capital Mortgage Fund Inc. ("Firm Capital"), registered against title to the Toronto Lands on September 4, 2014, recording 2382713 Ontario Inc as the Chargor and Firm Capital Mortgage Fund Inc. as the Chargee, in the amount of $2,575,000. A copy of this mortgage is attached as Exhibit 16 to the Erlick Affidavit;

4) Nick's financial contribution also required Nick to fund the carrying costs (taxes etc) and development costs (architects, consultants etc) for the development of the project. We agreed that Nick would be reimbursed for payment of the carrying costs at the end of the project from the (expected) profits from the successful development. The agreement was that we would, if he paid the contribution of $2,575,000, do an accounting at the end of the project to reimburse Nick for his payment of the carrying costs from the expected profits. I was not required to fund any of the carrying costs;

5) With respect to the control of the venture, we agreed that because I was the founder and majority owner, my approval was required for any material decisions regarding the venture, including, of course, any financing or sale of the Toronto Lands;

6) Nick was responsible for the day-to-day management of the venture. We agreed that he would do whatever work was required to complete the development, construction and sale of the project (ie. the sale of the condominiums or sale of the development). That time, effort and performance was to be part of his contribution to earn his 25% share.

10. I entered into the Agreement with Nick because, in addition to the fact that I trusted him, I was impressed with what he had achieved by early 2019 with his development of the Kingston Lands. Nick had made progress in servicing the Kingston Lands, expending millions of dollars which I understood had added significant equity to the value of the Kingston Lands. Under my Agreement with Nick, he was to apply his construction expertise (and bring his contacts with trades and workers) from his Kingston venture to complete the development of the Toronto Lands.

11. Nick advised at the time (before the closing of the purchase by 5004591 on May 19, 2019) that he required additional time to contribute the $2,575,000 (which we had agreed would be used to discharge the Firm Capital mortgage, leaving no debt on title to the Toronto Lands). I agreed to provide Nick with additional time to pay. Because I trusted Nick, I allowed 5004591 to hold title to the Toronto Lands without immediate payment by Nick of his contribution of $2,575,000. We agreed that his ownership interest of 25%

was conditional on paying the $2,575,000, as well as on his performance of his other obligations. To date, Nick has not paid the $2,575,000.

12. A summary of the facts and the documents relevant to the fact that Nick did not pay any amount towards the original purchase price of the Toronto Lands, and did not pay any amount when 5004591 took title to the Toronto Lands, as nominee, on May 19, 2019, are set out in paragraphs 166 to 121 of the Erlick Affidavit. The mortgage to Firm Capital mortgage was not discharged at this time.

13. Later in 2019, Nick asked if I would allow him to potentially contribute the $2,575,000 by first helping him to obtain financing on the Kingston Lands, on the basis that he would use a portion of the funds he obtained from the financing of the Kingston Lands, to pay off the Firm Capital mortgage of $2,575,000, and would pay the funds advanced to Conacher under the Commitment for the Kingston Lands resulting in the discharge of the security on the Toronto Lands, with the result that the Toronto Lands would not be subject to any debt.

14. I assisted Nick in obtaining the financing of the Kingston Lands by introducing him to my contacts at Cameron Stephens and engaging in discussions and negotiations with Cameron Stephens about the terms of the financing.

15. My discussions with Cameron Stephens ultimately lead to the Letter of Commitment dated November 29, 2019 (the "Commitment") attached as Exhibit C to the Affidavit of Curtis Jackson sworn June 26, 2023 (the "Jackson Affidavit")

16. However, because Cameron Stevens had not had prior dealings with Nick, it wanted a guarantee from the Toronto Lands, as a guarantee of repayment by Conacher of the full Cameron Stevens loan amount. I considered this, and ultimately, I agreed to allow this.

17. From a business perspective, I understood that, although the Cameron loan amount guaranteed by 500 and secured on the Toronto Lands would be approximately $13,000,000, I understood that there was no real risk to AJGL's equity in the Toronto Lands because the value of the Kingston Lands was much more than $13,000,000 and once Cameron received payment in full, then the security on the Toronto Lands would be discharged. Simply, the terms of the Commitment provided that the Toronto Lands would not be at risk unless there was a shortfall from the sale of Kingston.

18. However, this new arrangement meant that Nick was not actually contributing the $2,575,000 from his own resources; that result would arise only when the Cameron security was removed from the Toronto Lands and 500 was released from its guarantee. Nick advised that he would pay down the financing under the Commitment within 24 months, at which point the collateral mortgage placed on title to the Toronto Lands (Exhibit H to the Jackson Affidavit) would be discharged.

19. Thereafter, I did not review the actual loan documents to implement the Commitment, because that was Nick's responsibility.

20. AJGL did not receive any of the funds advanced under the Commitment.

21. My understanding of the deal terms set out in the Commitment include the requirement that the charge on the Toronto Lands had to be discharged once Conacher paid in full all amounts advanced by Cameron under the Commitment.

22. The deal I negotiated was that, if and only if the funds from the sale of Kingston were not enough to pay Cameron Stephens in full, then Cameron Stephens could enforce against the Toronto Property. The current proposed sale of the Toronto Lands, in circumstances where Cameron Stephens is also paid out in full from the sale of the Kingston Lands, is contrary to my understanding of the terms of the agreement with the lender Cameron Stephens, as set out in the Commitment.

23. AJGL did not receive any of the funds advanced under the Commitment.

24. Unfortunately, Nick did not fulfil his obligations under our Agreement. Not only did Conacher fail to repay Cameron and cause the discharge and release of security against 500 and the Toronto Lands (and thereby failing to contribute the $2,575,000), he did not pay ongoing expenses and did not do the work necessary to advance the development of the Toronto Lands.

The Second and Third Mortgagees of the Kingston Lands

25. With respect to the second ranking charge in favour of 2462686 Ontario Inc. and the third ranking Charge in favour of 2478659 Ontario Ltd (as described in paragraphs 11, Exhibits K and L of the Jackson Affidavit):

a) Neither AJGL nor 5004591 have agreed with anyone to pay or assume the debt obligation of any debtor (including Conacher Kingston Holdings Inc.) to either 2462686 Ontario Inc. or 2478659 Ontario Ltd;

b) AJGL has not received any funds, or loan advance, from 2462686 Ontario Inc. or 2478659 Ontario Ltd;

c) To my knowledge 5004591 has not received any funds or loan advance, from 2462686 Ontario Inc. or 2478659 Ontario Ltd (and there is no evidence of any delivery of funds from either of them to 5004591 in the material filed by either of them).

SWORN BEFORE ME at the City of Toronto this 8th day of October, 2024.

Commissioner for Taking Affidavits (or as may be) S. Dale Denis

SIMION KRONENFELD

CAMERON STEPHENS MORTGAGE CAPITAL LTD.	**and** **CONACHER KINGSTON HOLDINGS INC., *et al***	Court File No. CV-23-00701672-00CL
Applicant	Respondent	

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

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

Proceeding commenced at Toronto

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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

EXHIBIT 3 -

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 LIMIITED, 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.

Conway J.

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

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Hearing Brief p. 1220

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
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
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 1ST
	)	
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.

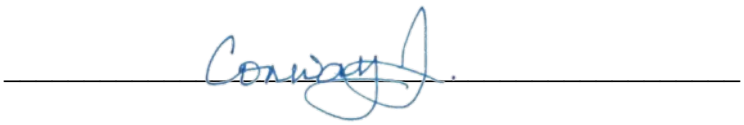
15. **THIS COURT ORDERS** that the requirement for a separate Notice of Motion and supporting Affidavit to be filed in the Court file of each of the Substituted Mandates be and is hereby waived.

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 – *discharge pending*	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
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Maya Poliak (LSUC #54100A)
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Email: maya @chaitons.com

Lawyers for the Applicant

Hearing Brief p. 1232

Hearing Brief p. 1232

APPENDIX C

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

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

AFFIDAVIT OF CURTIS JACKSON

I, CURTIS JACKSON, of the City of Toronto in the Province of Ontario, make oath and say as follows:

1. I am Senior Director, Risk and Account Management, at Cameron Stephens Mortgage Capital Ltd. ("Cameron Stephens"), the Applicant in the within Application and, as such, have knowledge of the matters to which I hereinafter depose, unless it appears from the context that I rely upon information provided to me by others, all of which information I verily believe to be true.

2. This affidavit is sworn in support of an application by Cameron Stephens to appoint RSM Canada Limited ("RSM") as Receiver and Manager (in such capacity, the "Receiver") without security, of the properties described as PIN Nos. 36061-0475 through and including 36061-0734, on Conacher Drive, Kingston, Ontario (the "Kingston Lands"), and PIN Nos. 10306-0064, and 10306-0032 through and including 10306-0035, being 2849- 2857 Islington Avenue, Toronto, Ontario (the "Toronto Lands"), (collectively the "Properties"), pursuant to section 243 (1) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") and section 101 of the *Courts of Justice Act* (Ontario) (the "Application").

A. BACKGROUND AND THE PARTIES

3. Cameron Stephens is a company incorporated under the laws of the Province of Ontario, having its head office located in Toronto, which carries on the business of providing mortgage financing.

4. The Respondents corporations, Conacher Kingston Holdings Inc. ("Conacher Inc.") and 5004591 Ontario Inc. ("500 Inc.") (collectively, the "Debtors"), are companies incorporated pursuant to laws of the Province of Ontario.

5. Conacher Inc. is the registered owner of the Kingston Lands and 500 Inc. is the registered owner of the Toronto Lands. Now shown to me and appended hereto as **Exhibit "A"** to this my Affidavit are true copies of the parcel abstracts for each of the PINs comprising the Kingston Lands. Appended hereto as **Exhibit "B"** are true copies of the parcel abstracts for each of the PINs comprising the Toronto Lands.

6. The Kingston Lands are 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.

7. The Toronto Lands consist of a land assembly with a total acreage of 0.844 acres, site plan approved for the development of a 111 unit, 75,000 square foot, 6-storey condominium tower known as the "Step Condos".

B. LOAN AND SECURITY DOCUMENTS

8. The Debtors are indebted to Cameron Stephens 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"). Now shown to me and appended hereto as **Exhibit "C"** to this my Affidavit is a true copy of the Letter of Commitment dated November 22, 2019.

9. As security for their obligations to Cameron Stephens, the Debtors provided security in favour of Cameron Stephens, including, *inter alia*:

a) a General Security Agreement (the "GSA") dated December 5, 2019, appended hereto as **Exhibit "D"**, and registered pursuant to *The Personal Property Security Act* (*Ontario*) on November 29, 2019, pursuant to Financing Statement No. 20191129 1704 1462 6514, appended hereto as **Exhibit "E"**.

b) a General Security Agreement (the "GSA") dated December 5, 2019, and registered pursuant to *The Personal Property Security Act* (*Ontario*) on November 29, 2019, pursuant to Financing Statement No. 20191129 1704 1462 6515, a copy of which is appended hereto as **Exhibit "F"**;

c) a first ranking Charge against the Kingston Lands securing the principal sum of $15,600,000.00, which Mortgage was registered on the 18th day of December 2019 in the Land Registry Office for the Land Titles Division of Frontenac (No. 13) as Instrument No. FC294966, a copy of which is appended hereto as **Exhibit "G"**;

d) a Collateral Charge against the Toronto Lands securing the principal sum of $15,600,000.00 which Mortgage was registered on the 18th day of December 2019 in the Land Registry Office for the Land Titles Division of Toronto (No. 80) as Instrument No. AT5323017, a copy of which is appended hereto as **Exhibit "H"**; and

e) Assignments of Rents and Leases dated December 2nd, 2019, which Assignment of Rents was registered on the 18th day of 2019 in the Land Registry Office for Toronto (#80), as Instrument No. AT5323018, copies of which registration and Assignment are appended hereto as **Exhibit "I"**.

10. The obligations of Conacher Inc. to Cameron Stephens were also guaranteed by 500 Inc. and by Nicholas Kyriacopoulos ("Nicholas"), the principal of the Debtors, pursuant to Guarantees dated November 5, 2019 (the "Guarantees"). Pursuant to the Guarantees, 500 Inc.

and Nicholas agreed unconditionally to pay off all amounts owed by Conacher Inc. to Cameron Stephens, together with interest thereon, and all costs, charges and expenses incurred to enforce payment. Now shown to me and appended hereto as **Exhibit "J"** to this my Affidavit, are true copies of the Guarantees.

C. OTHER CREDITORS

11. The parcel abstracts searching title to the Kingston Lands, which are previously referred to and appended hereto in **Exhibit "A"** reveal:

a) a second ranking Charge in favour of 2462686 Ontario Inc. registered as Instrument No. FC312121 on October 23, 2020, for the principal sum of $5,000,000.00; and

b) a third ranking Charge in favour of 2478659 Ontario Ltd. registered as Instrument No. FC362038 on November 3rd, 2022, for the principal sum of $8,500,000.00.

Now shown to me and appended hereto as **Exhibit "K"** to this my Affidavit, is a true copy of the Charge in favour of 2462686 Ontario Inc. registered as Instrument No. FC312121 and appended hereto as **Exhibit "L"** to this my Affidavit, is a true copy of the Charge in favour of 2478659 Ontario Ltd. registered as Instrument No. FC362038.

12. PPSA search results show:

(a) A General Security Agreement registered in favour of 2462686 Ontario Inc. against the property of Conacher Inc. including a Share Pledge Agreement granted by the Guarantor, Nicholas, in favour of the secured party pledging all of

his shares in 500 Inc., which security was registered on January 31st, 2023, by registration of a Financing Statement No. 20230131 1033 1590 9222;

(b) A Registration in favour of 2083053 Ontario Inc., which security was registered on February 16th, 2023, by registration of a Financing Statement No. 20230216 1258 1590 1471.

Now shown to me and appended hereto as **Exhibit "M"** to this my Affidavit, is a true copy of a PPSA search for the business debtor, Conacher Kingston Holdings Inc., dated June 20th, 2023.

13. There are substantial tax arrears, including penalties and interest, for each of the parcels. The total taxes outstanding as at June 21st, 2023, with respect to the Kingston Lands total $16,180.55. The total taxes outstanding against the Toronto Lands as at June 15th, 2023, total $80,749.34. Now shown to me and appended hereto as **Exhibit "N"** to this my Affidavit, are true copies of the Tax Certificates.

D. THE DEFAULT

14. 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 the 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 Nicholas with respect to their Guarantees and the 10-day notice period under the NITES expired.

Now shown to me and appended hereto as **Exhibit "O"** to this my Affidavit, are true copies of the Demand Letters and NITES dated August 19th, 2022.

15. The borrower subsequently made payment on account but fell into default on multiple occasions thereafter. Accordingly, the Applicant issued a further Notice of Intention to Enforce Security and further Demand Letters served upon Conacher Inc., and the Guarantors dated April 26th, 2023. Appended hereto as **Exhibit "P"** to this my Affidavit are true copies of the Notice of Intention to Enforce Security and further Demand Letters.

16. Despite the demand, the amount owing under the Commitment has not been repaid and as of June 15th, 2023, the amount outstanding to Cameron Stephens was $13,209,845.97, plus additional costs. Interest continues to accrue at the rate of 12.25 percent per annum. Now shown to me and appended hereto as **Exhibit "Q"** to this my Affidavit, is a true copy of a Mortgage Statement for information purposes as at June 19th, 2023.

17. Conacher has failed to exercise commercially reasonable efforts to secure and progress the Townhomes Project. The grass is about 3 feet tall and there is no equipment on site. There are 2 blocks of approximately 10 townhomes constructed but not completed and another 2 blocks of approximately 10 townhomes that have merely had foundations poured. The servicing for the land is completed and a subdivision agreement is in place, but the property and the partially constructed buildings and foundations have been left exposed to the elements.

18. The Toronto Lands are vacant. They have been approved for a 5 storey, 111 condominium apartments building however the Debtors do not have the financing to carry

forward their construction. They attempted to sell the Step Condos but the transaction did not close.

19. The registration of the third ranking Charge on November 3, 2022, without notice and without the consent of Cameron Stephens was also an Event of Default under the terms of the Commitment.

20. Despite further demands, the Debtors have stopped communicating with Cameron Stephens and the loan remains in default. Now shown to me and appended hereto as **Exhibit "R"** to this my Affidavit, is a true copy of a further Demand Letter dated May 25th, 2023.

E. THIS APPLICATION

21. Given the above noted circumstances, Cameron Stephens seeks the appointment of RSM as Receiver over the Properties. The integrity of the existing structures needs to be protected from the elements before the winter and the Receiver will need an opportunity to evaluate and determine the most appropriate means to preserve, protect and realize upon the asset. Furthermore, I do not believe that the site has been secured. Given that materials have been left on site and it would appear that anyone can walk on or off site without restriction, it would seem that there is a potential safety issue as well as a potential for theft or damage.

22. The Receiver, once appointed, will also be in a position to take whatever steps as are deemed necessary to protect, secure and insure the Properties.

23. The GSA expressly authorizes Cameron Stephens to appoint a Receiver following an event of default.

24. RSM consents to its appointment as Receiver, a copy of which Consent is attached hereto as **Exhibit "S"**.

25. Based on the foregoing, I verily believe it is appropriate for a Receiver to be appointed and I swear this affidavit in support of the within Application and for no other or improper purpose.

SWORN by Curtis Jackson at the City of Toronto, in the Province of Ontario, before me on this 26th day of June 2023.

Commissioner for Taking Affidavits
(or as may be)

WENDY GREENSPOON-SOER

CURTIS JACKSON

APPENDIX D

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AGREEMENT OF PURCHASE AND SALE

This AGREEMENT made the <*>3rd day of <*>June 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

LAKESHORE LUXE DESIGN AND BUILD GROUP INC., IN TRUST FOR A CORPORATION TO BE INCORPORATED

(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:

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(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 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.

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(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";

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(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 apelet 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;

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(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;

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(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.

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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)

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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;

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(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

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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

no later than 12:00 pm EST (Toronto time) on June 17, 2024

The Parties ~~acknowledge and~~ agree that the sum of $[redacted] being ~~ten~~ 10 ~~five~~ (~~10~~5%) percent of the Purchase Price (the "**Deposit**") ~~has been~~ will be delivered by the Purchaser to the Vendor's solicitor in trust ~~upon submission~~ within 10 business days by the Purchaser of an executed copy of the Agreement to 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;

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(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

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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

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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.

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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 enures 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

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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:

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(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

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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.

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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.

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

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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

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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 or as otherwise determined by mutual agreement of the Parties in writing.

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

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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

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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

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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:

99 Yorkville Avenue, Suite 200
Toronto, ON M5R 3K5

Attention: Anthony De Francesco
~~Telephone No:~~
Email: Frescoestates@hotmail.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

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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

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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

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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

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DS

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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)

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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

LAKESHORE LUXE DESIGN AND BUILD GROUP INC., IN TRUST FOR A CORPORATION TO BE INCORPORATED

Per: _____
DocuSigned by:
0933A59F063849C...
Name: Francesco
Title: A.S.O.

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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

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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 Aporoval and Vesting Order)

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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

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Schedule "C"

Excluded Assets

DocuSign Envelope ID: 3E6254A5-DCE8-430A-B27C-E52D18A3A18C

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;

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"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

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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.

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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

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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.

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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

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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

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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.

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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 3rd day of June, 20 24.

DocuSigned by:
0933A59F063849C...

Per: _____
Name: Anthony De Francesco
Title:

Per: _____
Name:
Title:

I/We have authority to bind the corporation.

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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

DS

APPENDIX E

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

PROPERTY DESCRIPTION: PT LT 1 PL 9059 NORTH YORK AS IN TR92058; TORONTO (N YORK) , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 10306-0304

PIN CREATION DATE:
2002/07/29

OWNERS' NAMES
5004591 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
AND ESCHEATS OR FORFEITURE TO THE CROWN.						
THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2002/07/29 **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
NY524794	1967/11/21	AGREEMENT	$1			C
NY579166	1970/07/20	BYLAW EX PART LOT				C
REMARKS: BY-LAW NO. 23292						
NY593705	1971/05/12	AGREEMENT			BOROUGH OF NORTH YORK	C
NY608306	1971/12/29	AGREEMENT			THE CORPORATION OF THE BOROUGH OF NORTH YORK	C
NY620929	1972/07/28	BYLAW				C
NY632269	1973/01/29	NOTICE			DEPARTMENT OF TRANSPORTATION	C
REMARKS: (SEE B355841) AMENDMENT TO AIRPORT ZONING REG.						
CORRECTIONS: 'PARTY: DEPARTMENT OF TRANSPORTATION' ADDED ON 1990/05/25 BY LESLIE ROBERTSON.						
TR57844	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
	REMARKS: PEARSON AIRPORT ZONING REGULATION					
AT4601553	2017/06/19	NOTICE	$2	CITY OF TORONTO		C
	REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD					
AT4601554	2017/06/19	NOTICE	$2	CITY OF TORONTO		C
AT4601555	2017/06/19	RESTRICTION-LAND		TERRANATA THE STEP INC.		C
	REMARKS: THE REGISTERED OWNER OF THE LANDS DESCRIBED HEREIN, HEREBY APPLIES UNDER SECTION 118 OF THE LAND TITLES ACT FOR ENTRY OF THE FOLLOWING RESTRICTION : "NO TRANSFER OR CHARGE OF THE LANDS DESCRIBED IN THE PROPERTIES SECTION ABOVE, OR ANY PART THEREOF, SHALL BE REGISTERED WITHOUT THE PRIOR WRITTEN CONSENT OF THE CHIEF PLANNER, OR HIS/HER DESIGNATE, CITY OF TORONTO"					
AT4867240	2018/05/18	NOTICE		CITY OF TORONTO		C
AT5125306	2019/05/01	TRANSFER	$2,275,000	TERRANATA THE STEP INC.	5004591 ONTARIO INC.	C
	REMARKS: PLANNING ACT STATEMENTS.					
AT5323017	2019/12/18	CHARGE	$15,600,000	5004591 ONTARIO INC.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.	C
AT5323018	2019/12/18	NO ASSGN RENT GEN		5004591 ONTARIO INC.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.	C
	REMARKS: AT5323017.					
AT6579363	2024/05/27	CAUTION-LAND	$2	5004591 ONTARIO INC.	LAKESHORE LUXE DESIGN AND BUILD GROUP INC.	

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

PROPERTY DESCRIPTION: PT LT 1 PL 9059 NORTH YORK AS IN TB221318; TORONTO (N YORK) , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 10306-0305

PIN CREATION DATE:
2002/07/29

OWNERS' NAMES
5004591 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
* AND ESCHEATS OR FORFEITURE TO THE CROWN.						
* THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
* IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
* CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2002/07/29 **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
NY524794	1967/11/21	AGREEMENT	$1			C
NY579166	1970/07/20	BYLAW EX PART LOT				C
	REMARKS: BY-LAW NO. 23292					
NY593705	1971/05/12	AGREEMENT			BOROUGH OF NORTH YORK	C
NY608306	1971/12/29	AGREEMENT			THE CORPORATION OF THE BOROUGH OF NORTH YORK	C
NY620929	1972/07/28	BYLAW				C
NY632269	1973/01/29	NOTICE			DEPARTMENT OF TRANSPORTATION	C
	REMARKS: (SEE B355841) AMENDMENT TO AIRPORT ZONING REG.					
	CORRECTIONS: 'PARTY: DEPARTMENT OF TRANSPORTATION' ADDED ON 1990/05/25 BY LESLIE ROBERTSON.					
TR57844	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C

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

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
	REMARKS: PEARSON AIRPORT ZONING REGULATION					
AT4601553	2017/06/19	NOTICE	$2	CITY OF TORONTO		C
	REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD					
AT4601554	2017/06/19	NOTICE	$2	CITY OF TORONTO		C
AT4601555	2017/06/19	RESTRICTION-LAND		TERRANATA THE STEP INC.		C
	REMARKS: THE REGISTERED OWNER OF THE LANDS DESCRIBED HEREIN, HEREBY APPLIES UNDER SECTION 118 OF THE LAND TITLES ACT FOR ENTRY OF THE FOLLOWING RESTRICTION : "NO TRANSFER OR CHARGE OF THE LANDS DESCRIBED IN THE PROPERTIES SECTION ABOVE, OR ANY PART THEREOF, SHALL BE REGISTERED WITHOUT THE PRIOR WRITTEN CONSENT OF THE CHIEF PLANNER, OR HIS/HER DESIGNATE, CITY OF TORONTO"					
AT4867240	2018/05/18	NOTICE		CITY OF TORONTO		C
AT5125306	2019/05/01	TRANSFER	$2,275,000	TERRANATA THE STEP INC.	5004591 ONTARIO INC.	C
	REMARKS: PLANNING ACT STATEMENTS.					
AT5323017	2019/12/18	CHARGE	$15,600,000	5004591 ONTARIO INC.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.	C
AT5323018	2019/12/18	NO ASSGN RENT GEN		5004591 ONTARIO INC.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.	C
	REMARKS: AT5323017.					
AT6579363	2024/05/27	CAUTION-LAND	$2	5004591 ONTARIO INC.	LAKESHORE LUXE DESIGN AND BUILD GROUP INC.	

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

PROPERTY DESCRIPTION: PT LT 2 PL 9059 NORTH YORK AS IN TB379984; TORONTO (N YORK) , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 10306-0306

PIN CREATION DATE:
2002/07/29

OWNERS' NAMES
5004591 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
* AND ESCHEATS OR FORFEITURE TO THE CROWN.						
* THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
* IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
* CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2002/07/29 **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
NY524794	1967/11/21	AGREEMENT	$1			C
NY579166	1970/07/20	BYLAW EX PART LOT				C
	REMARKS: BY-LAW NO. 23292					
NY593705	1971/05/12	AGREEMENT			BOROUGH OF NORTH YORK	C
NY608306	1971/12/29	AGREEMENT			THE CORPORATION OF THE BOROUGH OF NORTH YORK	C
NY620929	1972/07/28	BYLAW				C
NY632269	1973/01/29	NOTICE			DEPARTMENT OF TRANSPORTATION	C
	REMARKS: (SEE B355841) AMENDMENT TO AIRPORT ZONING REG.					
	CORRECTIONS: 'PARTY: DEPARTMENT OF TRANSPORTATION' ADDED ON 1990/05/25 BY LESLIE ROBERTSON.					
TB379984	1986/12/29	DECL SEC 22				C
	REMARKS: NY64579					

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
TR57844	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C
	REMARKS: PEARSON AIRPORT ZONING REGULATION					
AT4601553	2017/06/19	NOTICE	$2	CITY OF TORONTO		C
	REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD					
AT4601554	2017/06/19	NOTICE	$2	CITY OF TORONTO		C
AT4601555	2017/06/19	RESTRICTION-LAND		TERRANATA THE STEP INC.		C
	REMARKS: THE REGISTERED OWNER OF THE LANDS DESCRIBED HEREIN, HEREBY APPLIES UNDER SECTION 118 OF THE LAND TITLES ACT FOR ENTRY OF THE FOLLOWING RESTRICTION : "NO TRANSFER OR CHARGE OF THE LANDS DESCRIBED IN THE PROPERTIES SECTION ABOVE, OR ANY PART THEREOF, SHALL BE REGISTERED WITHOUT THE PRIOR WRITTEN CONSENT OF THE CHIEF PLANNER, OR HIS/HER DESIGNATE, CITY OF TORONTO"					
AT4867240	2018/05/18	NOTICE		CITY OF TORONTO		C
AT5125306	2019/05/01	TRANSFER	$2,275,000	TERRANATA THE STEP INC.	5004591 ONTARIO INC.	C
	REMARKS: PLANNING ACT STATEMENTS.					
AT5323017	2019/12/18	CHARGE	$15,600,000	5004591 ONTARIO INC.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.	C
AT5323018	2019/12/18	NO ASSGN RENT GEN		5004591 ONTARIO INC.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.	C
	REMARKS: AT5323017.					
AT6579363	2024/05/27	CAUTION-LAND	$2	5004591 ONTARIO INC.	LAKESHORE LUXE DESIGN AND BUILD GROUP INC.	

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

PROPERTY DESCRIPTION: PT LT 2 PL 9059 NORTH YORK AS IN TB379983; TORONTO (N YORK) , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 10306-0307

PIN CREATION DATE:
2002/07/29

OWNERS' NAMES
5004591 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
* AND ESCHEATS OR FORFEITURE TO THE CROWN.						
* THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
* IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
* CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 2002/07/29 **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
NY524794	1967/11/21	AGREEMENT	$1			C
NY579166	1970/07/20	BYLAW EX PART LOT				C
	REMARKS: BY-LAW NO. 23292					
NY593705	1971/05/12	AGREEMENT			BOROUGH OF NORTH YORK	C
NY608306	1971/12/29	AGREEMENT			THE CORPORATION OF THE BOROUGH OF NORTH YORK	C
NY620929	1972/07/28	BYLAW				C
NY632269	1973/01/29	NOTICE			DEPARTMENT OF TRANSPORTATION	C
	REMARKS: (SEE B355841) AMENDMENT TO AIRPORT ZONING REG.					
	CORRECTIONS: 'PARTY: DEPARTMENT OF TRANSPORTATION' ADDED ON 1990/05/25 BY LESLIE ROBERTSON.					
TR57844	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C

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Hearing Brief p. 1291

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
	REMARKS: PEARSON AIRPORT ZONING REGULATION					
AT4601553	2017/06/19	NOTICE	$2	CITY OF TORONTO		C
	REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD					
AT4601554	2017/06/19	NOTICE	$2	CITY OF TORONTO		C
AT4601555	2017/06/19	RESTRICTION-LAND		TERRANATA THE STEP INC.		C
	REMARKS: THE REGISTERED OWNER OF THE LANDS DESCRIBED HEREIN, HEREBY APPLIES UNDER SECTION 118 OF THE LAND TITLES ACT FOR ENTRY OF THE FOLLOWING RESTRICTION : "NO TRANSFER OR CHARGE OF THE LANDS DESCRIBED IN THE PROPERTIES SECTION ABOVE, OR ANY PART THEREOF, SHALL BE REGISTERED WITHOUT THE PRIOR WRITTEN CONSENT OF THE CHIEF PLANNER, OR HIS/HER DESIGNATE, CITY OF TORONTO"					
AT4867240	2018/05/18	NOTICE		CITY OF TORONTO		C
AT5125306	2019/05/01	TRANSFER	$2,275,000	TERRANATA THE STEP INC.	5004591 ONTARIO INC.	C
	REMARKS: PLANNING ACT STATEMENTS.					
AT5323017	2019/12/18	CHARGE	$15,600,000	5004591 ONTARIO INC.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.	C
AT5323018	2019/12/18	NO ASSGN RENT GEN		5004591 ONTARIO INC.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.	C
	REMARKS: AT5323017.					
AT6579363	2024/05/27	CAUTION-LAND	$2	5004591 ONTARIO INC.	LAKESHORE LUXE DESIGN AND BUILD GROUP INC.	

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

PROPERTY DESCRIPTION: PT LT 22 CON 6 WYS TWP OF YORK AS IN NY735134; TORONTO (N YORK) , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 10306-0336

PIN CREATION DATE:
2002/07/29

OWNERS' NAMES
5004591 ONTARIO INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
AND ESCHEATS OR FORFEITURE TO THE CROWN.						
THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
** DATE OF CONVERSION TO LAND TITLES: 2002/07/29 **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
NY632269	1973/01/29	NOTICE			DEPARTMENT OF TRANSPORTATION	C
REMARKS: (SEE B355841) AMENDMENT TO AIRPORT ZONING REG.						
CORRECTIONS: 'PARTY: DEPARTMENT OF TRANSPORTATION' ADDED ON 1990/05/25 BY LESLIE ROBERTSON.						
TR57844	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C
REMARKS: PEARSON AIRPORT ZONING REGULATION						
AT4601553	2017/06/19	NOTICE	$2	CITY OF TORONTO		C
REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD						
AT4601554	2017/06/19	NOTICE	$2	CITY OF TORONTO		C
AT4601555	2017/06/19	RESTRICTION-LAND		TERRANATA THE STEP INC.		C
REMARKS: THE REGISTERED OWNER OF THE LANDS DESCRIBED HEREIN, HEREBY APPLIES UNDER SECTION 118 OF THE LAND TITLES ACT FOR ENTRY OF THE FOLLOWING RESTRICTION : "NO TRANSFER OR CHARGE OF THE LANDS DESCRIBED IN THE PROPERTIES SECTION ABOVE, OR ANY PART THEREOF, SHALL BE REGISTERED WITHOUT THE PRIOR WRITTEN CONSENT OF THE CHIEF PLANNER, OR HIS/HER DESIGNATE, CITY OF TORONTO"						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4867240	2018/05/18	NOTICE		CITY OF TORONTO		C
AT5125306	2019/05/01	TRANSFER	$2,275,000	TERRANATA THE STEP INC.	5004591 ONTARIO INC.	C
	REMARKS: PLANNING ACT STATEMENTS.					
AT5323017	2019/12/18	CHARGE	$15,600,000	5004591 ONTARIO INC.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.	C
AT5323018	2019/12/18	NO ASSGN RENT GEN		5004591 ONTARIO INC.	CAMERON STEPHENS MORTGAGE CAPITAL LTD.	C
	REMARKS: AT5323017.					
AT6455828	2023/11/07	NOTICE	$2	2478659 ONTARIO LTD.		C
	REMARKS: AMENDS AT5323017					
AT6579363	2024/05/27	CAUTION-LAND	$2	5004591 ONTARIO INC.	LAKESHORE LUXE DESIGN AND BUILD GROUP INC.	

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

APPENDIX F

IN THE MATTER OF THE RECEIVERSHIP OF
2849, 2851, 2853, 2855 AND 2857 ISLINGTON AVENUE
TRUSTEE'S STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD DECEMBER 22, 2023 TO JUNE 15, 2024

RECEIPTS		
Advance from secured creditor	$	100,000
Interest		1,014
Total receipts	**$**	**101,014**
DISBURSEMENTS		
Receiver's fees and costs	$	25,509
Insurance		1,175
Other charges (filing fees, Ascend license fee, bank charges)		484
HST and PST paid		3,580
Possession		983
Total disbursements	**$**	**31,732**
EXCESS OF RECEIPTS OVER DISBURSEMENTS	**$**	**69,282**

APPENDIX G

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

AFFIDAVIT OF ARIF DHANANI

(Sworn July 16, 2024)

I, **ARIF DHANANI**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am a Managing Director of TDB Restructuring Limited ("**TDB**") and as such I have personal knowledge of the matters to which I hereinafter depose, save and except those matters based upon information and belief, in which case I have stated the source of such facts, all of which I verily believe to be true.

2. Pursuant to an order of the Ontario Superior Court of Justice dated December 6, 2023 and effective, December 22, 2023, RSM Canada Limited ("**RCL**") was appointed receiver and manager (the "**Receiver**"), without security, over the lands and premises described municipally as 311 Conacher Drive, Kingston, Ontario and 2849, 2851, 2853, 2855 and 2857 Islington Avenue,

Toronto, Ontario, owned by Conacher Kingston Holdings Inc. and 5004591 Ontario Inc., respectively.

3. On March 1, 2024, the Court granted an order substituting the name TDB in place of RCL (the "**Omnibus Order**"). A copy of the Omnibus Order is attached as Appendix B to the Receiver's First Report to Court.

4. Attached hereto and marked as **Exhibit "A"** to this my affidavit are copies of invoices issued by the Receiver for fees and disbursements incurred by the Receiver in respect of the receivership proceedings from January 1, 2024 to June 30, 2024 (the "**Period**"). The total fees charged for the Period are $41,510.00, plus disbursements of $19.20 and HST of $5,398.81 for a total of $46,928.01. The average hourly rate charged during the Period was $612.24.

5. The invoices are a fair and accurate description of the services provided and the amounts charged by the Receiver for the Period.

6. Attached hereto and marked as **Exhibit "B"** is a schedule summarizing the invoices in Exhibit "A", the total billable hours charged, the total fees charged and the average hourly rate charged.

7. I make this affidavit in support of a motion for an Order approving the Receiver's fees and disbursements and for no other or improper purpose.

SWORN BEFORE ME remotely by Arif Dhanani, stated as being located at the City of Toronto in the Province of Ontario, before me at the City of Toronto in the Province of Ontario, on July 16, 2024, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

ARIF DHANANI

A Commissioner, etc.

THIS IS EXHIBIT "A" REFERRED TO IN THE AFFIDAVIT OF ARIF DHANANI SWORN BEFORE ME THIS 16TH DAY OF JULY, 2024

_____

A Commissioner, etc.

GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
Court-Appointed Receiver of
2849, 2851, 2853, 2855 and 2857 Islington Avenue,
Toronto, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date February 22, 2024

Client File 7841023
Invoice No. CI-10285326

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-Appointed Receiver of 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the "Properties") for the period January 1, 2024 to January 31, 2024.

Date	Professional	Description
1/2/2024	Arif Dhanani	Draft and send email to BMO to open trust account; amend S. 245/246 notice and list of creditors.
1/2/2024	Donna Nishimura	Assemble and mail out Notice and Statement of Receiver; prepare draft Affidavit of Mailing.
1/3/2024	Arif Dhanani	Draft and send email to TD Bank re freezing account(s).
1/3/2024	Donna Nishimura	Fax Notice and Statement of Receiver and Court Order to the Office of the Superintendent of Bankruptcy.
1/4/2024	Arif Dhanani	Call with T. Thompson of HUB Insurance Brokers regarding insurance; email to J. David of Cameron Stephens Mortgage Capital Ltd. ("Cameron Stephens") with questions regarding copies of insurance policy and draw reports.
1/10/2024	Arif Dhanani	Email to B. Tannenbaum re listing proposals for property.
1/11/2024	Arif Dhanani	Finalize email to realtors requesting listing proposals and send out same to CBRE, Avison Young, Colliers, Lennard Realty and Sotheby's.
1/12/2024	Arif Dhanani	Review and respond to email from Lennard Realty re data room.
1/15/2024	Arif Dhanani	Call with J. David to discuss status of property and listing proposals requested from various real estate agents; send link to pictures of property to J. David; emails from/to CBRE to schedule call to discuss property.
1/16/2024	Arif Dhanani	Zoom call with CBRE regarding status of property; call with A. Holiff of Colliers; call with A. Shivji of Sotheby's.
1/16/2024	Donna Nishimura	Upload/post documents to the R&R website.

Date	Professional	Description
1/19/2024	Arif Dhanani	Review of email from J. David re extension of time for submission of listing proposals; send email to parties requested to provide listing proposals to inform them of extension of time for doing so.
1/23/2024	Arif Dhanani	Email to J. David re insurance, property taxes, writing to the City of Toronto and Receiver's borrowings; draft letter to City of Toronto re property tax arrears and send same.
1/24/2024	Arif Dhanani	Review of email from W. Greenspoon-Soer of Garfinkle Biderman LLP re status of property and Receiver's activities and respond thereto.
1/25/2024	Arif Dhanani	Call with J. Larry of Paliare Roland Rosenberg Rothstein LLP and B. Tannenbaum.
1/26/2024	Arif Dhanani	Review of email from counsel to 2858087 Ontario Inc.; detailed email to J. Larry in this regard.
1/30/2024	Arif Dhanani	Review and respond to email from CBRE indicating it will not be submitting a proposal; review and respond to email from Avison Young asking for access to site photos and send links to Avison Young for same.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Arif N. Dhanani, CPA, CA, FCIRP, LIT	Vice President	5.40	$ 485	$ 2,619.00
Donna Nishimura	Estate Administrator	0.80	$ 110	88.00
Total hours and professional fees		**6.20**		$ 2,707.00
Disbursements				
Postage (Notice & Stmt of Receiver)	$ 9.20			
Photocopies (Notice & Stmt of Receiver)	10.00			
Total disbursements				19.20
Total professional fees and disbursment				$ 2,726.20
HST @ 13%				354.41
Total payable				**$ 3,080.61**

VISA/MASTERCARD
Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS
Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
RSM Canada Limited

GST/HST: 80784 1440 RT0001

To TDB Restructuring Limited (formerly RSM Canada Limited)
Court-Appointed Receiver of
2849, 2851, 2853, 2855 and 2857 Islington Avenue,
Toronto, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

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

Date March 12, 2024

Client File 16-002
Invoice No. TDB #1
2403005

For professional services rendered with respect to the appointment of TDB Restructuring Limited (formerly RSM Canada Limited) as Court-Appointed Receiver of 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the "Property") for the period for the period February 1, 2024 to February 29, 2024.

Date	Professional	Description
2/6/2024	Arif Dhanani	Draft listing proposal summary for 2849-2857 Islington Avenue; call with Sotheby's with questions on same; finalize listing proposal summary with recommendation on engagement of listing agent and email same to B. Tannenbaum for comments; call with B. Tannenbaum; finalize listing proposal summary and send same to Cameron Stephens Mortgage Capital Ltd. ("Cameron Stephens"); send file sharing link to Cameron Stephens to copies of listing proposals.
2/7/2024	Arif Dhanani	Call with Sotheby's and review of email from same; email to the City of Toronto to confirm Islington site can support a GFA of 10,500 meters squared; review of reply from the City of Toronto and respond to same; review of further email from the City of Toronto.
2/8/2024	Arif Dhanani	Email to B. Tannenbaum regarding funding for receivership administration and listing proposals.
2/9/2024	Anne Baptiste	Prepare bank reconciliation.
2/13/2024	Arif Dhanani	Call with B. Tannenbaum and J. David of Cameron Stephens re insurance, funding and listing proposals.
2/14/2024	Arif Dhanani	Review of Receiver's Certificate attached to Receiver's appointment order and email to J. David in this regard; email to S. Keyzer of Colliers requesting meeting.
2/15/2024	Arif Dhanani	Review email from J. David re particulars of borrowing certificate; prepare borrowing certificate for the Property, finalize and sign same and send to J. David; call with Colliers regarding listing proposal and potential for increased GFA on site; subsequent call with B. Tannenbaum regarding same.
2/21/2024	Bryan Tannenbaum	Receipt and review of Colliers update proposal on Toronto site; discussion re same with A. Dhanani.

Date	Professional	Description
2/21/2024	Arif Dhanani	Review Colliers addendum to the listing proposal for the Property; email to Colliers in this regard re loss of square footage on valuation of residual land value; review response from Colliers; draft and send email to Cameron Stephens with regard to Colliers addendum and request availability for a further meeting.
2/27/2024	Arif Dhanani	Review email from Colliers re Islington Avenue listing proposal addendum; email to Colliers with question on residual land value per square foot; email to J. David to schedule call; review email from J. David and email to B. Tannenbaum in this regard.
2/27/2024	Bryan Tannenbaum	Receipt and review of Colliers email with explanation of increased density.
2/28/2024	Arif Dhanani	Email from/to B. Tannenbaum re status of funding requested; email to B. Tannenbaum re Colliers and review response thereto; call with Cameron Stevens to discuss listing proposal; call with Colliers to advise that its listing proposal was successful and to request that a listing agreement be sent to the Receiver.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	0.50	$ 695	$ 347.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	7.50	$ 625	4,687.50
Anne Baptiste	Estate Administrator	0.20	$ 150	30.00
Total hours and professional fees		**8.20**		$ 5,065.00
HST @ 13%				658.45
Total payable				**$ 5,723.45**

VISA/MASTERCARD
Payments can be made by calling Donna Nishimura at 647.727.3552

WIRE PAYMENT DETAILS
Please contact Donna Nishimura at 647.727.3552

GST/HST: 80784 1440 RT0001

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

To TDB Restructuring Limited (formerly RSM Canada Limited)
Court-Appointed Receiver of
2849, 2851, 2853, 2855 and 2857 Islington Avenue,
Toronto, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date April 12, 2024

Client File 16-002
Invoice No. TDB #2
2404014

For professional services rendered with respect to the appointment of TDB Restructuring Limited (formerly RSM Canada Limited) as Court-Appointed Receiver of 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the "Property") for the period for the period March 1, 2024 to March 31, 2024.

Date	Professional	Description
3/4/2024	Arif Dhanani	Email to S. Keyzer of Colliers re Colliers listing agreement for sale of property and review response from S. Keyzer.
3/5/2024	Arif Dhanani	Calls with Ballin Real Estate, Lennard Commercial Realty and Avison Young re unsuccessful listing proposals for Islington property.
3/6/2024	Arif Dhanani	Complete documentation for receipt of funds from secured lender and send same to A. Baptiste to record in Receiver's GL; complete documentation for payment to Pronto General Contractors and send same to B. Tannenbaum to effect payment; emails to/from Colliers re commission rate; further follow up email to Colliers requesting listing agreement for Islington property.
3/6/2024	Donna Nishimura	Prepare cheque requisitions for payment of invoices and submit paperwork for processing.
3/7/2024	Bryan Tannenbaum	Several emails re Colliers listing agreement and change to commission structure.
3/7/2024	Arif Dhanani	Review Islington listing proposal summary and update same for new commission rate provided by Colliers; email to J. David of Cameron Stephens Mortgage Capital Ltd. ("Cameron Stephens") in this regard; follow up email to J. David.
3/7/2024	Jennifer Hornbostel	Print cheque for payment to the Office of the Superintendent of Bankruptcy and mail same.
3/11/2024	Arif Dhanani	Call with and email to E. Terpselas, spouse to principal of 5004591 Ontario Inc.; email to B. Tannenbaum in this regard.
3/14/2024	Anne Baptiste	Prepare bank reconciliation.
3/19/2024	Arif Dhanani	Review of Colliers' listing agreement, mark up same for additional changes; send same to B. Tannenbaum with summary email and listing proposal summary for the Islington property.

Date	Professional	Description
3/20/2024	Arif Dhanani	Discussion with B. Tannenbaum re listing agreement for Islington property; further amend draft listing agreement received from Colliers; send amended listing agreement with email to Colliers.
3/21/2024	Arif Dhanani	Review and respond to J. David re status of listing agreement with Colliers for Islington property; review and respond to email from A. Holiff of Colliers re Receiver's markups of listing agreement and schedule A thereto; review and respond to email from S. Plos of Colliers re property taxes for Islington property; review of changes to listing agreement and MLS data form made by Colliers and email to B. Tannenbaum in this regard.
3/21/2024	Bryan Tannenbaum	Various emails reviewing listing agreement; discussion with A. Dhanani regarding edits to the Colliers listing agreement.
3/22/2024	Arif Dhanani	Review of emails from J. David and review of attachment thereto; email to B. Tannenbaum in this regard; email to J. David addressing the document attached to his email of March 21, 2024 and explaining the Sound Air principles required by the Court for a Receiver to adhere to; review of amended listing agreement from Colliers and confirm finalization of same and execution by B. Tannenbaum via DocuSign.
3/22/2024	Bryan Tannenbaum	Receipt and review of A. Dhanani email with share offer for 5004591 Ontario Inc. and Islington property; respond to A. Dhanani; review and execute listing agreement.
3/26/2024	Arif Dhanani	Update email to Cameron Stephens on listing agreement for the Islington Avenue property.
3/27/2024	Arif Dhanani	Review of email from A. Marchioni re Islington property and respond thereto.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	1.80	$ 695	$ 1,251.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	6.50	$ 625	4,062.50
Anne Baptiste/Jennifer Hornbostel/Donna Nishimura	Estate Administrator	0.70	$ 150	105.00
Total hours and professional fees		**9.00**		$ 5,418.50
HST @ 13%				704.41
Total payable				**$ 6,122.91**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

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Toronto, ON M5H 4C7

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416-915-6228

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To TDB Restructuring Limited (formerly RSM Canada Limited)
Court-Appointed Receiver of
2849, 2851, 2853, 2855 and 2857 Islington Avenue,
Toronto, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date May 3, 2024

Client File 16-002
Invoice No. TDB #3
2405023

For professional services rendered with respect to the appointment of TDB Restructuring Limited (formerly RSM Canada Limited) as Court-Appointed Receiver of 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the "Property") for the period for the period April 1, 2024 to April 30, 2024.

Date	Professional	Description
4/3/2024	Arif Dhanani	Review email from Colliers and marketing brochure for the Islington Avenue Property; provide comments on brochure to Colliers; review of e-blast to be sent out by Colliers and respond to A. Holiff of Colliers in this regard.
4/3/2024	Bryan Tannenbaum	Receipt and review of Colliers draft brochure; receipt and review of A. Dhanani email with comments re same; email to Colliers.
4/4/2024	Anne Baptiste	Prepare bank reconciliation.
4/4/2024	Arif Dhanani	Email to Cameron Stephens Mortgage Capital Ltd. ("Cameron Stephens") re fee approval; review of email from J. David of Cameron Stephens and response thereto from B. Tannenbaum; review of email from Colliers re signage and respond thereto.
4/4/2024	Bryan Tannenbaum	Forward brochure to Cameron Stephens; receipt and review of Colliers email re signage.
4/8/2024	Arif Dhanani	Review and respond to emails from E. Terpselas regarding Islington Property.
4/9/2024	Arif Dhanani	Email exchange with E. Terpselas re insurance; review of Islington Avenue insurance policy; email exchange with Cameron Stephens; draft email to insurance broker requesting confirmation of payment of insurance premiums on Islington Property.
4/9/2024	Bryan Tannenbaum	Receipt, review and reply to Colliers email re signage.
4/10/2024	Arif Dhanani	Review of email from Colliers re form of Agreement of Purchase and Sale ("APS"); email to Garfinkle Biderman LLP to request form of APS for the Islington Property; follow up email to D. Italiano of Oracle RMS insurance brokerage re insurance coverage over the Islington Property; emails to/from D. Italiano re change of named insured and loss payee to Receiver, ensuring Cameron Stephens is listed as an additional loss payee.
4/11/2024	Arif Dhanani	Follow up email to A. Brown of Garfinkle Biderman requesting a form of APS for the Islington Avenue Property; calls with A. Brown to discuss APS status and

Date	Professional	Description
		name change from RSM to TDB; email to A. Brown with articles of amendment and Omnibus Order.
4/12/2024	Arif Dhanani	Emails to/from J. David re setting a deadline for offers; email to Colliers regarding same.
4/12/2024	Bryan Tannenbaum	Receipt and review of Colliers marketing progress report.
4/14/2024	Arif Dhanani	Review of draft APS provided by A. Brown; amend same and send to Colliers for comments.
4/15/2024	Arif Dhanani	Email to J. David with offer deadline date for Islington Avenue Property; review and respond to email from J. David re reporting through marketing period.
4/15/2024	Jennifer Hornbostel	Post transactions.
4/16/2024	Arif Dhanani	Review of email from A. Brown re Islington Avenue APS and respond thereto with the Receiver's comments; follow up email to Colliers for comments on APS.
4/16/2024	Bryan Tannenbaum	Receipt and review of email from prospective purchaser; email to A. Dhanani re interaction with this individual on another administration.
4/17/2024	Arif Dhanani	Review and respond to email from prospective purchaser; forward email from prospective purchaser and response thereto to Colliers; review of comments on APS from Colliers and respond thereto and forward same to counsel; email to Cameron Stephens re additional premium required to be paid to increase insurance coverage over Islington Property.
4/18/2024	Bryan Tannenbaum	Teams call with S. Keyzer of Colliers, A. Brown and A. Dhanani re APS, data room, conditional period, deposit; receipt and review of A. Brown email to J. David re access to their underwriting files; clarification email sent to J. David re not to include appraisals.
4/18/2024	Arif Dhanani	Attend call with Colliers, A. Brown and B. Tannenbaum.
4/19/2024	Arif Dhanani	Call with A. Brown re Islington APS.
4/22/2024	Bryan Tannenbaum	Execute by DocuSign bid date amendment form from Colliers.
4/22/2024	Arif Dhanani	Review further markup from A. Brown to Islington APS; send further comments to A. Brown.
4/23/2024	Arif Dhanani	Email to Colliers re property tax information for data room; review of emails from Colliers; write second email to the City of Toronto requesting property tax information for the Islington Property; call with J. David and J. Marriott of Cameron Stephens; email marketing material sent by Colliers to J. David and J. Marriott.
4/24/2024	Arif Dhanani	Email to S. Keyzer with APS to be posted to Colliers data room; review of emails from S. Keyzer and respond thereto re additional materials for data room.
4/26/2024	Arif Dhanani	Email to J. David re file materials, if any, for data room; review of email from J. David with additional materials and review same; forward materials, as appropriate, to Colliers; review of Colliers marketing update materials and forward same to Cameron Stephens.
4/29/2024	Arif Dhanani	Review emails from J. David re soil analysis report and environmental, review soil analysis report; forward emails to Colliers.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	2.30	$ 695	$ 1,598.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	9.00	$ 625	5,625.00
Anne Baptiste/Jennifer Hornbostel	Estate Administrator	0.30	$ 150	45.00
Total hours and professional fees		**11.60**		$ 7,268.50
HST @ 13%				944.91
Total payable				**$ 8,213.41**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

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To TDB Restructuring Limited (formerly RSM Canada Limited)
Court-Appointed Receiver of
2849, 2851, 2853, 2855 and 2857 Islington Avenue,
Toronto, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date June 5, 2024

Client File 16-002
Invoice No. TDB #4
2406003

For professional services rendered with respect to the appointment of TDB Restructuring Limited (formerly RSM Canada Limited) as Court-Appointed Receiver of 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the "Property") for the period for the period May 1, 2024 to May 31, 2024.

Date	Professional	Description
5/2/2024	Arif Dhanani	Follow up email to J. David of Cameron Stephens Mortgage Capital Ltd. ("Cameron Stephens") re increasing insurance coverage on the Islington Property.
5/3/2024	Arif Dhanani	Review of email from J. David re insurance; complete insurance application form sent by insurance broker; send email to insurance broker with completed form and additional instructions, including increasing the amount of insurance coverage.
5/6/2024	Bryan Tannenbaum	Telephone call with J. Wadden of Tyr LLP re client as a prospective purchaser.
5/7/2024	Arif Dhanani	Review of insurance quote sent by Oracle RMS and confirm additional coverage to be bound.
5/10/2024	Arif Dhanani	Review of marketing update provided by Colliers and forward same to Cameron Stephens.
5/10/2024	Bryan Tannenbaum	Receipt and review of Colliers marketing report.
5/13/2024	Arif Dhanani	Review of email from Cameron Stephens re updated insurance documentation for Islington Property; email to insurance broker requesting timing of receipt of same; email exchange with insurance broker; drafting portions of Receiver's Court report.
5/13/2024	Bryan Tannenbaum	Zoom call with J. Wadden and his client re submitting an offer and related matters.
5/17/2024	Arif Dhanani	Review of email exchange between B. Tannenbaum and Colliers re potential purchaser.
5/23/2024	Arif Dhanani	Review of updated insurance policy for Islington Property and invoice from Oracle RMS; call with J. Hornbostel with request to prepare cheque for payment of invoice; review of letter from R. Taylor of Crawley MacKewn Bush LLP to J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland").
5/24/2024	Bryan Tannenbaum	Receipt and review of Colliers bi-weekly marketing report.

Date	Professional	Description
5/27/2024	Jennifer Hornbostel	Prepare and mail insurance cheque.
5/28/2024	Arif Dhanani	Send email with most recent marketing update for Islington Property to Cameron Stephens; review of email from Cameron Stephens re J. David and respond thereto.
5/30/2024	Arif Dhanani	Review email forwarded by A. Brown of Garfinkle Biderman LLP from counsel to potential purchaser of the Toronto Property; email to B. Tannenbaum in this regard; review email from Cameron Stephens requesting conference call and respond thereto; call with Cameron Stephens, Garfinkle Biderman and B. Tannenbaum regarding email from counsel to potential purchaser.
5/30/2024	Bryan Tannenbaum	Receipt and review from A. Dhanani email trail regarding party wanting to payout Cameron Stephens; Zoom call with Garfinkle Biderman (A. Brown/W. Greenspoon-Soer), Cameron Stephens (J. Marriott) and A. Dhanani re J. Wadden email; review of W. Greenspoon-Soer email to J. Wadden.
5/31/2024	Arif Dhanani	Draft portions of Receiver's first report to Court as they relate to the Toronto Property; call with Paliare Roland to discuss letter from counsel to 2858087 Ontario Inc. and effect on the Toronto Property.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	1.80	$ 695	$ 1,251.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	6.00	$ 625	3,750.00
Jennifer Hornbostel	Estate Administrator	0.20	$ 150	30.00
Total hours and professional fees		**8.00**		$ 5,031.00
HST @ 13%				654.03
Total payable				**$ 5,685.03**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

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

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416-915-6228

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To TDB Restructuring Limited (formerly RSM Canada Limited)
Court-Appointed Receiver of
2849, 2851, 2853, 2855 and 2857 Islington Avenue,
Toronto, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date July 5, 2024

Client File 16-002
Invoice No. TDB #5
2407004

For professional services rendered with respect to the appointment of TDB Restructuring Limited (formerly RSM Canada Limited) as Court-Appointed Receiver of 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the "Property") for the period for the period June 1, 2024 to June 30, 2024.

Date	Professional	Description
6/3/2024	Arif Dhanani	Review and amend draft letter from Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") to Crawley MacKewn Brush LLP and send same to R. Shah at Paliare Roland; review of email from A. Brown of Garfinkle Biderman LLP re caution on title registered by Lakeshore Luxe Design Group ("Lakeshore Luxe"), discussion with B. Tannenbaum re same, email to J. Larry of Paliare Roland with background and request to send letter to Corsianos Lee Barristers and Solicitors and Tyr LLP re same.
6/3/2024	Jennifer Hornbostel	Prepare and post transactions.
6/3/2024	Bryan Tannenbaum	Receipt and review of J. Wadden of Tyr email re his client's offer and deposit and respond thereto; email to Colliers re timing for bid deadline; email from A. Brown re PIN's and caution registered on title; review of W. Greenspoon-Soer of Garfinkle Biderman email; email to J. Wadden re his client's registration and caution on title; email to J. Larry re same; review of A. Dhanani email to J. Larry; review and comment on J. Larry draft email to J. Lee re registration; review of S. Sherrington of Tyr response.
6/4/2024	Arif Dhanani	Review offers on Islington Avenue property sent by Colliers; draft offer summary and send same to B. Tannenbaum for comments; call with Cameron Stephens Mortgage Capital Ltd. ("Cameron Stephens") and B. Tannenbaum to discuss offers on Islington property; message for Colliers with request for return call to discuss offers on Islington property.
6/4/2024	Bryan Tannenbaum	Receipt, review and respond to J. Wadden email regarding title registration by his client; receipt and review of S. Sherrington email attaching potential purchaser APS; receipt and review of Colliers two emails with offer matrix; receipt and review of Paliare Roland letter to Mr. Lee re registration on title; review A. Dhanani summary of offers; various further emails with Tyr; review J. Larry email re attaching Tyr email; email from Tyr re explanation of deposit; Teams call with J. Marriott of Cameron Stephens and A. Dhanani to review offers.

Date	Professional	Description
6/5/2024	Arif Dhanani	Message for Colliers requesting call back to discuss Islington property offers; call with Colliers and B. Tannenbaum; review of email from S. Keyzer of Colliers to potential purchaser's agent.
6/5/2024	Bryan Tannenbaum	Receipt and review of J. Wadden email re removal of caution from title and respond thereto; email to Colliers to discuss approach and response to offerors; email to Tyr re their client's email; email to Tyr re resubmission of offer; Teams meeting with Colliers (S. Keyzer/A. Holiff) and A. Dhanani re offer resubmission; receipt and review of Colliers email re email to second highest offeror for resubmission.
6/6/2024	Arif Dhanani	Review of final offer from potential purchaser of Islington Avenue property, email to B. Tannenbaum in this regard; review of email from B. Tannenbaum to Colliers re another purchaser and timing for submission of final offer and Colliers' responses thereto.
6/6/2024	Bryan Tannenbaum	Call and email to S. Sherrington re his client's offer; receipt and review of revised offer from potential purchaser; discuss with A. Dhanani; forward same to J. Marriott; email from S. Sherrington re deposit in GIC; review A. Brown email approving the potential purchaser's form of offer; email to Colliers re status of other offer; telephone call with S. Sherrington regarding clarification on deposit; telephone call with S. Keyzer re other offer and extension request and emails re same.
6/7/2024	Arif Dhanani	Review of email exchange between B. Tannenbaum and S. Sherrington; call with B. Tannenbaum regarding status of proof of funds account statement; review of email from S. Sherrington and attachments thereto; email to S. Sherrington with questions regarding attachments.
6/7/2024	Anne Baptiste	Prepare bank reconciliation.
6/7/2024	Bryan Tannenbaum	Email to S. Sherrington re status of deposit; response from S. Sherrington; response received from S. Sherrington re proof of deposit funds to be received today; email to S. Sherrington towards the end of the day to follow up as we do not have proof of funds; responding email from S. Sherrington re proof; discuss by email with A. Dhanani; review A. Dhanani email to S. Sherrington re additional information required; review S. Sherrington response.
6/10/2024	Arif Dhanani	Review of email from B. Tannenbaum re messaging to Tyr and respond to same; email to Tyr re timing of sign back of APS and receipt of deposit; review and respond to email from A. Brown with request for fully executed copy of Islington APS; review of email from A. Brown with property tax certificates for the Islington Avenue property and summarize same; continue drafting portions of Court report; email to/from B. Tannenbaum; call with S. Sherrington; send email confirming discussion to S. Sherrington.
6/10/2024	Bryan Tannenbaum	Emails with A. Dhanani re potential purchaser's APS and deposit terms; receipt and review of A. Dhanani email to S. Sherrington re offer and required deposit.
6/11/2024	Arif Dhanani	Review of email exchange between B. Tannenbaum and S. Sherrington and email to B. Tannenbaum in this regard; call with J. Marriott and B. Tannenbaum to discuss offers on Islington Avenue property; call with B. Tannenbaum to S. Sherrington and leave message for same re purchaser deposit.
6/11/2024	Bryan Tannenbaum	Receipt and review of S. Sherrington email re confirming withdrawal of caution on title; review A. Dhanani email to S. Sherrington re deposit; Teams meeting with J. Marriott and A. Dhanani re offer status; receipt and review of S. Sherrington email re Edward Jones statement forthcoming; email to A. Dhanani re how to proceed with S. Sherrington's client offer.
6/12/2024	Arif Dhanani	Amend APS with potential purchaser of the Islington Avenue property for timing of payment of deposit, sign APS and initial change and send email to

Date	Professional	Description
		counsel for the potential purchaser in this regard with request for the potential purchaser to initial the change and send a fully executed copy of the APS to the Receiver; review email from S. Sherrington with purchaser initialed change; emails to/from S. Sherrington with questions and responses to same.
6/12/2024	Bryan Tannenbaum	Receipt and review of S. Sherrington email re Edward Jones letter sent by registered mail; telephone call with S. Sherrington re our position on deposit; review A. Dhanani email to S. Sherrington with signed APS with condition of deposit receipt before noon on June 17, 2024; receipt and review of S. Sherrington email attaching initialed APS for deposit update.
6/13/2024	Bryan Tannenbaum	Receipt and review of S. Sherrington email attaching Edward Jones statement and confirming deposit for Monday.
6/14/2024	Arif Dhanani	Call with Canada Revenue Agency re 5004591 Ontario Inc. and outstanding returns, explain that TDB Restructuring Limited is receiver over the Islington property and not the company and provide names and contact information for corporate lawyer and lawyer for the estate of N. Kyriacopoulos.
6/18/2024	Arif Dhanani	Call with Colliers and B. Tannenbaum re remarketing property and approaching other offerors.
6/18/2024	Bryan Tannenbaum	Email to S. Sherrington re deposit not delivered; follow up telephone call; emails with A. Brown re deposit; voicemail message to J. Wadden; Teams call with S. Keyzer and A. Dhanani; exchange of emails with J. Wadden; telephone call from J. Wadden re status of deposit.
6/19/2024	Arif Dhanani	Review of email from counsel to potential purchaser; email to B. Tannenbaum in this regard; meet with B. Tannenbaum; draft email to counsel for potential purchaser and send same to B. Tannenbaum.
6/19/2024	Bryan Tannenbaum	Receipt and review of J. Wadden email re status of his client's deposit; forward to counsel; discuss response with A. Dhanani; receipt and review of A. Holiff email re City of Toronto orders for property maintenance; email from S. Keyzer re second offer; email to S. Keyzer re email blast; review and approve email blast; receive comments on draft email to J. Wadden, finalize and send.
6/21/2024	Arif Dhanani	Call with J. Larry re Islington Avenue property sale status update; email to R. Shah re update on Islington Avenue and sharing information with outside parties; review of email from J. Wadden forwarded by B. Tannenbaum; respond to B. Tannenbaum.
6/22/2024	Bryan Tannenbaum	Email from J. Wadden re deposit by no later than Wednesday; various emails circulated and received from our side.
6/24/2024	Arif Dhanani	Draft Receiver's S. 246(2) report, complete statement of receipts and disbursements to June 22, 2024, finalize appendices to report, sign report and send same to D. Nishimura to send to the Office of the Superintendent of Bankruptcy (“OSB”).
6/24/2024	Donna Nishimura	Fax Interim Report of Receiver (Subsection 246(2)) to the OSB.
6/25/2024	Bryan Tannenbaum	Email from A. Brown re update on deposit requested and respond thereto.
6/26/2024	Arif Dhanani	Review and respond to email from B. Tannenbaum re call with potential purchaser's counsel.
6/26/2024	Bryan Tannenbaum	Telephone call with J. Wadden re status of deposit; email to J. Wadden re deposit status; review A. Brown email to J. Wadden re deposit.
6/27/2024	Arif Dhanani	Email to the City of Toronto re completion of required maintenance at the Islington property; review numerous emails amongst B. Tannenbaum, Garfinkle Biderman, Colliers, potential purchaser and its counsel.
6/27/2024	Bryan Tannenbaum	Receipt and review of A. Brown email to J. Wadden re deposit status; email from S. Keyzer re contact purchaser and respond thereto; telephone call from Toronto

Date	Professional	Description
		Capital re funding for potential purchaser; email to all with summary of conversation with Toronto Capital; review of J. Wadden email to reach out directly to his client; J. Wadden email confirming his call with Mr. Lee re deposit; review email from potential purchaser re funds coming and him going to bank; receipt and review of potential purchaser emails with proof of deposit; email re need Garfinkle Biderman confirmation; email from A. Brown to confirm tomorrow.
6/28/2024	Arif Dhanani	Review of email from Garfinkle Biderman with confirmation of purchaser's deposit funds; review of email from B. Tannenbaum re preparation of Court report and update report to Cameron Stephens and respond thereto; draft and send update report to Cameron Stephens; email to potential purchaser with request to sign Schedule A to the APS.
6/28/2024	Bryan Tannenbaum	Telephone call from A. Brown re confirmation of deposit; A. Brown email to potential purchaser re requirement for deposit slips per Law Society rules; confirmation of receipt of same from A. Brown; review of A. Dhanani reporting letter to Cameron Stephens and approve.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	11.50	$ 695	$ 7,992.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	12.70	$ 625	7,937.50
Anne Baptiste/Jennifer Hornbostel/Donna Nishimura	Estate Administrator	0.60	$ 150	90.00
Total hours and professional fees		**24.80**		$ 16,020.00
HST @ 13%				2,082.60
Total payable				**$ 18,102.60**

THIS IS EXHIBIT "B" REFERRED TO IN THE AFFIDAVIT OF ARIF DHANANI SWORN BEFORE ME THIS 16TH DAY OF JULY, 2024

_____

A Commissioner, etc.

IN THE MATTER OF THE RECEIVERSHIP OF
2849, 2851, 2853, 2855 and 2857 ISLINGTON AVENUE, TORONTO, ONTARIO
SUMMARY OF RECEIVER'S FEES
FOR THE PERIOD JANUARY 1, 2024 TO JUNE 30, 2024

Invoice #	Invoice Date	Period	Hours	Fees	Disbursements	Subtotal	HST	Total	Average Hourly Rate
1	February 22, 2024	January 1, 2024 to January 31, 2024	6.2	$ 2,707.00	$ 19.20	$ 2,726.20	$ 354.41	$ 3,080.61	$ 436.61
TDB #1	March 12, 2024	February 1, 2024 to February 29, 2024	8.2	5,065.00	-	5,065.00	658.45	5,723.45	$ 617.68
TDB #2	April 12, 2024	March 1, 2024 to March 31, 2024	9.0	5,418.50	-	5,418.50	704.41	6,122.91	$ 602.66
TDB #3	May 3, 2024	April 1, 2024 to April 30, 2024	11.6	7,268.50	-	7,268.50	944.91	8,213.41	$ 626.59
TDB #4	June 5, 2024	May 1, 2024 to May 31, 204	8.0	5,031.00	-	5,031.00	654.03	5,685.03	$ 628.88
TDB #5	July 5, 2024	June 1, 2024 to June 30, 2024	24.8	16,020.00	-	16,020.00	2,082.60	18,102.60	$ 645.97
TOTAL			**67.8**	**$ 41,510.00**	**$ 19.20**	**$ 41,529.20**	**$ 5,398.81**	**$ 46,928.01**	**$ 612.24**

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Hearing Brief p. 1317

APPENDIX H

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

AFFIDAVIT OF BEATRICE LOSCHIAVO
(Sworn July 16, 2024)

I, Beatrice Loschiavo, of the Town of Toronto, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am an assistant at the law firm of Paliare Roland Rosenberg Rothstein LLP ("**Paliare Roland**"). I have personal knowledge of the matters to which I hereinafter refer.

2. Paliare Roland has provided legal services to and incurred disbursements on behalf of the Receiver. The detailed invoices attached hereto and marked as **Exhibit "A"** are dockets (the "**Dockets**") which set out Paliare Roland's fees and disbursements from January 25, 2024, to June 28, 2024. The Dockets describe the services provided and the amounts charged by Paliare Roland.

3. The following is a summary of the professionals whose services are reflected in the Dockets, including hourly rates, fees billed, hours billed and the average hourly rate

charged by Paliare Roland. The hourly rates charged are the usual hourly rates charged by Paliare Roland for the listed professionals.

Professional	Hourly Rate	Hours Billed	Fees Billed
Jeff Larry	$950/hr	0.60	$1,520.00
Ryan Shah	$500/hr	4.50	$2,300.00
Subtotal			**$3,820.00**

4. Inclusive of HST and disbursements, the total amount of the Dockets are **$4,316.60**

SWORN remotely by Beatrice Loschiavo at the City of Toronto, in the Province of Ontario before me, on this 16th day of July 2024 in accordance with *O. Reg. 431/20*, Administering Oath or Declaration Remotely

A Commissioner for taking Affidavits

Ryan Shah

BEATRICE LOSCHIAVO

This is **Exhibit "A"**
Referred to in the Affidavit of Beatrice Loschiavo
Affirmed remotely before me this 16th day of July 2024

A Commissioner for Taking Affidavits (or as may be)

Ryan Shah

Paliare Roland

Paliare Roland Rosenberg Rothstein LLP
155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

T. 416.646.4300 / F. 416.646.4301

Private and Confidential
TDB Advisory
11 King St. W., Suite 700
Toronto, Ontario M5H 4C7

June 30, 2024
Invoice No.: 128187
Our File No.: 38743-102488

RE: Conacher (Islington)

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending June 30, 2024:

OUR FEES	$ 3,820.00
Total HST	496.60
INVOICE TOTAL	**$ 4,316.60**

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per:

Jeffrey Larry

ERRORS AND OMISSIONS EXCLUDED TERMS: DUE UPON RECEIPT. AMOUNTS ARE STATED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED. INTEREST AT THE RATE OF 5.3% PER ANNUM WILL BE CHARGED ON ALL AMOUNTS NOT PAID WITHIN ONE MONTH FROM THE DATE OF THIS INVOICE.
HARMONIZED SALES TAX REGISTRATION NUMBER 88366 4518 RT 0001

Paliare Roland

Paliare Roland Rosenberg Rothstein LLP
155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

T. 416.646.4300 / F. 416.646.4301

Private and Confidential
TDB Advisory
11 King St. W., Suite 700
Toronto, Ontario M5H 4C7

June 30, 2024
Invoice No.: 128187
Our File No.: 38743-102488

RE: Conacher (Islington)

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending June 30, 2024:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
25/01/24	JL	Meet with R. Shah;	950.00	0.20	190.00
25/01/24	RS	Meet with J. Larry re. file;	500.00	0.20	100.00
31/01/24	JL	Discussion with R. Shah;	950.00	0.40	380.00
31/01/24	RS	Research marshalling; draft letter re. same; conference with J. Larry;	500.00	2.40	1,200.00
02/02/24	RS	Review and revise letter to A. March re. marshalling; send same;	500.00	0.10	50.00
06/02/24	RS	Review file; call creditor counsel re. state of matter;	500.00	0.10	50.00
07/02/24	RS	Email J. Berger re. creditor's request for engagement website;	500.00	0.10	50.00
28/02/24	RS	Email creditor counsel re. questions about matter status; email receiver re. same;	500.00	0.10	50.00
01/03/24	RS	Email to creditor counsel re. matter status;	500.00	0.10	50.00
31/05/24	JL	Review letter from counsel and claim; call with A. Dhanani; review and revise letter to counsel;	950.00	0.60	570.00

ERRORS AND OMISSIONS EXCLUDED TERMS: DUE UPON RECEIPT. AMOUNTS ARE STATED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED. INTEREST AT THE RATE OF 5.3% PER ANNUM WILL BE CHARGED ON ALL AMOUNTS NOT PAID WITHIN ONE MONTH FROM THE DATE OF THIS INVOICE.
HARMONIZED SALES TAX REGISTRATION NUMBER 88366 4518 RT 0001

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
03/06/24	RS	Review and revise letter to R. Taylor; send same; review email from A. Dhanani; draft letter to Lakeshore Luxe re. caution;	500.00	0.90	450.00
04/06/24	RS	Review and revise letter to Lakeshore Luxe's counsel; send same; emails re. updating service list;	500.00	0.40	200.00
21/06/24	JL	Correspondence and call with A. Dhanani; review status of transactions;	950.00	0.20	190.00
21/06/24	JL	Correspondence; discussion;	950.00	0.20	190.00
21/06/24	RS	Call with second mortgagee counsel re. request for offers; report to client re. same;	500.00	0.10	50.00
27/06/24	RS	Email creditor counsel re. request for offer info;	500.00	0.10	50.00

TIME SUMMARY

MEMBER	HOURS	RATE	VALUE
Shah, Ryan (RS)	4.60	500.00	2,300.00
Larry, Jeffrey (JL)	1.60	950.00	1,520.00
	6.20		

OUR FEES	$ 3,820.00
HST at 13%	496.60
INVOICE TOTAL	**$ 4,316.60**

ERRORS AND OMISSIONS EXCLUDED TERMS: DUE UPON RECEIPT. AMOUNTS ARE STATED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED. INTEREST AT THE RATE OF 5.3% PER ANNUM WILL BE CHARGED ON ALL AMOUNTS NOT PAID WITHIN ONE MONTH FROM THE DATE OF THIS INVOICE. HARMONIZED SALES TAX REGISTRATION NUMBER 88366 4518 RT 0001

Paliare Roland

Paliare Roland Rosenberg Rothstein LLP
155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

T. 416.646.4300 / F. 416.646.4301

Private and Confidential
TDB Advisory
11 King St. W., Suite 700
Toronto, Ontario M5H 4C7

June 30, 2024
Invoice No.: 128187
Our File No.: 38743-102488

RE: Conacher (Islington)

REMITTANCE COPY
PLEASE REMIT WITH PAYMENT

OUR FEES	$ 3,820.00
Total HST	496.60
INVOICE TOTAL	**$ 4,316.60**

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)

AFFIDAVIT OF BEATRICE LOSCHIAVO

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

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

Hearing Brief p. 1326
Hearing Brief p. 1326

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

ONTARIO
SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

BETWEEN:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Plaintiff

and

CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC.

Defendants

AFFIDAVIT OF MARIO KALEMI

I, **MARIO KALEMI**, of the City of Toronto, MAKE OATH AND SAY:

1. In 2022 and 2023 I acted as counsel regarding the potential sale of five properties on Islington Avenue in Toronto (2849, 2851, 2853, 2855 and 2857 Islington Avenue, hereinafter the "**Toronto Property**"), and as such have knowledge of the matters herein deposed.

2. I am a lawyer in private practice, licenced by the Law Society of Upper Canada, and in good standing. I have been a lawyer in Ontario for over seven years.

3. I practice primarily in the area of commercial and residential real estate.

EXHIBIT
4

4. I confirm, without waiving privilege, that I have acted as legal counsel to Simion Kronenfeld ("**Simion**") and his corporate entities, including AJGL Group Inc. ("**AJGL**") and that I have acted as legal counsel to Nicholas Kyriacopoulos ("Nick") and corporate entities he was involved with, including 5004591 Ontario Inc.

The Toronto Property - 2022

5. I have set out herein some examples of the services I provided regarding the Toronto Property. I have not provided an exhaustive account of my services, as I have been asked on short notice to focus on my involvement in 2022, in attempts to close the sale of the Toronto Property, including to the Purchaser, Lakeshore Luxe Design and Build Group Inc.

6. My first involvement with the proposed sale of the property in 2022 was a meeting with Nick, Simion and I during which Nick stated that 5004591 Ontario Inc. ("**500 Inc.**") held title to the Toronto Property in trust for AJGL, with 500 Inc. holding a 25% ownership interest in the Toronto Property and AJGL holding a 75% ownership interest in the Toronto Property. Simion acknowledged that Nick's statement was accurate. Also, during this meeting, Nick instructed me that Simion had to approve the terms of any sale.

7. During this period in 2022, each of Nick and Simion, in meetings with the three of us, and separately, advised me of the fact that 500 Inc. was holding title to the property in trust for AJGL's 75% ownership interest, while retaining a 25% ownership interest - I was not aware or advised of this in 2019 when 500 Inc. entered into the collateral charge, registered on title to the Toronto Property on December 18, 2019.

8. I was aware that 500 Inc. was a corporation of which Nick was the sole officer and director.

9. I was aware that AJGL was a corporation controlled by Simion.

10. I was advised by Nick and Simion that because AJGL was the majority owner of the Toronto Property, Simion had final say on all decisions. However, my experience was that, to the extent I was involved, Simion and Nick had been able to agree on decisions regarding the attempt to sell the Toronto Property in 2022.

February 2022 – JCON Offer for the Toronto Property

11. In February 2022, JCON Design Build Inc. ("JCON") offered to buy the Toronto Property.

12. As set out in an Agreement of Purchase and Sale dated February 11, 2022, (the "**JCON APS**") JCON offered to purchase the Toronto Property for seven million seven hundred and fifty thousand dollars ($7,750,000).

13. I met with Nick and Simion to obtain their instructions regarding the JCON APS. Nick and Simion instructed me to prepare a sign-back to sell the property for eight million two hundred and fifty thousand dollars ($8,250,000).

14. The JCON APS, and my email of February 14, 2022 to Simion requesting that he review the sign back (ie. approve it) are attached hereto as **Exhibit** "**A**". The JCON APS sets out the terms of JCON's offer, the terms of the counteroffer, including my handwritten revisions, and identifies me as the "Seller's Lawyer". As set out in Exhibit

A, by email on February 14, 2022, I sent the counteroffer to Simion for his review and approval.

15. The vendor of the Toronto Property under the JCON APS is the title holder, 500 Inc.. As set out above, 5004591 held a 75% ownership interest in trust for AJGL, with 5004591 as the owner of the remaining 25% of the Toronto Property.

16. My recollection is that I marked up the JCON APS (with the terms of the counteroffer) during a meeting with Nick and Simion. Because Simion had ultimate authority over the sale of the Toronto Property, I took the precaution of sending my email of February 14th, 2022 to Simion, for his final approval. I then sent it to Nick for electronic execution.

July 2022 - Offer From Sandra Azan/Lakeshore Luxe Design and Build Group Inc.

17. Under an Agreement of Purchase and Sale dated June 24th 2022 (the "**Luxe APS**") in which Sandra Azan (the President of Luxe) is the "Buyer" and Nick the "Seller", Luxe offered to buy the shares of 500 Inc. for $8,150,000. I have defined the Agreement of Purchase and Sale dated June 24th 2022 as the "Luxe APS" because, in a proposed "amendment", Luxe replaced Sandra Azan as the buyer of the Toronto Property.

18. The Luxe APS is attached hereto as **Exhibit "B"**, along with my email of July 1, 2022 sending same to the purchaser's representative, Quintus Holdings, with a copy to Davida Di Lulio (who I understood was assisting Nick) and a copy to Prakash Kumar, who was assisting Simion/AJGL regarding this offer. Prakash Kumar ("Prakash") was

(and remains) the Chief Financial Officer of AJGL. Luxe was also attempting to purchase a property in Innisfil Ontario.

19. The offer set out in the Luxe APS was accepted on July 2nd 2022.

20. Luxe then failed to pay the deposit due under the Luxe APS. On July 6, 2022 I sent an email to Luxe (addressed to Quintus Holdings) in which I advised that their default in paying the deposits was "unacceptable". My email of July 6, 2022 is attached hereto as Exhibit "**C**".

21. Luxe attempted to amend the Luxe APS by delivering an "Amending Agreement" dated July 8, 2022, (the "**Luxe Amendment**") executed by Sandra Azan as President of Luxe. The Luxe Amendment was not accepted. A copy of the Luxe Amendment is attached hereto as **Exhibit D**, along with an email of July 9, 2022 from Prakash to Simion which attached the Luxe Amendment.

22. Other communication from me regarding Luxe's failure to honour the terms of its offer for the Toronto Property default includes:

a) my email of July 9, 2022 (attached hereto as **Exhibit** "**E**"), and;

b) my email of July 11, 2022 (attached hereto as **Exhibit** "**F**"). Prakash is copied on these emails as the representative of Simion/AJGL. I also spoke directly with Simion and Nick regarding Luxe's default.

23. The issue for the owners of the Toronto Property was how to respond to Luxe's default, whether to grant accommodations and extensions or to terminate dealings with Luxe.

24. To assist with responding to the default, AJGL retained Paul Rooney, a senior real estate lawyer. On July 13, 2022 Mr. Rooney sent the email attached hereto as **Exhibit** "**G**", regarding the issue of Luxe's default and options for responding to Luxe's default. This email is sent to Prakash, as the representative of AJGL, to Nick and to me as counsel for the Vendor, 500 Inc..

25. On July 15, 2022, Mr. Rooney sent the email attached hereto as **Exhibit** "H". In this email, Mr. Rooney states that he "spoke to Simion and he prefers to aim for termination of the agreement". I also spoke to Simion and obtained Simion's instructions to terminate the agreement/dealings with Luxe. I obtained these instructions from Simion at the time because I was aware that AJGL was the majority owner and decision maker regarding the Toronto Property. Consistent with my practice of confirming Nick's concurrence, I recall that Nick agreed with the decision to terminate dealings with Luxe.

<u>May 2023 - Offer From 1000037743 Ontario Limited</u>

26. In May 2023, 1000037743 Ontario Limited ("100 Ltd.") offered to buy the Toronto Property.

27. As set out in a draft Schedule to an Agreement of Purchase and Sale dated May 8, 2023 (the "100 Ltd. APS"), 100 Ltd. offered to purchase the Toronto Property for nine million one hundred thousand dollars ($9,100,000).

28. I met with Nick an d Simion to obtain their instructions regarding 100 Ltd.'s offer. Nick and Simion instructed me to prepare a sign-back (counteroffer) to sell the property for the $9,100,000 asking price, however, with a deposit of three hundred thousand (instead of $100,000) and a vendor take back mortgage of one million five hundred thousand dollars (instead of a VTB of two million, two hundred thousand dollars), along with certain other revisions to 100 Ltd.'s offer to purchase.

29. The 100 Ltd. APS is attached hereto as **Exhibit "I"**, along with my emails of May 12, 2021. The 100 Ltd. APS sets out the terms of 100 Ltd.'s offer, the terms of the counteroffer (as set out in the underlined text), and identifies my law firm as the recipient of the deposit (in section 3.1). As set out in my email of May 12, 2023, I sent the draft counteroffer to Simion for his review and approval.

30. My recollection is that I marked up the 100 Ltd. APS (with the terms of the counteroffer) during a meeting with Nick and Simion. Because Simion had ultimate authority over the sale of the Toronto Property, I took the precaution of sending my email of May 12, 2023 to Simion, for his final approval.

31. The vendor of the Toronto Property under the 100 Ltd. APS is the title holder, 500 Inc. As with the other offers set out above, when I provided services in 2023 regarding 100 Ltd's offer, I did so having been advised, as set out above, that 500 Inc. held the Toronto Property in trust for AJGL, with respect to AJGL's 75% ownership interest.

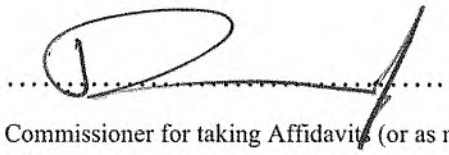
SWORN BEFORE ME at the City of Toronto, in the Province of Ontario this 19 day of July, 2024)

MARIO KALEMI

Commissioner for Taking Affidavits *(or as may be)*

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

This is **Exhibit A** to the affidavit of Mario Kalemi sworn before me this 19th day of July 2024.



Commissioner for taking Affidavits (or as may be)

DEAN IP

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

From: Kalemi Law Professional Corporation <kalemilaw@gmail.com>
Sent: February 14, 2022 12:35 PM
To: Prakash Kumar
Subject: Fwd: Islington Signback
Attachments: 0132_220214113116_001 (1).pdf

Please print for Simon

Best Regards,

Mario Kalemi, Principal Lawyer
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

****Due to the concerns of the COVID-19 virus our office is taking all the appropriate measures to ensure our firm and our clients are safe.**

To protect everyone, please advise us if you have recently traveled and/or if you have been exposed to anyone who has/is quarantined. We ask that you refrain from attending our office so we can ensure a safe environment for our staff and their families. Alternate arrangements may be made if you have a transaction closing.

Confidentiality Warning: The information contained in this email message and any attachments are privileged, confidential and governed by the laws of solicitor-client privilege. It is intended only for the use of the individual(s) named above. If you are not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this communication is prohibited. If you have received this communication in error, please notify us immediately by telephone or email and return the original message to us at info@kalemilaw.ca, **without making a copy and deleting this message forthwith**.

---------- Forwarded message ---------
From: **Kalemi Law Professional Corporation** <kalemilaw@gmail.com>
Date: Mon, Feb 14, 2022 at 12:18 PM
Subject: Islington Signback
To: Simion Kronenfeld <simion@ajglgroup.com>

Hi Simon,

Please take a quick look before I send to them.

Best Regards,

Mario Kalemi, Principal Lawyer
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

****Due to the concerns of the COVID-19 virus our office is taking all the appropriate measures to ensure our firm and our clients are safe.**

To protect everyone, please advise us if you have recently traveled and/or if you have been exposed to anyone who has/is quarantined. We ask that you refrain from attending our office so we can ensure a safe environment for our staff and their families. Alternate arrangements may be made if you have a transaction closing.

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DocuSign Envelope ID: 4AB62F14-3974-4B41-8A27-8C8F4A7EFBCB

Hearing Brief p. 1338

OREA Ontario Real Estate Association

Agreement of Purchase and Sale
Commercial

Form 500
for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 11th day of February, 20 22

BUYER: JCON Design Build Ltd., agrees to purchase from
(Full legal names of all Buyers)

SELLER: 5004591 Ontario Inc., the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address 2849, 2851, 2853, 2855 and 2857 Islington Avenue

fronting on the East side of Islington Avenue

in the City of Toronto

and having a frontage of ..... more or less by a depth of ..... more or less

and legally described as See Schedule A

..... (the "property")
(Legal description of land including easements not described elsewhere)

DS NK

PURCHASE PRICE: Dollars (CDN$) ~~7,750,000.00~~ 8,250,000

DS NK ~~Seven Million Seven Hundred and Fifty Thousand~~ Eight Million Two Hundred Fifty Thousand ..... Dollars

DEPOSIT: Buyer submits Upon Acceptance
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

Two Hundred Thousand ..... Dollars (CDN$) 200,000.00

by negotiable cheque payable to.. Kalemi Law Professional Corporation, In Trust ..... "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A DS NK **attached hereto form(s) part of this Agreement.**

1. **IRREVOCABILITY:** This offer shall be irrevocable by ~~Buyer~~ Seller until 11:59 on
(Seller/Buyer) xx a.m./p.m.)

DS NK the ~~14th~~ 15th day of February, 20 22, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the ..... day of ..... See Schedule A, 20 22. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S): DS JP

INITIALS OF SELLERS(S): DS NK

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Hearing Brief p. 1339

3. NOTICES: ~~The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement.~~ **~~Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.~~** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

DS NK

FAX No.: ..... (For delivery of Documents to Seller)

FAX No.: ..... (For delivery of Documents to Buyer)

Email Address: ..... (For delivery of Documents to Seller)

Email Address: jp@citimarkgroup.com (For delivery of Documents to Buyer)

4. CHATTELS INCLUDED: .....

See Schedule A

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. FIXTURES EXCLUDED: .....

NONE.

6. RENTAL ITEMS (Including Lease, Lease to Own): The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

NONE.

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S): DS JP

INITIALS OF SELLERS(S): DS NK

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8. TITLE SEARCH: Buyer shall be allowed until 6:00 p.m. on the ..... day of **See Schedule A**, 20....., (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use (**Vacant Land**) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. FUTURE USE: Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. TITLE: Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telecommunication services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. CLOSING ARRANGEMENTS: Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario. Unless otherwise agreed to by the lawyers, such exchange of Requisite Deliveries shall occur by the delivery of the Requisite Deliveries of each party to the office of the lawyer for the other party or such other location agreeable to both lawyers.

12. DOCUMENTS AND DISCHARGE: Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. INSPECTION: Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

14. INSURANCE: All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S): DS JP **INITIALS OF SELLERS(S):** DS NK

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15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.

16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.

17. **RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;
(b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.

18. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.

19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.

20. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.

21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

22. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless the spouse of the Seller has executed the consent hereinafter provided.

DS NK

23. ~~**UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.~~

24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.

25. **CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.**

26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.

27. **ELECTRONIC SIGNATURES:** The parties hereto consent and agree to the use of electronic signatures pursuant to the *Electronic Commerce Act, 2000*, S.O. 2000, c17 as amended from time to time with respect to this Agreement and any other documents respecting this transaction.

28. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S): DS JP

INITIALS OF SELLERS(S): DS NK

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29. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

JCON Design Build Ltd.

DocuSigned by:

(Witness)	Joseph Perruccio (Buyer/Authorized Signing Officer)	(Seal)	2/11/2022 (Date)
(Witness)	(Buyer/Authorized Signing Officer)	(Seal)	(Date)

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

5004591 Ontario Inc.

DocuSigned by:

(Witness)	(Seller/Authorized Signing Officer)	(Seal)	2/14/2022 (Date)
(Witness)	(Seller/Authorized Signing Officer)	(Seal)	~~(Date)~~

~~**SPOUSAL CONSENT:** The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.~~

~~(Witness)~~	~~(Spouse)~~	~~(Seal)~~	~~(Date)~~

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at ..... (a.m./p.m.) this ..... day of ....., 20.....

(Signature of Seller or Buyer)

~~INFORMATION ON BROKERAGE(S)~~

~~Listing Brokerage~~ ..... ~~(Tel.No.)~~

~~(Salesperson/Broker/Broker of Record Name)~~

~~Co-op/Buyer Brokerage~~ ..... ~~(Tel.No.)~~

~~(Salesperson/Broker/Broker of Record Name)~~

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Seller) ..... (Date) .....

(Seller) ..... (Date) .....

Address for Service .....

..... (Tel. No.) .....

Seller's Lawyer **Mario Kalemi**

Address **425 Alness Street, Toronto, Ontario, M3J 2T8**

Email **info@kalemilaw.ca**

416 832-2727 (Tel. No.) ..... (Fax. No.)

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Buyer) ..... (Date) .....

(Buyer) ..... (Date) .....

Address for Service .....

..... (Tel. No.) .....

Buyer's Lawyer **Jacob Lee /Corsianos Lee**

Address **6 Ronrose Drive, Suite 301, Vaughan, Ontario, L4K 4R3**

Email **jlee@cl-law.ca**

905 370-1093 (Tel. No.) **905 370-1095** (Fax. No.)

~~FOR OFFICE USE ONLY~~

~~COMMISSION TRUST AGREEMENT~~

~~To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:~~
~~In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.~~

~~DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.~~ ~~Acknowledged by:~~

~~(Authorized to bind the Listing Brokerage)~~ ~~(Authorized to bind the Co-operating Brokerage)~~

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SCHEDULE A

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between **JCON Design Build Ltd.** (the "**Buyer**") and **5004591 Ontario Inc.** (the "**Seller**") for the purchase and sale of 2849, 2851, 2853, 2855 and 2857 Islington Avenue, Toronto, Ontario (the "**Lands**" or the "**Property**") dated the 11th day of February, 2022 (the "**APS**").

1. PROPERTY

The legal description of the Property is as follows:

a) PT LT 1 PL 9059 NORTH YORK AS IN TR92058; TORONTO (N YORK), CITY OF TORONTO
PIN: 10306-0032 (LT)

b) PT LT 1 PL 9059 NORTH YORK AS IN TB221318; TORONTO (N YORK), CITY OF TORONTO
PIN: 10306-0033 (LT)

c) PT LT 2 PL 9059 NORTH YORK AS IN TB379984; TORONTO (N YORK), CITY OF TORONTO
PIN: 10306-0034 (LT)

d) PT LT 2 PL 9059 NORTH YORK AS IN TB379983; TORONTO (N YORK), CITY OF TORONTO
PIN: 10306-0035 (LT)

e) PT LT 22 CON 6 WYS TWP OF YORK AS IN NY735134; TORONTO (N YORK), CITY OF TORONTO
PIN: 10306-0064 (LT)

2. BALANCE OF PURCHASE PRICE

The Buyer agrees to pay the balance of the Purchase Price, subject to the adjustments provided for in this Agreement, on closing by certified cheque, bank draft or electronic funds transfer payable to the Seller. Any funds paid by electronic funds transfer shall be paid through the trust accounts of the legal counsel for the parties hereto in accordance with the recommendations and guidelines of The Law Society of Ontario.

3. BUYER'S CONDITIONS

DS NK This APS, when accepted by the Seller, shall be conditional upon the following conditions, which conditions the Seller and the Buyer acknowledge are for the sole benefit of the Buyer and which conditions may, unilaterally, in full or in part within the time limited, by notice in writing to the Seller or its solicitor, be waived by the Buyer:

(a) The Buyer shall be satisfied in its sole and unfettered discretion with the results of its physical inspections and tests of the Lands including testing of soils and environmental, and building and

DS DS
Buyer Seller NK

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improvements thereon, and the Buyer shall be satisfied in its sole and unfettered discretion with the results of such inspections.

(b) The Buyer satisfying itself with the development potential of the Lands.

Should the above conditions not be satisfied or waived by the Buyer, on or before 5:00 p.m. on the thirtieth (30th) day following the Acceptance Date (the "**Inspection Period**") then this APS shall be null and void and the deposit shall be returned to the Buyer without deduction and the Seller and the Buyer shall be under no obligation or liability in respect of anything contained in this APS or arising from it.

4. COMPLETION DATE & REQUISITION DATE

The Completion Date of this APS shall be ~~twenty (20)~~ thirty (30) days following ~~completion of the Inspection Period.~~ acceptance of this Agreement The Requisition Date shall be the fifteenth (14th) prior to the Completion Date. In the event either day is not a Business Day, the date shall be set to the next Business Day.

5. ASSIGNMENT

It is agreed that the Buyer shall have the right at any time prior to closing to assign this APS to a corporation or corporations and/or person or persons (collectively, the "**Assignee**"). Provided the Buyer delivers written notice of such assignment to the Seller together with the written covenant of the Assignee agreeing to be bound by the provisions of this APS, the Buyer shall thereafter be released from all of its liability and obligations hereunder. NOT

6. ACCESS TO PROPERTY

The Buyer, its agents and employees shall have reasonable access to the Lands during business hours, at mutually agreed upon times upon reasonable notice to the Seller, at the Buyer's sole risk and expense for the purpose of making inspections, including without limitation physical inspections, building inspections, soil tests and environmental audits. All soil tests or environmental audits shall be co-ordinated with the Seller. Buyer agrees to repair any damage caused to premises as a result of these inspections and/or tests and the Buyer shall indemnify and save the Seller harmless from all losses, costs, claims, third party actions, damages and expenses which the Seller may suffer as a result of the said tests and inspections or any other breach of this Section 6 by the Buyer; provided, however, if such tests disclose adverse matters which results in a diminution in the value of the Property, the Buyer shall not be responsible for any losses, costs, claims, third party actions, damages and expenses arising from the such diminution in value as a result of the inspections and/or tests.

7. DELIVERIES

The Seller shall, at the Seller's expense, within five (5) days following the Acceptance Date deliver to the Buyer the following, provided such are in the possession and control of the Seller:

(a) a survey of the Lands and all buildings and structures thereon prepared, signed and sealed by an Ontario Land Surveyor setting out bearings, boundaries and dimensions of the Lands front, rear and side yard dimensions and set-backs, the location of monuments and the buildings on the Lands, the location of entrances to and exits from the Lands, all rights of way and easements referable to the Lands, any encroachments over the Lands and onto adjoining Lands and the location of all fences on or separating the Lands from adjacent Lands;

DS Buyer | DS NK Seller

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(b) copies of all applications, plans and submissions for and relating to the Property, including, without limitation, all development applications, list of all consultants and related documents;
(c) copies of all plans and specifications for and relating to the Building including, without limitation, "as-built" and "to be built" architectural, structural, mechanical, site/ building area plans and electrical drawings and building specifications;
(d) copies of the Contracts relating to the Property and to which the Buyer's interest will be subject;
(e) copies of all written guarantees, warranties and indemnities and written details of relating to the Purchased Assets;
(f) any current realty tax assessments and a copy of the most current tax bill and the immediately preceding calendar year relating to the Property;
(g) copies of any notice of any work order, order to comply, deficiency or requirement of any relevant governmental authority received by or in the possession or control of the Seller with respect to the Property;
(h) copies of all soil, environmental and health and safety audits, reports, site investigation materials, tests, studies, assessments, remediation recommendations, obtained by or on behalf of the Seller at any time that may be in the possession or control of the Seller;
(i) authorizations executed by the Seller and addressed to the appropriate municipal building department, zoning department and fire department and to all other Government Authorities, authorizing the release of any and all information on file in respect of the Property; and
(j) any other documents or materials relating to the Property that the Buyer may reasonably request in writing and typically provided in transactions of this nature (collectively the "**Deliveries**").

8. FACSIMILE

This APS and the acceptance thereof and any waivers of conditions or written notices to be provided pursuant to the APS shall be sufficiently given and received if a copy of same, duly executed and, where applicable, initialed by the parties to be bound, transmitted to the other party or their solicitors by facsimile or other electronic transmission facilities and such transmission shall be deemed to have been given to and received by the parties to whom it is addressed on the day it is transmitted if transmitted prior to 5:00 p.m. on such a day and, otherwise on the day next following the date of transmission, provided that if such day falls on a weekend or statutory or civic holiday, then such transmission shall be deemed to have been given and received on the Business Day next following such day.

9. WORK ORDERS

DS NK

There will not be any work orders or deficiency notices (collectively the "**Work Orders**") outstanding against the Property, as at the expiry of the Inspection Period, and any arising or outstanding Work Orders will be complied with in full at the Seller's expense before closing.

10. PURCHASED ASSETS

The Buyer offers to purchase from the Seller all of the Seller's right, title and interest in and to the Property comprising:

(a) the Lands;
(b) all buildings, fixtures and improvements located thereon;

DS DS NK
Buyer Seller

(c) all heating, ventilating, air conditioning and mechanical, sprinkler and electrical equipment and machinery and water, gas, sewage, telephone and other communications facilities and electric power services affixed to or contained in the Property and owned by the Seller; and

(d) all of the furnishings, appliances, machinery and equipment located at the Property.

11. MANAGEMENT AND SALE OF THE PROPERTY

The Seller agrees that after the execution of this APS it will not enter into any lease, agreements or other binding obligation relating to the Property without advising the Buyer and once all Buyer's Conditions have been waived, without obtaining its written consent for same, which consent will be granted promptly by the Buyer, acting reasonably, if the Buyer fails to respond to a request for consent in writing within ten (10) Business Days of a request, the Buyer shall be deemed to have consented to such request for consent.

12. REPRESENTATIONS OF THE SELLER

The Seller, hereby acknowledging and confirming that the Buyer is relying thereon with respect to the completion of this transaction, represents and warrants to the Buyer and covenants with the Buyer, as of the date hereof and as of the Completion Date, that to the best of its knowledge and belief:

(a) it is a corporation duly incorporated and organized under the laws of Ontario, is valid and subsisting and is in good standing under the laws of Ontario and has the capacity, power and authority to own and to sell this Property and to enter into this APS and carry out its terms and the Seller shall at completion be duly and validly authorized to sell the Property;

(b) the Seller is not, and will not be at completion, a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), and section 116 thereof;

(c) there are no non-insured acts, suits, investigations or proceedings against the Seller or the Property pending or, to the knowledge of the Seller, threatened, whether of a civil or criminal nature, or whether before any court, governmental commission, board, bureau or agency, which could adversely affect the value, use or viability of the Property or which could affect the ability of the Seller to comply with its obligations hereunder;

(d) no other party, whether an individual or entity, other than the Buyer, has any agreement or right capable of becoming an agreement for the purchase of the Property;

(e) no part of the Property has been taken by any federal, provincial, municipal or other competent authority nor has any notice of proceeding in respect thereof been received by the Seller.

(f) the Seller has not entered into any agreement affecting the Property with municipal, provincial or federal authorities or any other authority having jurisdiction which has not been Disclosed to the Buyer in writing;

(g) all accounts for work and services performed and materials placed or furnished upon or in respect of the Property at the request of the Seller have been fully paid and satisfied, and no person is entitled to claim a lien under the *Construction Act* (Ontario) or similar legislation in other provinces of Canada against the Property or any part thereof, other than current accounts in respect of which the payment due date has not yet passed; and

(h) neither the Seller nor any other party thereto is in default under any Contracts in any material respect.

DS NK ~~The parties shall advise each other of any change to any representation, warranty and covenant (the "**Amended Warranty**") herein which arises after the execution of this APS within two (2) Business~~

DS	DS
Buyer	Seller

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Days after such change comes to the attention of a party. If the change adversely affects the value of the Property in any material respect or the current use of the Property and the Seller is unable to remove or correct the adverse result or consequence of the change, then the Buyer, as its sole right and remedy, shall have the right to terminate this APS upon giving written notice of the same to the Buyer as follows:

(a) on or before the last day of the Inspection Period where the Buyer becomes aware of the Amended Warranty at least two (2) Business Days prior to the last day of the Inspection Period; or

(b) on or before the third (3rd) Business Day after the Buyer becomes aware of the Amended Warranty where the Buyer receives such notice on or after the second (2nd) Business Day before the last day of the Inspection Period.

If the Buyer terminates this APS pursuant to this section, then this APS shall be of no further force or effect, the deposit shall be returned to the Buyer without deduction and neither party shall have any further obligation or liability to the other.

13. SELLER'S CLOSING DELIVERIES

On closing the Seller shall execute, as appropriate, and deliver the following to the Buyer, without limiting anything else herein contained:

(a) all conveyances and other documents in addition to those provided for in this APS which the Buyer, acting reasonably, has advised the Seller on or before the Requisition Date it requires to give effect to the sale of the Property to the Buyer, provided same are typically provide on transactions of this nature, including completion of the compliance statements pursuant to Section 50 of the *Planning Act* (Ontario) by the Seller and the Seller's solicitors;

(b) a Statutory Declaration from a senior officer of the Seller stating that the Seller is not a non-resident of Canada pursuant to section 116 of the *Income Tax Act* (Canada);

(c) to the extent available, the originals of all agreements assumed by the Buyer and of all guarantees and warranties relating to the Property;

(d) an assignment of the Seller's interest, if any, in any warranties relating to the Property or equipment;

(e) an assignment and assumption of the Contracts which the Buyer has elected to assume with mutual indemnities with Seller indemnifying for all matters prior to closing and Buyer indemnifying for all matter which occur post-closing;

(f) master keys to all locks, if in Seller`s possession;

(g) vacant possession of the Property;

(h) a Statement of Adjustments (the first draft of which is to be delivered to the Buyer at least five (5) Business Days before the Completion Date);

(i) an Undertaking to re-adjust all items on or omitted from the statement of adjustments; and

(j) Document Registration Agreement (the "**DRA**")

14. BUYER'S CLOSING DELIVERIES

On closing the Buyer shall execute, as appropriate, and deliver the following to the Seller, without limiting anything else herein contained:

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(a) all conveyances and other documents in addition to those provided for in this APS which the Seller, acting reasonably, has advised the Buyer it requires to give effect to the sale of the Property to the Buyer, provided same are typically provide on transactions of this nature;
(b) a certified cheque, bank draft or electronic funds transfer of the balance of the purchase price;
(c) a direction re title as to the name and address for service of, and name and identity of the signatory for, the transferee on the Transfer;
(d) an assignment and assumption of the Contracts which the Buyer has elected to assume with mutual indemnities with Seller indemnifying for all matters prior to closing and Buyer indemnifying for all matter which occur post-closing;
(e) an undertaking to re-adjust all items on or omitted from the statement of adjustments;
(f) a certificate and indemnity in the usual form in which the Buyer certifies that it is a registrant for HST purposes under the *Excise Tax Act* (Canada), and agrees to self-assess, be liable for and remit to the appropriate governmental authority all sales taxes payable in connection with its purchase of the Property; and
(g) the DRA.

15. CONFLICTING PROVISIONS

In the event of any conflict or inconsistency between the provisions of this APS or this Schedule A, the provisions of Schedule A shall govern and prevail to the extent of the conflict or inconsistency.

16. SURVIVAL

The covenants, representations and warranties contained in this Agreement survive the Closing and continue in full force and effect.

17. OPERATION BEFORE CLOSING

From the Acceptance Date until Closing, the Seller shall operate the Property in accordance with its usual sound business and management practices and will carry out all routine day-to-day repairs and maintenance thereof. With respect to Contracts, the Buyer shall have the option to elect by notice in writing to the Seller to be given on or prior to the expiry of the Inspection Period, which of the Contracts it will be assuming. If no notice is given, the Buyer shall be deemed to have elected to assume all of the Contracts.

18. GENERAL

Where the date for any notice to be given or other action to be taken falls on a day which is not a Business Day the date for giving such notice or taking such action shall be extended to the Business Day next following.

If any statement is made in this Agreement or in any document or instrument contemplated to be delivered in this Agreement by any individual who is an officer of any party hereto, such statement shall be deemed to have been made in his or her capacity as an officer of such party and shall be made without personal liability to that individual. Any reference to the "knowledge" of a Person shall mean to the actual knowledge of the Person making the statement or certification based upon information in such person's possession or control after reasonable enquiry.

DS DS NK

Buyer | Seller

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This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Seller and the Buyer, except that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by the Seller or the Seller's solicitors on one hand and the Buyer or the Buyer's solicitors on the other.

19. DEFINITIONS

As used herein the following words or terms have the following respective meanings unless there is something in the context or the subject matter inconsistent therewith.

"**Acceptance Date**" means the date this Agreement has been executed and delivered by both the Seller and the Buyer.

"**Agreement**" means this agreement of purchase and sale.

"**Business Day**" means any day except: Saturday, Sunday, any statutory holiday in the Province of Ontario or any day on which the Registry Office for Toronto is not open for business.

"**Contracts**" means all agreements, contracts, licences, undertakings, engagements or commitments of any nature (other than insurance and registered encumbrances) relating to the construction, ownership, development, operation, maintenance, repair, management, cleaning, security, fire protection, servicing or any other aspect of the Property or leasing of chattels.

"**Disclosed**" means information which is: (i) registered on title to the Property prior to the Inspection Period; (ii) is delivered to the Buyer or the Buyer's Solicitors either in paper form or in electronic form (by e-mail and/or on electronic storage devices) and includes the Delivery Materials prior to the Condition Date; or (iii) is actually known by the Buyer prior to the expiry of the Inspection Period, including that such information that is discovered by the Buyer and/or its agents, consultants and/or employees pursuant to the Buyer's due diligence and investigations in respect of the Property.

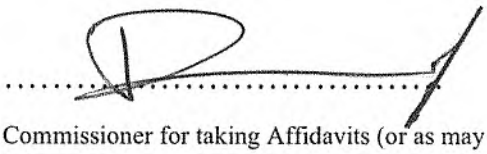
20. The Buyer acknowledges and agrees that it has completed its due diligence of the Property and accepts the Property in an "as is, where is" basis.

DS NK

DS DS NK

Buyer Seller

This is **Exhibit B** to the affidavit of Mario Kalemi sworn before me this 19th day of July 2024.



Commissioner for taking Affidavits (or as may be)

DEAN IP

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

From: Mario Kalemi <kalemilaw@gmail.com>
Sent: July 1, 2022 8:22 PM
To: Quintus Holdings <quintusholdings@gmail.com>
Cc: Attorney Davida Di Lulio <davidejd@gmail.com>; Prakash Kumar <prakash@AJGLgroup.com>
Subject: Re: Sign Back Offers for Islington and Innisfil

Thank you received. Please note that the irrevocable has not been changed. Kindly cross out seller on point 1 page 1 and add buyer and initial.

Thank you and I look forward to receiving the signback for both properties.

Best Regards,

Mario Kalemi
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

On Jul 1, 2022, at 8:01 PM, Quintus Holdings <quintusholdings@gmail.com> wrote:

Good evening gentlemen,

Kindly see attached, signed copies for both properties.

We look forward to doing business and Closing both properties.

Thank you.

Best regards.

Quintus Holdings

On Fri, 1 Jul 2022 at 17:29, Kalemi Law Professional Corporation <kalemilaw@gmail.com> wrote:

> Kindly find attached signed back offers for the Innisfil and the Islington developments. Feel free to reach out with any questions or concerns.
>
> Best Regards,
>
> **Mario Kalemi, Principal Lawyer**
> **KALEMI LAW PROFESSIONAL CORPORATION**
> 425 Alness Street
> Toronto, ON M3J 2T8
> T:416-832-2727
> F:416-907-1119
> www.kalemilaw.ca
>
> ****Due to the concerns of the COVID-19 virus our office is taking all the appropriate measures to ensure our firm and our clients are safe.**
>
> **To protect everyone, please advise us if you have recently traveled and/or if you have been exposed to anyone who has/is quarantined. We ask that you refrain from attending our office so we can ensure a safe environment for our staff and their families. Alternate arrangements may be made if you have a transaction closing.**
>
> **Confidentiality Warning**: The information contained in this email message and any attachments are privileged, confidential and governed by the laws of solicitor-client privilege. It is intended only for the use of the individual(s) named above. If you are not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this communication is prohibited. If you have received this communication in error, please notify us immediately by telephone or email and return the original message to us at info@kalemilaw.ca, **without making a copy and deleting this message forthwith**.

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OREA Ontario Real Estate Association

Agreement of Purchase and Sale
Commercial

Form 500 for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 24th day of June 20 22

BUYER, Sandra Azan (DS MPK SA) (Full legal names of all Buyers), agrees to purchase from

SELLER, ~~5004591 ONTARIO INC.~~ Nicholas Kyriacopoulos (Full legal names of all Sellers), the following

REAL PROPERTY: all issued and outstanding shares of 5004591 Ontario Inc. being the owner of: (DS MPK SA)

Address 2849, 2851, 2853, 2855 and 2857 Islington Ave., Toronto, Ontario

fronting on the EAST side of ISLINGTON AVE.

in the CITY OF TORONTO

and having a frontage of ..... more or less by a depth of ..... more or less

and legally described as see SCHEDULE A

(Legal description of land including easements not described elsewhere) (the "property").

PURCHASE PRICE: Dollars (CDN$) ~~8,300,000.00~~ 8,150,000.00 (DS SA) ~~8,000,000.00~~ (DS MPK)

(DS MPK) ~~Eight Million Three Hundred Thousand Dollars~~ ~~EIGHT MILLION CANADIAN DOLLARS~~ EIGHT MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (SA) Dollars

DEPOSIT: Buyer submits Upon Acceptance
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

Two Hundred Thousand Canadian Dollars Dollars (CDN$) 200,000.00

(DS MPK SA) KALEMI LAW

by negotiable cheque payable to ~~MARIO KALEMI~~ PROFESSIONAL CORPORATION IN TRUST "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A attached hereto form(s) part of this Agreement.

1. **IRREVOCABILITY:** This offer shall be irrevocable by Seller (Seller/Buyer) until 11:00 ~~XX~~ p.m. on the 2nd day of July 20 22, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the 15th day of July 20 22. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S): (SA) **INITIALS OF SELLER(S):** (DS MPK)

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3. **NOTICES:** ~~The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.**~~ Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: ..... (For delivery of Documents to Seller)

FAX No.: ..... (For delivery of Documents to Buyer)

Email Address: kalemilaw@gmail.com (For delivery of Documents to Seller)

Email Address: ..... (For delivery of Documents to Buyer)

4. **CHATTELS INCLUDED:** **ALL** existing chattels in an as is condition DS MPK

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:** **NONE**

6. **RENTAL ITEMS (Including Lease, Lease to Own):** The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:
N/A

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. **HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price.** The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the **8th** day of **July**, 20**22**, (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use (**Vacant land for mid-rise condominium development**) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

INITIALS OF BUYER(S): AA **INITIALS OF SELLER(S):** DS MPK

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9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.

INITIALS OF BUYER(S): AM **INITIALS OF SELLER(S):** MPK

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16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.

17. **RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;
(b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.

18. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.

19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.

20. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.

21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

22. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless Seller's spouse has executed the consent hereinafter provided.

23. **UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.

24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.

25. **CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.**

26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.

27. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S): JJ **INITIALS OF SELLER(S):** DS MPK

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28. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) (Buyer/Authorized Signing Officer) (Seal) DATE 2022.06.24

(Witness) (Buyer/Authorized Signing Officer) (Seal) DATE

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

DocuSigned by:

(Witness) (Seller/Authorized Signing Officer) (Seal) DATE 6/30/2022

(Witness) (Seller/Authorized Signing Officer) (Seal) DATE

SPOUSAL CONSENT: The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

(Witness) (Spouse) (Seal) DATE

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at ..... a.m./p.m. this ..... day of ....., 20.....

(Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)

Listing Brokerage ..... Tel.No.(.....)

(Salesperson / Broker Name)

Co-op/Buyer Brokerage ..... Tel.No.(.....)

(Salesperson / Broker Name)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Seller) DATE

(Seller) DATE

Address for Service .....

..... Tel.No.(.....)

Seller's Lawyer Mario Kalemi

Address 425 Ainess St., Toronto, Ontario M3J 2T8

Email info@kalemilaw.ca

(416) 832-2727 (.....)

Tel.No. FAX No.

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Buyer) DATE

(Buyer) DATE

Address for Service .....

..... Tel.No.(.....)

Buyer's Lawyer Selina Piekarski

Address 3600-22 Adelaide Street West, Toronto, ON M5H 4E3

Email spiekarski@grllp.com

(416) 865-6729 (.....)

Tel.No. FAX No.

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:

In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.

Acknowledged by:

(Authorized to bind the Listing Brokerage)

(Authorized to bind the Co-operating Brokerage)

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Hearing Brief p. 1357

DocuSign Envelope ID: 1935FEF4-1D3D-488C-8557-37F7FCB000A5

Hearing Brief p. 1358

OREA Ontario Real Estate Association

Schedule A
Agreement of Purchase and Sale – Commercial

Form 500 for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Sandra Azan MPK SA, and

SELLER, ~~5004591 ONTARIO INC.~~ Nicholas Kyriacopoulos all issued and outstanding shares of 5004591 Ontario Inc. being the owner of:

for the purchase and sale of **2849, 2851, 2853, 2855 and 2857 Islington Ave., Toronto, Ontario** MPK SA

dated the **24th** day of **June**, 20**22**.

Buyer agrees to pay the balance as follows:

The Buyer agrees to pay the balance of the purchase price, subject to adjustments, to the Seller on completion of this transaction, with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

The Buyer shall have the right at any time prior to closing, to assign the within Offer to any person, persons or corporation, either existing or to be incorporated, and upon delivery to the Seller of notice of such assignment, together with the assignee's covenant in favour of the Seller to be bound hereby as Buyer, the Buyer hereinbefore named shall stand released from all further liability hereunder.

MPK SA NOT

The Buyer shall deliver to the Seller on closing:
1. a statutory declaration that the Buyer is a registrant within the meaning of Part IX of the Excise Tax Act of Canada (the Act) and that the Buyers registration is in full force and effect;
2. reasonable evidence of the Buyers registration under the Act; and
3. an undertaking by the Buyer to remit any tax eligible under the Act in respect of this transaction and to indemnify the Seller against all loss, costs and damages resulting from the Buyer s failure to do so.

The Seller shall deliver to the Buyer on or before closing:
1. survey of the Real Property;
2. site plan and rental conversion documents as noted on title;
3. draft condo plans and reference plans;
4. proof property taxes, water and utility bills are paid to end of 2021;
5. 2019 and 2020 financial statements and notices of assessment.

Both parties acknowledge having had the opportunity to review all transfer tax and income tax implications prior to entering into this transaction.

On closing, both parties shall ensure the corporate minute book and public registry confirm the following:

1. resignation of Nicholas Kyriacopoulos as director, president and secretary;
2. confirmation of Sandra Azan as director, president and secretary;
3. transfer of all shares of 5004591 Ontario Inc. from Nicholas Kyriacopoulos (or whomever the shareholder(s) is to Sandra Azan).
4. change of registered office to 201- 1300 Cornwall Rd., Oakville, Ontario L6J 7W5.

MPK SA The Buyer confirms that they have reviewed all disclosure documents and they have inspected the Properties and the Buyer acknowledges and agrees that the Properties are being transferred in an "as is, where is" basis

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): SA **INITIALS OF SELLER(S):** MPK

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DocuSign Envelope ID: 1935FEF4-1D3D-488C-8557-37F7FCB000A5

DESCRIPTION OF REAL PROPERTY

10306-0064 (LT)
2849 ISLINGTON AVE., TORONTO, ON
PT LT 22 CON 6 WYS TWP OF YORK AS IN NY735134; TORONTO (N YORK)

10306-0032 (LT)
2851 ISLINGTON AVE., TORONTO, ON
PT LT 1 PL 9059 NORTH YORK AS IN TR92058; TORONTO (N YORK)

10306-0033 (LT)
2853 ISLINGTON AVE., TORONTO, ON
PT LT 1 PL 9059 NORTH YORK AS IN TB221318; TORONTO (N YORK)

10306-0034 (LT)
2855 ISLINGTON AVE., TORONTO, ON
PT LT 2 PL 9059 NORT YORK AS IN TB379984; TORONTO (N YORK)

10306-0035 (LT)
2857 ISLINGTON AVE., TORONTO, ON
PT LT 2 PL 9059 NORHT YORK AS IN TB379983; TORONTO (N YORK)

PERMITTED ENCUMBRANCES

NY632269 1973/01/29 NOTICE DEPARTMENT OF TRANSPORTATION

TR57844 2000/03/27 NOTICE HER MAJESTY THE QUEEN IN RIGHT OF DEPARTMENT OF TRANSPORT CANADA

AT4601553 2017/06/19 NOTICE CITY OF TORONTO

AT4601554 2017/06/19 NOTICE CITY OF TORONTO

AT4601555 2017/06/19 RESTRICTION-LAND CITY OF TORONTO

AT4867240 2018/05/18 NOTICE CITY OF TORONTO

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Hearing Brief p. 1359

DocuSign Envelope ID: 1935FEF4-1D3D-488C-8557-37F7FCB000A5

1. Transfer of Shares. The Vendor hereby sells, assigns and transfers to the Purchaser and the Purchaser hereby purchases from the Vendor all the right, title and interest of the Vendor in and to the Shares for the purchase price.

2. Representations and Warranties of the Vendor. The shareholders of the Vendor represent and warrant to the Purchaser that:

(a) he has good and marketable title to the Shares, free and clear of all liens, charges and encumbrances whatsoever;

(b) there is not now any contract, option or right (at law, in equity or otherwise) binding upon him to sell, charge, assign or alienate any of the Shares;

(c) there is not now any restrictions, proceedings, obligations, agreement or instrument binding upon the Vendor that will be violated by the execution and delivery of this Agreement or will prevent the performance or satisfaction by the Vendor of any of the terms and conditions herein contained;

(d) he has full power and authority to enter into this Agreement and to consummate the transaction contemplated hereby and to transfer the Shares to the Purchaser; and

(e) he is not a non resident of Canada for purposes of the Income Tax Act (Canada) (the "ITA").

3. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the shareholders of the Vendor that:

(a) he has full power and authority to enter into this Agreement and to consummate the transaction contemplated hereby and to purchase the Shares from the Vendor; and

(b) he is not a non resident of Canada for purposes of the ITA.

4. ~~Effective Conveyance.~~ This Agreement shall operate as an actual conveyance, transfer, ~~assignment and~~ setting over of all the right, ~~title and interest~~ of the Vendor in and to the Shares ~~as of the~~ Effective Date. The Vendor shall at the request of the Purchaser sign, ~~execute and deliver~~ all documents, transfers, assignments, matters and things which are convenient ~~and necessary~~ or which counsel for the ~~Purchaser~~ may advise for more completely and ~~effectually~~ conveying, assigning and transferring to or vesting the Shares in the ~~Purchaser~~ and ~~all the~~ right, title and interest of the Vendor therein.

4. ~~6.~~ Further Assurances. The parties hereto shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each party shall provide such further documents or instruments required by the other party as may be reasonable necessary or desirable to effect the purpose of this agreement and carry out its provisions.

5. The Purchaser and the Vendor shall sign, execute and deliver all documents, transfers, assignments which are necessary for the conveyance, assignment and/or transferring to or vesting the Shares in the Purchaser and all the right, title and interest of the Vendor herein.

6. THE BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT DESPITE THE STANDARD WORDING OF THIS AGREEMENT OF PURCAHSE AND SALE, IT IS HEREBY INTENDED THAT THIS AGREEMENT IS A SHARE PURCHASE AND SALE AGREEMENT. THE PARTIES AGREE TO EXECUTE A FORMAL SHARE PURCHASE AGREEMENT INCORPORATING THESE TERMS AS AGREED UPON, IF REQUIRED BY EITHER PARTY.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): **INITIALS OF SELLER(S):**

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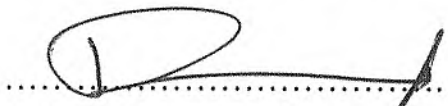
Hearing Brief p. 1360

This is **Exhibit C** to the affidavit of Mario Kalemi sworn before me this 19th day of July 2024.



Commissioner for taking Affidavits (or as may be)

DEAN IP

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

From: Kalemi Law Professional Corporation <kalemilaw@gmail.com>
Sent: July 6, 2022 10:13 AM
To: Quintus Holdings
Cc: Prakash Kumar; Davide Di Iulio
Subject: Re: Sign Back Offers for Islington and Innisfil

Goodmorning,

That is unacceptable, if the lawyers are in funds there should be no delays in providing the same to our office today. The deposit was to be provided on Monday and our clients will not be providing any further extensions for the deposit. If the deposits are not received by 4 pm today then the purchaser is in default and our clients will be entertaining other offers to mitigate their damages.

Best Regards,

Mario Kalemi, Principal Lawyer
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

****Due to the concerns of the COVID-19 virus our office is taking all the appropriate measures to ensure our firm and our clients are safe.**

To protect everyone, please advise us if you have recently traveled and/or if you have been exposed to anyone who has/is quarantined. We ask that you refrain from attending our office so we can ensure a safe environment for our staff and their families. Alternate arrangements may be made if you have a transaction closing.

Confidentiality Warning: The information contained in this email message and any attachments are privileged, confidential and governed by the laws of solicitor-client privilege. It is intended only for the use of the individual(s) named above. If you are not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this communication is prohibited. If you have received this communication in error, please notify us immediately by telephone or email and return the original message to us at info@kalemilaw.ca, **without making a copy and deleting this message forthwith**.

On Tue, Jul 5, 2022 at 4:59 PM Quintus Holdings <quintusholdings@gmail.com> wrote:

> Hi Prakash,
>
> Good afternoon.
>
> We have just informed Davide our lawyers are forwarding the funds over no later than Friday morning. We had moved funds late this afternoon to the lawyers. So they will transmit those funds no later than Friday morning.

Thank you.

Best regards.

On Jul 5, 2022, at 4:30 PM, Prakash Kumar <prakash@ajglgroup.com> wrote:

We still haven't received the deposit. Please let us know when we will receive it.
Best regards,

Prakash Kumar
Chief Financial Officer • AJGL Group

Office. 416-663-2545 • Mobile. 416-725-2602
Email. prakash@AJGLgroup.com
425 Alness Street,
Toronto, ON, M3J 2T8

www.ajglgroup.com

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From: Davide Di Iulio <davidejd@gmail.com>
Sent: Monday, July 4, 2022 8:07:49 AM
To: Kalemi Law Professional Corporation <kalemilaw@gmail.com>
Cc: Quintus Holdings <quintusholdings@gmail.com>; Prakash Kumar <prakash@AJGLgroup.com>
Subject: Re: Sign Back Offers for Islington and Innisfil
Thank you. Sandra will provide deposits today.

Mario: we kindly ask if you are able to send over the articles/ corporate profiles for each company.

Davide

On Jul 2, 2022, at 18:25, Kalemi Law Professional Corporation <kalemilaw@gmail.com> wrote:

Please see attached accepted offers! Congratulations!

I could not add the time of acceptance for the Islington property however it was accepted at 12:40 pm for your records.

Also attached please find my trust account information. Kindly provide us a copy of the wire confirmation or bank draft and deposit receipt.

Best Regards,

Mario Kalemi, Principal Lawyer
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

****Due to the concerns of the COVID-19 virus our office is taking all the appropriate measures to ensure our firm and our clients are safe.**

To protect everyone, please advise us if you have recently traveled and/or if you have been exposed to anyone who has/is quarantined. We ask that you refrain from attending our office so we can ensure a safe environment for our staff and their families. Alternate arrangements may be made if you have a transaction closing.

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On Sat, Jul 2, 2022 at 9:04 AM Davide Di Iulio <davidejd@gmail.com> wrote:

> Thank you all. Sandra will prepare the deposits upon receipt of the sign off.
>
> Mr. Kalemi kindly provide account information on Monday.
>
> Davide
>
> > On Jul 1, 2022, at 21:22, Quintus Holdings <quintusholdings@gmail.com> wrote:
> >
> > Good evening gentlemen,
> >
> > Kindly see the attached, signed documents.
> >
> > Thank you.
> >
> > Best regards.

Quintus Holdings

On Fri, 1 Jul 2022 at 20:21, Mario Kalemi <kalemilaw@gmail.com> wrote:

> Thank you received. Please note that the irrevocable has not been changed. Kindly cross out seller on point 1 page 1 and add buyer and initial.
>
> Thank you and I look forward to receiving the signback for both properties.
>
> Best Regards,
> Mario Kalemi
> **KALEMI LAW PROFESSIONAL CORPORATION**
> 425 Alness Street
> Toronto, ON M3J 2T8
> T:416-832-2727
> F:416-907-1119
> www.kalemilaw.ca
>
> > On Jul 1, 2022, at 8:01 PM, Quintus Holdings <quintusholdings@gmail.com> wrote:
> >
> > Good evening gentlemen,
> >
> > Kindly see attached, signed copies for both properties.
> >
> > We look forward to doing business and Closing both properties.
> >
> > Thank you.
> >
> > Best regards.
> >
> > **Quintus Holdings**
> >
> > On Fri, 1 Jul 2022 at 17:29, Kalemi Law Professional Corporation <kalemilaw@gmail.com> wrote:
> >
> > > Kindly find attached signed back offers for the Innisfil and the Islington developments. Feel free to reach out with any questions or concerns.
> > >
> > > Best Regards,
> > >
> > > **Mario Kalemi, Principal Lawyer**
> > > **KALEMI LAW PROFESSIONAL**

CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

****Due to the concerns of the COVID-19 virus our office is taking all the appropriate measures to ensure our firm and our clients are safe.**

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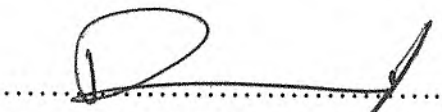
This is **Exhibit D** to the affidavit of Mario Kalemi sworn before me this 19th day of July 2024.



Commissioner for taking Affidavits (or as may be)

DEAN IP

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

From: Prakash Kumar <prakash@AJGLgroup.com>
Sent: July 9, 2022 8:04 AM
To: Simion Kronenfeld
Subject: Fwd: Amendment - Signed Copies (Innisfil and Islington)
Attachments: Amendment - Innisfil - Signed.pdf; Amendment - Islington - Signed.pdf

Best regards,

Prakash Kumar
Chief Financial Officer • AJGL Group

Office. 416-663-2545 • Mobile. 416-725-2602
Email. prakash@AJGLgroup.com
425 Alness Street,
Toronto, ON, M3J 2T8

www.ajglgroup.com

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From: Davide Di Iulio <davidejd@gmail.com>
Sent: Friday, July 8, 2022 1:28:59 PM
To: Prakash Kumar <prakash@AJGLgroup.com>
Subject: Fwd: Amendment - Signed Copies (Innisfil and Islington)
This is what they sent me

Davide

Begin forwarded message:

> **From:** Quintus Holdings <quintusholdings@gmail.com>
> **Date:** July 8, 2022 at 12:56:27 EDT
> **To:** Attorney Davida Di Lulio <davidejd@gmail.com>
> **Cc:** Quintus Holdings <quintusholdings@gmail.com>, Giuseppe Email <Jdeepriver6767@gmail.com>
> **Subject: Fwd: Amendment - Signed Copies (Innisfil and Islington)**

> Begin forwarded message:

From: Quintus Holdings <quintusholdings@gmail.com>
Date: July 8, 2022 at 12:04:04 AM EDT
To: Quintus Holdings <quintusholdings@gmail.com>
Subject: Amendment - Signed Copies (Innisfil and Islington)

Quintus Holdings

Hearing Brief p. 1369

AMENDING AGREEMENT

RE: Lakeshore Luxe Design and Build Group Inc (the "**Purchaser**") purchase from all the shareholders of 1008 Innisfil Beach Road Development Corp. (collectively, the "**Vendor**") of all issued and outstanding shares of 1008 Innisfil Beach Road Development Corp. (the "**Corporation**") being the owner of 1008 Innisfil Beach Road, Innisfil, Ontario (the "**Property**") pursuant to an Agreement of Purchase and Sale dated June 24, 2022 (the "**Agreement**")

For good and valuable consideration, receipt of which is acknowledged, the parties agree to amend the Agreement to include the following:

1) **Completion Date**: This Agreement shall be completed no later than 6:00 pm on the 5th day of August, 2022.

2) **Purchaser's Review**: The Purchaser shall have the right until 6:00 pm on 29th of July, 2022 (the "**Review Period**") to conduct investigations, assessments, studies, examinations, inspections, reviews, tests and audits relating to the Corporation and to conduct a title examination of the Property, the whole which the Purchaser may deem necessary or desirable, in its sole discretion (collectively, the "**Purchaser's Review**"). The Review Period shall include, but is not limited to, the Title Search as contemplated in section 8 of the Agreement.

   On or before the expiry of the Review Period, the Purchaser shall, if satisfied, in its sole, absolute and unfettered discretion, with the results of the Purchaser's Review, deliver a Notice of Satisfaction to the Vendor, and the Purchaser will be deemed to have agreed to proceed with the purchase of the Corporation in accordance with the terms of the Agreement. Failure to deliver a Notice of Satisfaction will terminate the Purchaser's obligation to complete the purchase of the Corporation as set forth in the Agreement whereupon all the obligations of the Parties provided for in the Agreement will cease, and the Deposit, including any interest accrued thereon, shall forthwith be returned to the Purchaser, without any deduction or set-off, the whole without any recourse by either Party against the other.

3) **Vendor's Deliveries**: The Vendor shall, upon the execution of this Amending Agreement by both Parties, make available to the Purchaser, in digital form or at the corporate office of the Vendor, to the extent same are available or are in its possession or control, (a) written or formal notifications and/or authorizations to or from any authorities as may be necessary to assist the Purchaser and its representatives in their inspection of the Property; and (b) the documentation set forth in Schedule **"A"**. In addition, during the Review Period, at the request of the Purchaser, the Vendor shall as soon as reasonably possible make available or deliver to the Purchaser any additional information and documentation as the Purchaser may reasonably require to the extent such additional information and documentation is specific to the Corporation, and is within the possession or control of the Vendor.

4) **Representation and Warranties of the Vendor**: The Vendor represents and warrants to the Purchaser (and acknowledges that the Purchaser is relying on such representations and warranties in completing the Transaction) that:

SA

(a) The Corporation is a corporation duly incorporated and organized and validly subsisting under the laws of the province of Ontario;

(b) This Agreement has been duly authorized, executed and delivered by each of the shareholders and the Corporation and constitutes a legal, valid and binding obligation of each of the shareholders and the Corporation, respectively, enforceable against each of them in accordance with its terms;

(c) The authorized share capital of the Corporation consists of an unlimited number of common shares, of which 100 Common Shares are issued and outstanding;

(d) The shareholders are now the sole legal and beneficial owners of and have good and marketable title to the shares, free and clear from all encumbrances. On closing, the Vendors shall be collectively the sole legal and beneficial owner of the shares and shall transfer the shares to the Purchaser free and clear from all encumbrances.

(e) The Corporation does not own, directly or indirectly, nor has it agreed to acquire any of the outstanding shares or securities convertible into shares of any other corporation, or any participating interest in any person;

(f) The Corporation has not given any power of attorney to any Person for any purpose whatsoever;

(g) The Corporation is not a party to an employment agreement nor has it ever employed an employee or employees;

(h) The Corporation is not a party to any material contracts, including but not limited to any contracts, leases, licenses, rent rolls, and agreements;

(i) There is no suit, action, dispute, civil or criminal litigation, arbitration, legal, administrative or other proceeding or governmental investigation, including appeals and applications for review, in progress, pending or threatened against the Corporation or relating to the Corporation or the assets thereof;

(j) The Corporation does not have any outstanding indebtedness, liabilities or obligations (whether accrued, absolute, contingent or otherwise) or any outstanding commitments or obligations of any kind whatsoever, including with respect to any taxes, employment or material agreements, or environmental matters;

(k) The minute books of the Corporation contain accurate and complete minutes of all meetings and resolutions of their directors and shareholders held since its date of incorporation or and the date of incorporation of any and all predecessor corporations. The share certificate books and share certificate and other corporate registers are complete and accurate;

(l) The Corporation is not the legal or beneficial owner of, or under any agreement to own, or has any right to purchase or any obligation to sell any real property, except for the Property. The Corporation is the legal and beneficial owner of the Property;

Hearing Brief p. 1371

(m) The Corporation is not and will not be liable for any taxes at the time of the closing of the transaction. All taxes due and unpaid at the time of closing and any tax instalments due in respect of the current taxation year of the Corporation will be paid at closing. Canadian federal and provincial income tax assessments or reassessments have been received by the Corporation covering all past periods through the 2021 fiscal year, and the Corporation has paid all such assessments and reassessments. There are no notices of objection or appeals outstanding with respect to any assessment, reassessment or determination of the Corporation by any Authority. There are no actions, suits, audits, investigations, Claims or other proceedings pending or, to the knowledge of the Vendors, threatened, against the Corporation in respect of any Taxes.

(n) The Corporation has on a timely basis filed all tax returns, information returns, elections or designations in respect of any taxes required to be filed by it under any tax legislation. No such filing has contained any material misstatement or omitted any statement of material fact that should have been included therein. The Corporation is not required to file any tax returns, information returns or designations in any jurisdiction outside Canada. The Corporation has withheld and remitted to the proper authority, on a timely basis and in a form required under the appropriate tax legislation, all amounts in respect of taxes.

(o) There are no existing contracts or arrangements to which the Corporation is a party in which any of the shareholders, any partner, director or officer of the Corporation or any affiliates thereof or any person not dealing at Arm's Length with any of the shareholders, the Corporation or any partner, director or officer of the Corporation has an interest, directly or indirectly.

5) **Paramountcy**: In the event of any conflict between the provisions of this Amending Agreement and the provisions of the Agreement, the provisions of this Amending Agreement shall prevail.

6) **Delivery by Electronic Transmission and Counterparts**: This Agreement may be executed by any or all of the undersigned parties in wet-ink, or electronically in accordance with the provisions of the *Electronic Commerce Act, 2000*, S.O. 2000, as amended (including, without limitation, through the DocuSign electronic signing platform). This Agreement may be executed and delivered in counterparts, each of which when so executed, shall be deemed to constitute one and the same document.

[Signature Page Follows]

SA

DATED this 8th day of July, 2022.

1008 Innisfil Beach Road Development Inc.

Per: _____

Name: William Iannaci
Title: President
I have authority to bind the Corporation

Lakeshore Luxe Design and Build Group Inc.

Per: _____

Name: Sandra Azan
Title: President
I have authority to bind the Corporation

Hearing Brief p. 1373

Schedule "A"
Vendor's Deliveries

1. CRA Notice of Assessments;

2. CRA Certificate;

3. Up-to-date Minute Book; and

4. Complete list of each bank or other depository in which the Corporation maintains any bank account, trust account, term or other deposit or safety deposit box and all related financial statements.

SA

AMENDING AGREEMENT

RE: Lakeshore Luxe Design and Build Group Inc (the "**Purchaser**") purchase from Nicholas Kyriacopoulos (the "**Vendor**") of all issued and outstanding shares of 5004591 Ontario Inc. (the "**Corporation**") being the owner of 2849, 2851, 2853, 2855, and 2857 Islington Ave, Toronto (collectively, the "**Property**") pursuant to an Agreement of Purchase and Sale dated June 24, 2022 (the "**Agreement**")

For good and valuable consideration, receipt of which is acknowledged, the parties agree to amend the Agreement to include the following:

1) **Completion Date**: This Agreement shall be completed no later than 6:00 pm on the 5th day of August, 2022.

2) **Purchaser's Review**: The Purchaser shall have the right until 6:00 pm on 29th of July, 2022 (the "**Review Period**") to conduct investigations, assessments, studies, examinations, inspections, reviews, tests and audits relating to the Corporation and to conduct a title examination of the Property, the whole which the Purchaser may deem necessary or desirable, in its sole discretion (collectively, the "**Purchaser's Review**"). The Review Period shall include, but is not limited to, the Title Search as contemplated in section 8 of the Agreement.

   On or before the expiry of the Review Period, the Purchaser shall, if satisfied, in its sole, absolute and unfettered discretion, with the results of the Purchaser's Review, deliver a Notice of Satisfaction to the Vendor, and the Purchaser will be deemed to have agreed to proceed with the purchase of the Corporation in accordance with the terms of the Agreement. Failure to deliver a Notice of Satisfaction will terminate the Purchaser's obligation to complete the purchase of the Corporation as set forth in the Agreement whereupon all the obligations of the Parties provided for in the Agreement will cease, and the Deposit, including any interest accrued thereon, shall forthwith be returned to the Purchaser, without any deduction or set-off, the whole without any recourse by either Party against the other.

3) **Vendor's Deliveries**: The Vendor shall, upon the execution of this Amending Agreement by both Parties, make available to the Purchaser, in digital form or at the corporate office of the Vendor, to the extent same are available or are in its possession or control, (a) written or formal notifications and/or authorizations to or from any authorities as may be necessary to assist the Purchaser and its representatives in their inspection of the Property; and (b) the documentation set forth in Schedule **"A"**. In addition, during the Review Period, at the request of the Purchaser, the Vendor shall as soon as reasonably possible make available or deliver to the Purchaser any additional information and documentation as the Purchaser may reasonably require to the extent such additional information and documentation is specific to the Corporation, and is within the possession or control of the Vendor.

4) **Representation and Warranties of the Vendor**: The Vendor represents and warrants to the Purchaser (and acknowledges that the Purchaser is relying on such representations and warranties in completing the Transaction) that:

SA

Hearing Brief p. 1375

(a) The Corporation is a corporation duly incorporated and organized and validly subsisting under the laws of the province of Ontario;

(b) This Agreement has been duly authorized, executed and delivered by each of the shareholders and the Corporation and constitutes a legal, valid and binding obligation of each of the shareholders and the Corporation, respectively, enforceable against each of them in accordance with its terms;

(c) The authorized share capital of the Corporation consists of an unlimited number of common shares, of which 100 Common Shares are issued and outstanding;

(d) The shareholders are now the sole legal and beneficial owners of and have good and marketable title to the shares, free and clear from all encumbrances. On closing, the Vendors shall be collectively the sole legal and beneficial owner of the shares and shall transfer the shares to the Purchaser free and clear from all encumbrances.

(e) The Corporation does not own, directly or indirectly, nor has it agreed to acquire any of the outstanding shares or securities convertible into shares of any other corporation, or any participating interest in any person;

(f) The Corporation has not given any power of attorney to any Person for any purpose whatsoever;

(g) The Corporation is not a party to an employment agreement nor has it ever employed an employee or employees;

(h) The Corporation is not a party to any material contracts, including but not limited to any contracts, leases, licenses, rent rolls, and agreements;

(i) There is no suit, action, dispute, civil or criminal litigation, arbitration, legal, administrative or other proceeding or governmental investigation, including appeals and applications for review, in progress, pending or threatened against the Corporation or relating to the Corporation or the assets thereof;

(j) The Corporation does not have any outstanding indebtedness, liabilities or obligations (whether accrued, absolute, contingent or otherwise) or any outstanding commitments or obligations of any kind whatsoever, including with respect to any taxes, employment or material agreements, or environmental matters;

(k) The minute books of the Corporation contain accurate and complete minutes of all meetings and resolutions of their directors and shareholders held since its date of incorporation or and the date of incorporation of any and all predecessor corporations. The share certificate books and share certificate and other corporate registers are complete and accurate;

(l) The Corporation is not the legal or beneficial owner of, or under any agreement to own, or has any right to purchase or any obligation to sell any real property, except for the Property. The Corporation is the legal and beneficial owner of the Property;

SA

Hearing Brief p. 1376

(m) The Corporation is not and will not be liable for any taxes at the time of the closing of the transaction. All taxes due and unpaid at the time of closing and any tax instalments due in respect of the current taxation year of the Corporation will be paid at closing. Canadian federal and provincial income tax assessments or reassessments have been received by the Corporation covering all past periods through the 2021 fiscal year, and the Corporation has paid all such assessments and reassessments. There are no notices of objection or appeals outstanding with respect to any assessment, reassessment or determination of the Corporation by any Authority. There are no actions, suits, audits, investigations, Claims or other proceedings pending or, to the knowledge of the Vendors, threatened, against the Corporation in respect of any Taxes.

(n) The Corporation has on a timely basis filed all tax returns, information returns, elections or designations in respect of any taxes required to be filed by it under any tax legislation. No such filing has contained any material misstatement or omitted any statement of material fact that should have been included therein. The Corporation is not required to file any tax returns, information returns or designations in any jurisdiction outside Canada. The Corporation has withheld and remitted to the proper authority, on a timely basis and in a form required under the appropriate tax legislation, all amounts in respect of taxes.

(o) There are no existing contracts or arrangements to which the Corporation is a party in which any of the shareholders, any partner, director or officer of the Corporation or any affiliates thereof or any person not dealing at Arm's Length with any of the shareholders, the Corporation or any partner, director or officer of the Corporation has an interest, directly or indirectly.

5) **Written Consent of Chief Planner**: The Agreement shall be conditional on receipt of consent of the Chief Planner in the City of Toronto, as may be necessary, in accordance with the Restriction of Land under Section 118 of the Land Titles Act registered on title to the Property (the "**Consent**"). Failure to receive Consent, as may be necessary, will terminate the Purchaser's obligation to complete the purchase of the Corporation as set forth in the Agreement whereupon all the obligations of the Parties provided for in the Agreement will cease, and the Deposit, including any interest accrued thereon, shall forthwith be returned to the Purchaser, without any deduction or set-off, the whole without any recourse by either Party against the other.

6) **Paramountcy**: In the event of any conflict between the provisions of this Amending Agreement and the provisions of the Agreement, the provisions of this Amending Agreement shall prevail.

7) **Delivery by Electronic Transmission and Counterparts**: This Agreement may be executed by any or all of the undersigned parties in wet-ink, or electronically in accordance with the provisions of the *Electronic Commerce Act, 2000*, S.O. 2000, as amended (including, without limitation, through the DocuSign electronic signing platform). This Agreement may be executed and delivered in counterparts, each of which when so executed, shall be deemed to constitute one and the same document.

SA

[Signature Page Follows]

DATED this 8th day of July, 2022.

Nicholas Kyriacopoulos

Lakeshore Luxe Design and Build Group Inc.
Name: Sandra Azan
Title: President
I have authority to bind the Corporation.

Hearing Brief p. 1378

Schedule "A"
Vendor's Deliveries

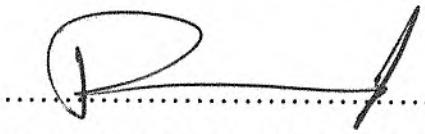
1. CRA Notice of Assessments;

2. CRA Certificate;

3. Up-to-date Minute Book; and

4. Complete list of each bank or other depository in which the Corporation maintains any bank account, trust account, term or other deposit or safety deposit box and all related financial statements.

This is **Exhibit E** to the affidavit of Mario Kalemi sworn before me this 19th day of July 2024.



Commissioner for taking Affidavits (or as may be)

DEAN IP

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

From: Kalemi Law Professional Corporation <kalemilaw@gmail.com>
Sent: July 9, 2022 12:30 PM
To: Quintus Holdings
Cc: Piekarski, Selina; Franchino, Laura; Prakash Kumar; Attorney Davida Di Lulio
Subject: Re: FW: Amendment - Signed Copies (Innisfil and Islington)

Kindly note that our clients are not willing to accept the attached amendment. If you client is still interested in proceeding with the original offer, then kindly provide the deposits ASAP.

Best Regards,

Mario Kalemi, Principal Lawyer
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

****Due to the concerns of the COVID-19 virus our office is taking all the appropriate measures to ensure our firm and our clients are safe.**

To protect everyone, please advise us if you have recently traveled and/or if you have been exposed to anyone who has/is quarantined. We ask that you refrain from attending our office so we can ensure a safe environment for our staff and their families. Alternate arrangements may be made if you have a transaction closing.

Confidentiality Warning: The information contained in this email message and any attachments are privileged, confidential and governed by the laws of solicitor-client privilege. It is intended only for the use of the individual(s) named above. If you are not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient(s), you are hereby notified that any dissemination, distribution or copying of this communication is prohibited. If you have received this communication in error, please notify us immediately by telephone or email and return the original message to us at info@kalemilaw.ca, **without making a copy and deleting this message forthwith**.

On Fri, Jul 8, 2022 at 1:50 PM Prakash Kumar <prakash@ajglgroup.com> wrote:

> Best regards,
>
>
>
>
> **Prakash Kumar**
> Chief Financial Officer • AJGL Group
>
> Office. 416-663-2545 • Mobile. 416-725-2602
> Email. prakash@AJGLgroup.com
> 425 Alness Street,
> Toronto, ON, M3J 2T8
>
> www.ajglgroup.com

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error, please notify the system manager. This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail. Please notify the sender immediately by e-mail if you have received this e-mail by mistake and delete this e-mail from your system. If you are not the intended recipient you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited.

From: Davide Di Iulio <davidejd@gmail.com>
Sent: July 8, 2022 1:29 PM
To: Prakash Kumar <prakash@AJGLgroup.com>
Subject: Fwd: Amendment - Signed Copies (Innisfil and Islington)

This is what they sent me

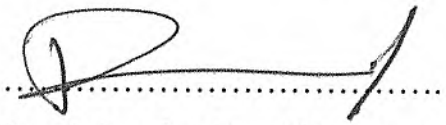
Davide

Begin forwarded message:

> **From:** Quintus Holdings <quintusholdings@gmail.com>
> **Date:** July 8, 2022 at 12:56:27 EDT
> **To:** Attorney Davida Di Lulio <davidejd@gmail.com>
> **Cc:** Quintus Holdings <quintusholdings@gmail.com>, Giuseppe Email <Jdeepriver6767@gmail.com>
> **Subject: Fwd: Amendment - Signed Copies (Innisfil and Islington)**

> Begin forwarded message:
>
> > **From:** Quintus Holdings <quintusholdings@gmail.com>
> > **Date:** July 8, 2022 at 12:04:04 AM EDT
> > **To:** Quintus Holdings <quintusholdings@gmail.com>
> > **Subject: Amendment - Signed Copies (Innisfil and Islington)**
> >
> > **Quintus Holdings**

This is **Exhibit F** to the affidavit of Mario Kalemi sworn before me this 19th day of July 2024.



Commissioner for taking Affidavits (or as may be)

DEAN IP

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

From: Kalemi Law Professional Corporation <kalemilaw@gmail.com>
Sent: July 11, 2022 3:00 PM
To: Quintus Holdings
Cc: Piekarski, Selina; Franchino, Laura; Prakash Kumar; Attorney Davida Di Lulio
Subject: Re: FW: Amendment - Signed Copies (Innisfil and Islington)

Please note that we have still not received the deposits for these transactions, nor have you confirmed when the same will be received. As you are well aware, these were firm offers that were accepted and if we do not receive the deposits by noon tomorrow, we will be noting your client in default and our clients will seek to mitigate its losses and seek all damages resulting from your client's default.

Best Regards,

Mario Kalemi, Principal Lawyer
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

****Due to the concerns of the COVID-19 virus our office is taking all the appropriate measures to ensure our firm and our clients are safe.**

To protect everyone, please advise us if you have recently traveled and/or if you have been exposed to anyone who has/is quarantined. We ask that you refrain from attending our office so we can ensure a safe environment for our staff and their families. Alternate arrangements may be made if you have a transaction closing.

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On Sat, Jul 9, 2022 at 12:30 PM Kalemi Law Professional Corporation <kalemilaw@gmail.com> wrote:

> Kindly note that our clients are not willing to accept the attached amendment. If you client is still interested in proceeding with the original offer, then kindly provide the deposits ASAP.
>
> Best Regards,
>
> **Mario Kalemi, Principal Lawyer**
> **KALEMI LAW PROFESSIONAL CORPORATION**
> 425 Alness Street

Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

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On Fri, Jul 8, 2022 at 1:50 PM Prakash Kumar <prakash@ajglgroup.com> wrote:

Best regards,

Prakash Kumar
Chief Financial Officer • AJGL Group

Office. 416-663-2545 • Mobile. 416-725-2602
Email. prakash@AJGLgroup.com
425 Alness Street,
Toronto, ON, M3J 2T8

www.ajglgroup.com

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From: Davide Di Iulio <davidejd@gmail.com>
Sent: July 8, 2022 1:29 PM
To: Prakash Kumar <prakash@AJGLgroup.com>
Subject: Fwd: Amendment - Signed Copies (Innisfil and Islington)

This is what they sent me

Davide

Begin forwarded message:

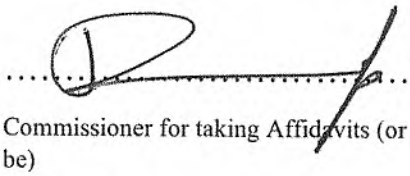
From: Quintus Holdings <quintusholdings@gmail.com>
Date: July 8, 2022 at 12:56:27 EDT
To: Attorney Davida Di Lulio <davidejd@gmail.com>
Cc: Quintus Holdings <quintusholdings@gmail.com>, Giuseppe Email <Jdeepriver6767@gmail.com>
Subject: Fwd: Amendment - Signed Copies (Innisfil and Islington)

Begin forwarded message:

> **From:** Quintus Holdings <quintusholdings@gmail.com>
> **Date:** July 8, 2022 at 12:04:04 AM EDT
> **To:** Quintus Holdings <quintusholdings@gmail.com>
> **Subject: Amendment - Signed Copies (Innisfil and Islington)**

Quintus Holdings

This is **Exhibit G** to the affidavit of Mario Kalemi sworn before me this 19th day of July 2024.



Commissioner for taking Affidavits (or as may be)

DEAN IP

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

From: rooney@paulfrooneyprofcorp.com
Sent: July 13, 2022 8:58 PM
To: kalemilaw@gmail.com; Prakash Kumar
Cc: Nicholas Kyriacopoulos
Subject: Islington transaction

I have only had a brief time to review what you sent me. Since time is short, I am providing the preliminary comments below, but the conclusions depend on all the facts, and I may not have all the facts, and haven't had time to fully absorb all the facts. I refer to various facts below.

Transaction for Islington

1. The original agreement requires a deposit to be delivered within 24 hours of acceptance. What date and time was "acceptance"? I can't tell from the written document. The July 2 email suggests 12.40pm on July 2 or 1. Banks may not have been open, but only a cheque is needed.
2. Does purchaser allege that the deposit was delivered, or is it admitted that no deposit was delivered? It seems clear from emails that there is an admission that no deposit was delivered within the first 24 hours, depending on the date and time of acceptance.
3. Assuming no deposit was delivered on time, that is a breach of a covenant, but a legal issue is does the provision in paragraph 19, making time of the essence, apply to the 24 hour stated time limit? It is not necessarily automatic that a Time of the Essence clause will apply to every time limit in a contract.
4. Was the initial breach of providing a deposit on time waived either in writing or by course of conduct? First, nothing provided to me indicates that vendor gave notice that the agreement was terminated immediately after the 24 hours expired. While it might not be necessary to give such an immediate notice, any activity subsequent to that date which would be taken to affirm the fact that the contract still existed, would likely mean that the breach was waived by vendor. Given the emails sent to me, there seems to be a significant likelihood that the strict impact of the time limit was initially waived by conduct (see the July 5 email) The July 6 email did not purport to terminate the transaction. For example, there are references to 'extensions'. The July 9 email gave another chance to provide the deposit. So therefore, even if it was subject to 'time of the essence', it seems to have been waived at first.
5. Could the time of the essence requirement be re-instituted, and was it? To be re-instituted, the purchaser has to be given reasonable prior notice of the new deadline. It is not possible to say for sure how such advance notice is reasonable, since it depends in part on the discussions that were on going and the overall context, but the amount is $200,000 and the original timeframe to provide a deposit was 24 hours, and so I think it probably would again need to be at least 24 hours; it's also possible that the advance notice would have to be longer than this. The July 11 email gave notice that was less than 24 hours in advance. The July 6 email gave only six hours notice in advance. Based on this fact, it is not entirely clear to me that the vendor successfully re-established 'Time of the Essence' for the deposit payment.
6. Even if time of the essence was re-established, the question still remains as to what the legal consequence is of the purchaser breaching that provision. The options are either that the breach is a breach that is compensable only in damages, or alternatively the breach is considered by the law to be a clause agreed by both parties to be of such importance that if it was breached it would allow the vendor the option of terminating the transaction without having to continue to perform its own obligations through to the closing date. An Ontario Court of Appeal decision, affirming a Superior Court decision, dealt with the issue of characterizing the consequence of such a situation. That particular case dealt with an agreement to sell real estate, but some of the other cases referred to in it were other types of commercial agreements such as chartering a ship, or exercising an option. For example the case dealing with exercising an option stated that there can be more leniency given to cases involving the exercise of an option. Your case is a sale of shares.

7. Although the original deposit clause may well have been interpreted by the courts as being in the nature of a condition giving the right to terminate, that original time limit was waived, and it's not clear that it was successfully re-asserted. Therefore there is risk in attempting to have the vendor take the position now that it could terminate the agreement on July 11 on this legal basis.
8. If the vendor takes the position that the agreement is terminated because of the deposit issue, but if the vendor is not correct, then it will have been the vendor that was in default and vendor may have exposure for damages to the purchaser. However if the purchaser were to assert that position subsequent to closing, the vendor could largely solve that by advising the purchaser that the vendor is still willing to sell the property to the Purchaser on the same terms, thereby probably eliminating any potential loss to the purchaser. But you won't know until the purchaser tells you, and the purchaser might not say anything for months after closing, meaning you wouldn't really know where you stand.

9. This transaction has a stated closing date of July 15, 2022. I am assuming that there has been no communication at this point referencing the closing date, or for example waiving that time limit. That is a second contractual time limit, and generally a closing time limit is considered as akin to a condition, and could be stronger for you. The vendor therefore has the option to prepare to close the transaction, and see if the purchaser properly closes the transaction and pays the purchase price. **Note that if the vendor tells the purchaser that the purchaser is expected to be ready to close on the 15th, it will be interpreted as the vendor affirming that the contract still exists and has not been terminated.** That means that the fate of this contract will depend on what happens at the closing. In this strategy, the vendor will tell the purchaser that the vendor is giving the purchaser one more chance to perform its obligations, at closing.
10. **This strategy has different risks.** If the purchasers are looking to get out of this transaction, then if there is a closing date that is still applicable, the purchasers will look closely to find any fault in the behaviour of the vendor that could justify the purchaser not closing, and therefore try to make it the fault of the vendor that the transaction didn't close.
11. For example, paragraph 8 allows requisitions; were requisitions made, have they been successfully answered, has the purchaser agreed that the answers are acceptable, are there issues with title that the purchaser can use as excuses (I note that schedule A has six permitted encumbrances), but I also assume that the vendor has to have a discharge of the mortgage that's on title, and since it's a private lender, vendor needs to have evidence from the private lender that it is ready to discharge, assuming you received the money. Have you lined up the lender and its lawyer already, to be ready for closing?
12. Schedule A requires the seller to deliver certain documents to the buyer before closing; have they been delivered and accepted by the buyer? It also says that the registered office is supposed to be changed on closing; the required corporate process should be checked to see if it's possible to do that at the time of closing. There are also representations and warranties on schedule A; can vendor demonstrate that it can satisfy them?
13. In general, you would have to decide if you can prove compliance with all of the obligations of vendor under the agreement. If you can, then your risk of stipulating for a closing should be manageable, and you would have to prepare to tender. A letter advising of the strict necessity that purchaser fully comply at closing would be sent now.

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

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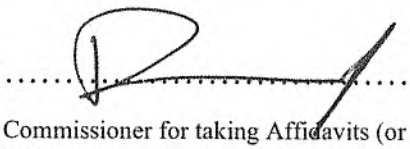
This is **Exhibit H** to the affidavit of Mario Kalemi sworn before me this 19th day of July 2024.



Commissioner for taking Affidavits (or as may be)

DEAN IP

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

From: rooney@paulfrooneyprofcorp.com <rooney@paulfrooneyprofcorp.com>
Sent: July 15, 2022 6:27 PM
To: 'Mario Kalemi' <kalemilaw@gmail.com>
Subject: RE: Sandra Azan purchase of shares of 5004591 Ontario Inc.

I spoke with Simion and he prefers to aim for termination of the agreement. The wording to send today is below. Later next week there may be an opportunity to propose a mutual release for Islington, to make it a cleaner break, but Simion wants to wait to see what happens with Innisfil.

"We refer to the transaction for the purchase and sale of the shares of 5004591 Ontario Inc. The time for the closing of this transaction has now gone by. Your client did not take any steps towards the closing of this transaction, did not address (through your communications or otherwise) its obligations in relation to the closing of this transaction, did not provide any documents or funds for the closing, and unequivocally abandoned and failed to close this transaction. My email to you yesterday evening reminded your client of her obligations regarding the closing date, and emphasized that time was of the essence with regard to the July 15, 2022 closing date, and that all actions to be performed by your client were required to be completed in full in time for the closing today July 15, 2022. Your client was clearly on notice of the need to fulfil her obligations under the agreement in full, today. Your client, the purchaser, has defaulted in her obligations to close.

As a result of the default and failure of your client to close the transaction pursuant to the Agreement of Purchase and Sale, my client has elected to terminate that agreement, reserving all of its claims, rights and remedies as against your client in respect of the default of your client thereunder. Consequently, that agreement is at an end. "

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

This message is solicitor-client privileged and contains confidential information intended only for the person(s) named above. Any other distribution, copying or disclosure is strictly prohibited. If you have received this message in error, please notify us immediately by telephone and delete the message without making a copy.

From: Mario Kalemi <kalemilaw@gmail.com>
Sent: July 15, 2022 5:09 PM
To: Paul Rooney <rooney@paulfrooneyprofcorp.com>
Subject: Fwd: Sandra Azan purchase of shares of 5004591 Ontario Inc.

Best Regards,

Mario Kalemi
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

Begin forwarded message:

> **From:** Kalemi Law Professional Corporation <kalemilaw@gmail.com>
> **Date:** July 15, 2022 at 4:17:49 PM EDT
> **To:** "Piekarski, Selina" <spiekarski@grllp.com>
> **Cc:** "Franchino, Laura" <lfranchino@grllp.com>
> **Subject: Re: Sandra Azan purchase of shares of 5004591 Ontario Inc.**
>
> Hi Selina,
>
> as per our conversation and I confirmed again with my client, there are no current discussions amongst them. Again, if you client has any requests kindly advise ASAP so we can speak with our client about the same.
>
> Best Regards,
>
> **Mario Kalemi, Principal Lawyer**
> **KALEMI LAW PROFESSIONAL CORPORATION**
> 425 Alness Street
> Toronto, ON M3J 2T8
> T:416-832-2727
> F:416-907-1119
> www.kalemilaw.ca
>
> ****Due to the concerns of the COVID-19 virus our office is taking all the appropriate measures to ensure our firm and our clients are safe.**

To protect everyone, please advise us if you have recently traveled and/or if you have been exposed to anyone who has/is quarantined. We ask that you refrain from attending our office so we can ensure a safe environment for our staff and their families. Alternate arrangements may be made if you have a transaction closing.

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On Fri, Jul 15, 2022 at 3:54 PM Piekarski, Selina <spiekarski@grllp.com> wrote:

> Hi Mario,
>
> My understanding is that my client is speaking with your client and his partners regarding this transaction.
>
> Thank you,
>
> **Selina Piekarski**
> Gardiner Roberts LLP
>
> Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3
>
> T 416.865.6729 | F 416.865.6636 | E spiekarski@grllp.com
>
> **From:** Kalemi Law Professional Corporation [mailto:kalemilaw@gmail.com]
> **Sent:** July 15, 2022 2:47 PM
> **To:** Piekarski, Selina
> **Cc:** Franchino, Laura
> **Subject:** Re: Sandra Azan purchase of shares of 5004591 Ontario Inc.
>
> Hi Selina,

Further to our conversation, kindly advise your client's status so we can discuss the same with our client prior to the end of the business day.

Best Regards,

Mario Kalemi, Principal Lawyer
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

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On Fri, Jul 15, 2022 at 12:00 PM Kalemi Law Professional Corporation <kalemilaw@gmail.com> wrote:

> Hi Selina,
>
> Any update on this matter. Is your client in a position to close today or are they seeking an extension, if so, how long?
>
> Best Regards,
>
> **Mario Kalemi, Principal Lawyer**
> **KALEMI LAW PROFESSIONAL CORPORATION**
> 425 Alness Street
> Toronto, ON M3J 2T8
> T:416-832-2727
> F:416-907-1119
> www.kalemilaw.ca

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On Thu, Jul 14, 2022 at 7:13 PM Mario Kalemi <kalemilaw@gmail.com> wrote:

> Hi Selina,
>
> I just followed up with my client and he advised there are no direct discussions. Kindly confirm with your client and any discussions can go through our office.
>
> Best Regards,
>
> Mario Kalemi
>
> **KALEMI LAW PROFESSIONAL CORPORATION**
>
> 425 Alness Street
>
> Toronto, ON M3J 2T8
>
> T:416-832-2727
>
> F:416-907-1119
>
> www.kalemilaw.ca
>
> On Jul 14, 2022, at 5:57 PM, Piekarski, Selina <spiekarski@grllp.com> wrote:

Hi Mario,

My understanding is that the parties are in direct discussion regarding this transaction.

Thanks,

Selina Piekarski
Gardiner Roberts LLP

Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3

T 416.865.6729 | F 416.865.6636 | E spiekarski@grllp.com

From: Kalemi Law Professional Corporation [mailto:kalemilaw@gmail.com]
Sent: July 14, 2022 5:14 PM
To: Piekarski, Selina
Cc: Franchino, Laura
Subject: Re: Sandra Azan purchase of shares of 5004591 Ontario Inc.

Hi Selina,

We have still not received the required deposit and we do not have any indication that your client will be closing. Please note that this transaction is set to close tomorrow and time is of the essence in that respect. Our client expects your client to close tomorrow, and we remind you that that all items and actions to be performed by your client are required to be completed in full tomorrow. Kindly advise if your client is in a position to close. Alternatively, my client may be willing to discuss a short extension of the closing date under the same terms and conditions of the accepted offer, if your client would like to discuss it.

Please provide your immediate response.

Best Regards,

Mario Kalemi, Principal Lawyer
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8

T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

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On Fri, Jul 8, 2022 at 4:59 PM Piekarski, Selina <spiekarski@grllp.com> wrote:

> Hi Mario,
>
> I understand the parties are in the process of amending the purchase agreement, which amendment is to include a revised requisition and closing date. In the interest of preserving our client's requisition rights, please see attached preliminary requisition letter.
>
> I will let you know as soon as I have further information.
>
> Thank you,
>
> **Selina Piekarski**
> Gardiner Roberts LLP

Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3

T 416.865.6729 | F 416.865.6636 | E spiekarski@grllp.com

From: Kalemi Law Professional Corporation [mailto:kalemilaw@gmail.com]
Sent: July 8, 2022 12:59 PM
To: Piekarski, Selina
Subject: Re: Sandra Azan purchase of shares of 1008 Innisfil Beach Road Development Corp.

Any update on the deposit?

Best Regards,

Mario Kalemi, Principal Lawyer
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

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On Wed, Jul 6, 2022 at 1:49 PM Kalemi Law Professional Corporation <kalemilaw@gmail.com> wrote:

Hi Selina,

I am advised that you are in funds, are you in funds? If so, my client is not willing to wait 36 hours for the deposit, we need it done today as it was supposed to be completed on Monday.

Best Regards,

Mario Kalemi, Principal Lawyer
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

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On Wed, Jul 6, 2022 at 11:59 AM Piekarski, Selina <spiekarski@grllp.com> wrote:

> Hi Mario,
>
> We represent the above-noted purchaser. I understand you represent the vendor.

I've been instructed by my client to advise the deposit will be deposited into your trust account within the next 36 hours.

I ask that you please forward a copy of the minute book and all corporate documents relating to 1008 Innisfil Beach Road Development Corp.

Thank you,

GARDINER ROBERTS

Selina Piekarski
Gardiner Roberts LLP

Bay Adelaide Centre - East Tower, 22 Adelaide St W, Ste. 3600, Toronto, ON M5H 4E3

T 416.865.6729 | F 416.865.6636 | E spiekarski@grllp.com
Named one of Ontario's Top 10 Regional Firms by Canadian Lawyer Magazine in 2021-22

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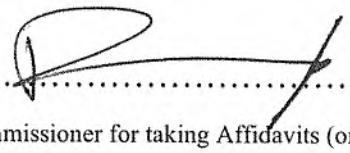
This is **Exhibit I** to the affidavit of Mario Kalemi sworn before me this 19th day of July 2024.



.....

Commissioner for taking Affidavits (or as may be)

DEAN IP

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

From: Kalemi Law Professional Corporation <kalemilaw@gmail.com>
Sent: May 12, 2023 2:43 PM
To: Prakash Kumar
Cc: Mike Sapir; Simion Kronenfeld
Subject: Re: Islington revised Schedule
Attachments: SCHEDULE A Islington APS - ISLINGTON - DRAFT - MICHAEL - IDC.docx

please see attached

Best Regards,

Mario Kalemi, Principal Lawyer
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
www.kalemilaw.ca

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On Fri, May 12, 2023 at 2:34 PM Prakash Kumar <prakash@ajglgroup.com> wrote:

> No attachement.
>
> Best regards,

Prakash Kumar
Chief Financial Officer • AJGL Group

Office. 416-663-2545 • Mobile. 416-725-2602
Email. prakash@AJGLgroup.com
425 Alness Street,
Toronto, ON, M3J 2T8

www.ajglgroup.com

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From: Kalemi Law Professional Corporation <kalemilaw@gmail.com>
Sent: Friday, May 12, 2023 1:38 PM
To: Mike Sapir <mikesapir@gmail.com>
Cc: Simion Kronenfeld <simion@AJGLgroup.com>; Prakash Kumar <prakash@AJGLgroup.com>
Subject: Islington revised Schedule

Kindly review

Best Regards,

Mario Kalemi, Principal Lawyer
KALEMI LAW PROFESSIONAL CORPORATION
425 Alness Street
Toronto, ON M3J 2T8
T:416-832-2727
F:416-907-1119
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SCHEDULE "A"

This Schedule is attached to and forms a part of the Agreement of Purchase and Sale between the
BUYER, 1000037743 Ontario Limited In Trust for A New Corporation to be Named
And; the **SELLER,** 5004591 Canada Limited
For the Purchase and Sale of: 2849 – 2857 Islington Avenue, North York, Ontario, M9L 2J9

In the event of a discrepancy or conflict between the provisions of this Schedule "A" and the provisions of the standard form Agreement of Purchase and Sale to which this Schedule "A" is attached, the provisions of this Schedule "A" shall prevail.

1.1 PAYMENT OF PURCHASE PRICE

1.2 The BUYER agrees to purchase and the SELLER agrees to sell the property for the Purchase Price included on the first page of the body of this Agreement, payable as follows:

a) Purchase Price of; **NINE MILLION ONE HUNDRED THOUSAND ($9,100,000.00) Dollars** (the "**Purchase Price**") is payable by the BUYER to the SELLER as follows;

b) The sum of ~~**ONE**~~ **THREE HUNDRED THOUSAND ($1300,000.00) Dollars** ~~is the First (1st)~~as a non-refundable Deposit ~~amount~~ payable by certified cheque, bank draft or wire transfer within ~~FORTY-EIGHT (48)~~TWENTY-FOUR (24) Hours of the Acceptance date of all parties to this transaction, to be held in trust by **"** ~~Friedman~~ Kalemi Law Professional Corporation in Trust **"** pending completion or other termination of this Agreement and to be dealt with in accordance with Section3 of this Schedule"A";

~~c) The sum of **TWO HUNDRED THOUSAND ($200,000.00) Dollars** is the Second (2nd) Deposit amount payable by certified cheque, bank draft or wire transfer within FORTY-EIGHT(48) Hours of the waiver of the "BUYER DUE DILIGENCE CONDITIONAL PERIOD" (as defined in this Schedule "A"), to be held in trust by "Friedman Law Professional Corporation in Trust" pending completion or other termination of this Agreement and to be dealt with in accordance with Section 3 of this Schedule "A";~~

d) As to ~~**TWO**~~ **ONE MILLION ~~TWO~~ FIVE HUNDRED ~~FIFTY~~ THOUSAND ($1,500,000.00) Dollars** by the BUYER issuing the SELLER TAKE BACK SECOND OPEN MORTGAGE to the SELLER in accordance with Section 5 of this Schedule"A"; and

e) The balance of the purchase price shall be paid on Closing by the BUYER to the SELLER by certified cheque, bank draft or wire transfer on the Completion Date, subject to adjustments ~~as set out in Section 4 of this Agreement~~.

2.1 SUBJECT PROPERTY, ADDRESS AND LEGAL DESCRIPTION

2.2 2849, 2851, 2853, 2855 and 2857 Islington Avenue. The subject properties are rectangular in shape with a combined frontage of approximately 79m by 45m depth on Islington Avenue. The city has approved the construction of a 5 storey condominium development which will be comprised of 111 units. The planning and development proposal of an area of approximately 6,965 square meters or 75,000 square feet~~., w.~~ The combined and assembled properties have a land area of approx. 3,409 square meters.

2.3 a) **PROPERTY ADDRESS:** 2849 ISLINGTON AVENUE (5004591 ONTARIO INC)
PIN: 103060064
DESCRIPTION: PT LT 22 CON 6 WYS TWP OF YORK AS IN NY735134; TORONTO (N YORK), CITY OF TORONTO

Initials of BUYER: Initials of SELLER:

SCHEDULE "A"

This Schedule is attached to and forms a part of the Agreement of Purchase and Sale between the
BUYER, 1000037743 Ontario Limited In Trust for A New Corporation to be Named
And; the **SELLER,** 5004591 Canada Limited
For the Purchase and Sale of: 2849 – 2857 Islington Avenue, North York, Ontario, M9L 2J9

b) **PROPERTY ADDRESS:** 2851 ISLINGTON AVENUE
PIN: 103060032
DESCRIPTION: PT LT 1 PL 9059 NORTH YORK AS IN TR92058; TORONTO (N YORK) , CITY OF TORONTO

c) **PROPERTY ADDRESS:** 2853 ISLINGTON AVENUE
PIN: 103060033
DESCRIPTION: PT LT 1 PL 9059 NORTH YORK AS IN TB221318; TORONTO (N YORK), CITY OF TORONTO

d) **PROPERTY ADDRESS:** 2855 ISLINGTON AVENUE
PIN: 10306 0034
DESCRIPTION: PT LT 2 PL 9059 NORTH YORK AS IN TB379984; TORONTO (N YORK) , CITY OF TORONTO

e) **PROPERTY ADDRESS:** 2857 ISLINGTON AVENUE
PIN: 10306 0035
DESCRIPTION: PT LT 2 PL 9059 NORTH YORK AS IN TB379983; TORONTO (N YORK) , CITY OF TORONTO

3.0 DEPOSIT

3.1 The Deposit shall be deposited to **"~~Friedman~~ Kalemi Law Professional Corporation in Trust** ~~via Barry M. Polisuk, Senior Counsel~~**"** in an non-interest bearing trust account pending the Closing Date or earlier termination of this Agreement to be credited and paid on account of the purchase price on Closing or to be ~~returned~~ released to the ~~BUYER~~SELLER, ~~together with interest earned thereon~~ if the ~~SELLER~~ Buyer is legally obligated to close the transaction but fails to do so (in addition to all other remedies available to the ~~BUYER~~ SELLER at law or equity) and the ~~BUYER~~ SELLER is ready, willing and able to close the transaction ~~or if the BUYER legally terminates the agreement~~. Upon Closing of the transaction contemplated by this Agreement, no interest in respect of the deposit shall be paid to the BUYER following closing of the transaction or other termination of this agreement.

4.0

4.1 PURCHASE PRICE INCLUDES

The purchase price includes any available~~;~~ soil reports, storm water management reports, applications, surveys, drawings, engineering plans, specifications, studies, reports, applications and reports to the city of Toronto, municipality of Metropolitan of Toronto and generally all agreements, ~~any and all pre-sale agreements regarding the project,~~ documents and materials whatsoever if in the possession or under the control of the SELLER relating to the property, all of which have been paid for in full by the SELLER and are free and clear of any liens. The SELLER covenants to deliver all such documents and material in its possession to the BUYER within TWO (2) days following the receipt of the Deposit~~after the date of acceptance of this Agreement by the SELLER~~.

Formatted: Normal, Right: 0 cm, Space Before: 0 pt, Line spacing: single, Tab stops: Not at 14.19 cm

Initials of BUYER: Initials of SELLER:

Hearing Brief p. 1407

SCHEDULE "A"

This Schedule is attached to and forms a part of the Agreement of Purchase and Sale between the **BUYER,** 1000037743 Ontario Limited In Trust for A New Corporation to be Named And; the **SELLER,** 5004591 Canada Limited For the Purchase and Sale of: 2849 – 2857 Islington Avenue, North York, Ontario, M9L 2J9

5.1 SELLER TAKE BACK SECOND OPEN MORTGAGE

5.2 The BUYER agrees to give and the SELLER agrees to take back a Second Open Charge/ Mortgage of land the SELLER in the principal amount of **ONE MILLION FIVE HUNDRED FIFTY THOUSAND ($1,500,000.00) Dollars** (the "STB Mortgage") having ~~an initial~~ term of ~~TWO~~ ONE (12) Year~~s~~ (the "STB Term") and bearing interest at the rate of Eight and One half percent (8.50%) payable on maturity or construction financing whichever is ~~later~~ earlier in time. The first mortgage shall not exceed the amount of $5,000,000.00 with interest payable monthly.

5.3 Interest Rate on the STB shall be calculated semi-annually not in advance, and shall be payable at the end of the term. ("STB Mortgage Term")

5.4 The STB Mortgage will be prepared by the ~~BUYER~~ SELLERS lawyer and shall contain such reasonable additional development clauses as the lawyers for the BUYER and SELLER shall agree and approve including but not limited to:

a) Free discharges for dedication of public roads, parks, rights of way and easements, and transfers/dedications to any government authority having jurisdiction, such as conservation authorities, with the exception of reasonable legal fees;

b) Postponement to the registration of a condominium plan and any accompanying and ancillary documents required by any government authority in connection with the registration of a condominium on and the rezoning of the property

c) The STB Mortgage shall be due at the end of the STB Mortgage Term or ~~(the "**Maturity Date**")~~ on the first business day from when the BUYER receives construction financing for the condominium development project (the "**Maturity Date**").

d) In the event that the BUYER has not received construction finance by the end of the ~~second (2nd)~~first year then the parties herein agree that the Lender, at the Lender's sole option, may~~STB Mortgage will be automatically~~ renew~~ed~~ and extend~~ed~~ the Maturity Date by a further ~~One (1) additional~~ One (1) year ~~terms~~ bearing interest at the rate of Eight and One half percent (8.50%)

e) The STB Mortgage holder has agreed and is required to postpone the STB Mortgage to all acquisition, equity financing, performance security, surety bonding and construction/project financing of the Property, including appropriate standstill clauses as required by the applicable lenders, total of such encumbrances not to exceed Five Million Dollars ($5,000,000.00). Such postponements and standstill agreements may require delivery of any further postponements to permit the residential condominium to be registered, free discharges for the closing of the residential units and as such other requirements of the applicable lenders.

~~f) The STB Mortgage shall contain satisfactory right of set off.~~

6.0. SELLER DELIVERABLES

6.1 The SELLER agrees to provide or make available for inspection, as appropriate, by the BUYER or the BUYER Solicitors (which availability may be made by way of email or disk), as soon as reasonably feasible and in any event no later than TWO (2) days following ~~the date that the Agent has confirmed to the SELLER that it has received~~ the receipt of the ~~Initial~~ Deposit, the following documentation and materials with respect to the property (the **"SELLER DELIVERABLES"**) to the extent, but only to the extent that such SELLER DELIVERABLES are in the SELLER possession or control:

a) an existing survey of the property;

Initials of BUYER: Initials of SELLER:

SCHEDULE “A”

SCHEDULE "A"

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And; the **SELLER,** 5004591 Canada Limited
For the Purchase and Sale of: 2849 – 2857 Islington Avenue, North York, Ontario, M9L 2J9

b) authorizations to governmental authorities having jurisdiction permitting such authorities to release information from their files and advise the BUYER of any work orders, orders to comply, deficiency notices or the like outstanding or pending with respect to the property and/or buildings over which such authorities have jurisdiction provided that such authorizations shall not request any inspections to be conducted by such authorities;

c) copies of any environmental and/or studies and audits relating to the property including any Phase I and/or Phase II environmental reports;

d) copies of realty tax bills for the property for the current and previous calendar year;

e) the reports and material referred to in sections 4.1 and 13 hereof;

f) a direction to all of the seller's consultants authorizing the consultants to release all information in their files to the BUYER and to deal with the BUYER with respect to the Property both before and after closing;

g) any other similar material in the possession or control of the SELLER in respect of the ownership, operation and management of the property; and

~~copies of any existing agreements of purchase and sale for units at the Property.~~

h) The approved site plan documents

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~~**7.1 THE "BUYER DUE DILIGENCE CONDITIONAL PERIOD"**~~

~~**7.2** The "BUYER DUE DILIGENCE CONDITIONAL PERIOD" means the first business day that is not less than FIFTEEN (15) days from the Confirmation of Acceptance of this agreement.~~

8.1 THE "TITLE SEARCH REQUISITION DATE"

8.2 The "TITLE SEARCH REQUISITION DATE" is the date that is the first business day which is ~~FIVE~~ Fifiteen (15) Days prior to the Closing Date.

9.1 THE "COMPLETION DATE"

9.2 The "Completion Date" means the first Business Day that is not less than ~~FIFTEEN~~ Thirty (~~15~~30) days from the Confirmation of Acceptance of this agreement.~~following waiver of the "BUYER DUE DILIGENCE CONDITIONS".~~

Initials of BUYER: Initials of SELLER:

SCHEDULE "A"

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~~**10.1 BUYER DUE DILIGENCE CONDITIONS**~~

~~**10.2** This Agreement is conditional until the **"**BUYER DUE DILIGENCE CONDITIONAL PERIOD" for a period of THIRTY (30) days, upon the BUYER being satisfied in its sole and absolute unfettered discretion with the results of any general reporting, inspection, investigation and due diligence that may be conducted by the BUYER relating to the Property and this Agreement, including but not limited to, the zoning for the BUYER development objective, title of the Property, the BUYER Lawyers satisfactory review of this Agreement of Purchase and Sale, financing for the BUYER and the BUYER review of the disclosure documents, searches, building inspection, soils, environmental, conservation, site plan approval, permits, costs and financial/economic viability and timing of any such development. Unless the BUYER gives notice in writing delivered to the SELLER personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than the time period indicated in this paragraph, that the preceding condition has been fulfilled, this offer shall become null and void and the deposit shall be returned to the BUYER in full without deduction. This condition is included for the benefit of the BUYER and may be waived at the BUYER sole option by notice in writing to the SELLER as aforesaid within the time period stated herein. During the conditional period, the BUYER and its agents and employees shall enter on the Property at all reasonable times approved by the SELLER, at the BUYER sole risk and expense, for the purposes of making such inspections, surveys, engineering studies, utility investigations, environmental assessments (including a Phase I Environmental Assessment) and tests and such other studies as the BUYER deems appropriate. Such access shall be, be in the company of a representative of the SELLER.~~

11.1 ENVIRONMENTAL WARRANTY

11.2 "Environmental Contamination" means the presence of Hazardous Substances or Conditions other than as permitted by applicable Environmental Laws at, in, on or upon or within the Property or any part thereof or on, in, under or emanating from the Property.

11.3 "Environmental Laws" means all applicable federal, provincial, municipal and local laws, statutes, ordinances, by-laws and regulations and all orders, directives and decisions rendered by, and policies, guidelines and similar guidance of, any ministry, department or administrative or regulatory agency or court (in each case having or being deemed to have the force of law), including any obligations or requirements arising under common law, relating to the protection of the environment, human health and safety or the manufacture, processing, distribution, use, treatment, storage, presence, disposal, packaging, labeling, recycling, transport, handling, containment, clean-up or other remediation or corrective action of or in respect of any Hazardous Substances or Conditions.

11.4 "Hazardous Substances or Conditions" means substances or conditions which are hazardous to persons or property including without limitation radioactive materials; explosives; toxic substances; mould; substances that when added to water detrimentally affect the quality thereof and its use by man, animal, fish or plant; any solid, liquid, gas or odour or combination of any thereof that if emitted into the air would contribute to the creation of a condition that endangers health, safety or welfare of persons or animal life, interferes with normal enjoyment of life or property or causes damage to plant life or property; or any substances or conditions or chemical or biological agents which are defined or designated as hazardous and/or having a negative environmental impact by any Environmental Laws.

Initials of BUYER: Initials of SELLER:

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11.5 The SELLER Warrants:

a) The SELLER represents and warrants that the Property is and to the best of the SELLER knowledge and belief, the Property shall be, as at the Closing Date, in compliance with Environmental Laws, and free of Environmental Contamination.

~~b) The BUYER shall not be responsible for any Environmental Contamination in existence, or arising from c conditions of the Property which existed, as at the Closing Date.~~

~~c) Neither the SELLER nor the BUYER shall cause or allow any Hazardous Activities on the Property except in strict compliance with all applicable Environmental Laws and using all necessary and appropriate precautions which a prudent operator would exercise.~~

~~d) Each of the SELLER and the BUYER shall indemnify, defend with counsel, and hold the other harmless from and against any fines, penalties (including administrative (no-fault) penalties), claims, demands, actions, suits, proceedings, damages, costs or liabilities (including third party liabilities), prosecutions and administrative or other orders or directives, including any appeals thereof (collectively hereinafter referred to as the "Liabilities") being levied against, suffered by, or accruing to the indemnified party arising out of any Hazardous Activities conducted by, or by any Environmental Contamination caused by or which is the responsibility of, the indemnifying party or by any person for whom the indemnifying party is in law responsible.~~

~~e) The parties agree that the cost of rectification or remediation of any Environmental Contamination caused by either the SELLER or the BUYER or those for whom they are respectively in law responsible shall be the sole responsibility of the party causing the same.~~

~~f) Upon written request by the BUYER, the SELLER will (or shall cause the responsible party to), at its own expense, promptly remove from the Property, or remediate (or shall cause the responsible party to remediate) any Environmental Contamination for which the SELLER is responsible in accordance with the provisions hereof, in a manner that conforms to all Environmental Laws.~~

12.1 SELLER COVENANTS

12.2 The SELLER covenants and agrees with the BUYER that the SELLER will: promptly notify the BUYER in writing of the existence or happening of any fact, event or occurrence known to it which may alter the accuracy or completeness of any covenant, representation or warranty of the SELLER contained in this Agreement.

Initials of BUYER: Initials of SELLER:

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SCHEDULE "A"

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13.1 ADDITIONAL SELLER DELIVERIES

~~13.2~~ The SELLER shall in addition to the deliveries herein before set out deliver to the BUYER within TWO days following the receipt of the Deposit~~THREE (3) days of acceptance~~, each of the following if available, to the BUYER including all documents, designs, permits, Renderings, etc. related to the Property, including but not limited to;

a) Final plans and specifications;

b) All applicable building, development, foundation and excavation permits; (if any)

c) Approved Site Plan Documents and Designs (All Drawings and Approved Site Plans documents;

d) Phase 1 environmental report;

~~e) Current and up to date Appraisal report from Colliers or Avison Young or Cushman & Wakefield or CBRE. The Appraisal report must not be older than 6 months;~~

~~f)~~e) Feasibility study;

~~g) Copies of any agreements of purchase and sale with respect to the Property entered into by the SELLER and a schedule of all deposits received;~~

~~h)~~f) Current Environmental report;

~~i) A new and updated Appraisal Report,and~~

~~j)~~g) All and any related documents relating to the property and the proposed development project.

14.1 CLOSING CONDITIONS

14.2 The BUYER shall not be obligated to complete the purchase of the Property on the Completion Date unless each of the following conditions (the "**Closing Conditions**", or individually a "**Closing Condition**") shall have been waived or fulfilled and complied with in accordance with their terms on or before 5:00 p.m. on or before the Completion Date (unless the individual Condition specifies an earlier date, in which case, such Condition must be waived or fulfilled or complied with in accordance with its terms on or before 5:00 p.m. on the date so specified):

a) On Closing, there shall have been no Work Orders or new encumbrances or matters affecting the title to the Property arising or registered after the Requisition Date;

~~b) On Closing, at the direction of the BUYER, any agreement of purchase and sale entered into by the SELLER shall be terminated and all deposits returned to the purchasers. In the event that the BUYER elects to assume any of the agreements of purchase and sale, such agreements shall be assigned to the BUYER on Closing and all deposits shall be transferred to the BUYER;~~

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Initials of BUYER: Initials of SELLER:

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~~c)~~b) On Closing, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the SELLER shall have been complied with in all material respects or performed at the times contemplated herein; and

~~d)~~c) On Closing, the representations and warranties of the SELLER set out in Section 20 hereof shall be true and correct in all material respects.

14.3 Each condition contained in this ~~Agreement~~ Section has been included for the BUYER exclusive benefit.

14.4 If a closing condition set out in Section 14 has not been satisfied on or before the Completion Date or such other date as may be specified for its fulfillment, the BUYER may:

a) waive compliance with the condition by written notice to the SELLER to be given on or before the date specified for the performance of such condition, without prejudice to any of its rights or termination in the event of non-performance of any other condition, in whole or in part; or

b) elect to terminate this Agreement, in which case neither party shall be under any further obligation to the other to complete the transaction contemplated by this Agreement and the Deposit~~, with all interest accrued thereon~~, shall be returned to the BUYER forthwith without deduction**.**

15.1 CLOSING DOCUMENTS

15.2 SELLER CLOSING DOCUMENTS

On or before Closing, subject to the provisions of this Agreement, the SELLER shall prepare and execute or cause to be executed and shall deliver or cause to be delivered to the BUYER the following (the "**SELLER Closing Documents**")

a) a good and valid registrable Transfer/Deed of Land of the SELLER interest in the Property in favour of the BUYER containing the statements of the SELLER and the SELLER Solicitor under Section 50 (22) of the Planning Act (Ontario);

b) a direction as to the payee or payees of the Purchase Price;

c) a statement of adjustments to be delivered at least SEVEN (7) days before Closing;

~~d) an assignment of agreements of purchase and sale, if applicable;~~

~~e)~~d) an undertaking by the SELLER to re-adjust the statement of adjustments;

~~f)~~e) a statutory declaration from an officer of the SELLER confirming that the SELLER is not a non-resident for the purposes of the Income Tax Act of Canada;

Initials of BUYER: Initials of SELLER:

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~~g)~~f) a statutory declaration of possession of a senior officer of the SELLER in respect of the Property

~~h)~~g) certified copies of a director's resolutions of the SELLER authorizing and approving the completion of the sale of the Property to the BUYER in accordance with the provisions of this Agreement and such other corporate authorization of the SELLER, its board of directors and members as the BUYER shall reasonably require and which are prescribed by law;

~~i)~~h) originals (or copies to the extent originals are not in the SELLER possession or control to the extent in the possession or control of the SELLER of all Due Diligence Materials;

~~j)~~i) a certificate of the SELLER confirming that, as of the Closing Date, the representations and warranties of the SELLER set out in Section 20 hereof are true and accurate in all material respects, save and except with respect to any matters which have occurred following the date of execution hereof and which are listed in such certificate, provided same are acceptable and satisfactory to the BUYER, acting reasonably;

~~k)~~j) registrable discharges of all mortgages, work orders or charges affecting the Property and vacant possession of the Property; and

~~l)~~k) such other documents as the BUYER shall reasonably require.

~~m)~~l) All documentation shall be in form and substance acceptable to the BUYER and SELLER and shall be prepared by the BUYER solicitor.

15.3 BUYER CLOSING DOCUMENTS

On or before Closing, subject to the provisions of this Agreement, the BUYER shall execute or cause to be executed and shall deliver or cause to be delivered to the SELLER the following (the "**BUYER Closing Documents**"):

a) the balance of the Purchase Price;

b) an undertaking by the BUYER to re-adjust the statement of adjustments;

c) an HST Undertaking and Indemnity;

d) the SELLER TAKE BACK SECOND MORTGAGE and security documents; and

e) such other documents as the SELLER or its solicitors shall reasonably require.

f) All documentation shall be in form, and substance acceptable to the BUYER and SELLER and shall be prepared by the ~~BUYER~~ SELLER solicitor.

Initials of BUYER: Initials of SELLER:

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16.0 INSPECTION RIGHTS

16.1

a) Upon acceptance hereof, and thereafter, the BUYER together with its engineers, surveyors and consultants, shall be entitled to enter upon the Lands, at the BUYER sole risk and expense, in order to do such soil tests, surveying and other work as may be required by the BUYER in its sole and unfettered discretion including, environmental testing (Phase 1 & 2). The SELLER agrees to cooperate with the BUYER to those ends and agrees to execute any consents required by the BUYER.

b) The BUYER shall, if it does not waive the condition set out in Section 10, repair any damage caused by its entry and restore the Lands to the physical condition they were in prior to such tests having been performed. The BUYER shall not leave any equipment on the site after its tests and investigations have been completed.

17.1 REQUISITION

17.2 The SELLER shall not be bound to produce any abstract of title, title deeds, survey, or other evidence of title other than those in the SELLER possession or control. The BUYER is to examine title to the Lands at the BUYER own expense and shall have until the first Business Day which is ~~five~~ fifteen (15) days prior to the Closing Date to submit requisitions with respect to any title matter, otherwise the BUYER shall be deemed to have waived all objections to title not furnished to the SELLER in writing prior to that time, and by such omission to put objections in writing within that time, the BUYER shall be deemed to have accepted the SELLER title with respect thereof. Should any valid objections to title be raised which the SELLER is unable to remove and which the BUYER will not waive, this Agreement shall be at an end and all deposits paid shall be returned to the BUYER, with interest as hereinbefore set out, and the SELLER shall not be liable for any costs, damages or expenses incurred by the BUYER. The SELLER agrees to discharge on or before the Closing Date at its sole expense, all outstanding mortgages and Work Orders registered against title.

18.0 PLANNING ACT

18.1 This Agreement is conditional upon compliance with Section 50 of the Planning Act. The SELLER further covenants that the Transfer/Deed of Land to be delivered on closing will contain the statements contemplated by Section 50 (22) of the *Planning Act.*

~~**19.1 ASSIGNMENT**~~

~~**19.2** The BUYER shall have the right to assign this Agreement to any party but conditional upon closing on written notice to the SELLER not less than FIVE (5) days prior to the Closing Date.~~

Initials of BUYER: Initials of SELLER:

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SCHEDULE "A"

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20.1 REPRESENTATIONS AND WARRANTIES

20.2 SELLER Representations:

The SELLER hereby represents and warrants to and in favour of the BUYER, that, as of the date of this Agreement and as of the Closing Date (unless this Agreement is earlier terminated pursuant to the terms and conditions hereof):

a) The SELLER is a corporation duly existing under the laws of Ontario and has the necessary corporate authority, power and capacity to own the Property and to enter into this Agreement and the documents and transactions contemplated herein and to carry out the agreement of purchase and sale constituted on the execution and delivery of this Agreement and the documents and transactions contemplated herein on the terms and conditions herein contained;

b) The SELLER has good right, full power and absolute authority to enter into this Agreement and to sell, assign and transfer the Property to the BUYER in the manner contemplated herein and to perform all of its obligations under this Agreement;

c) The Due Diligence material provided to the BUYER as set forth in Section 4, 6 and 13 hereof are accurate, true and correct in all material respects;

d) The SELLER:

i) is not an insolvent person within the meaning of the Bankruptcy and Insolvency Act (Canada) or other similar legislation,

ii) has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof,

iii) has not had any petition for a receiving order presented in respect of it, and

iv) has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution;

e) the SELLER will on Closing be the beneficial and legal owner of the Property;

f) the SELLER has not received any notice from any Governmental Authority with respect to any by-law change or passage of a site-specific by-law or interim control by-law or other proceedings of a Governmental Authority affecting the Property nor any notice relating to any threatened or pending condemnation of the Property;

g) except as disclosed in writing to the BUYER ~~prior to the "BUYER DUE DILIGENCE CONDITIONAL PERIOD"~~ and except as disclosed in the ~~Due Diligence~~ Seller Deliveries delivered or made available pursuant to Section 4, 6 and 13 hereof, there is no litigation, claim or proceeding, including appeals and applications for review, in progress, or, to the best of its knowledge, pending or threatened against or relating to it and affecting Property before any domestic court, governmental department, commission, board, bureau or agency, or arbitration panel, and there is not presently outstanding against it and affecting the Property or any of them any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency or arbitrator, in each case, which has a material adverse effect on the Property.

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h) there are no existing or, to the best of its knowledge, pending or threatened expropriation proceedings relating to the Property or any portion thereof;

i) it has not received written notice of any environmental claim which remains outstanding against either the SELLER or the Property;

j) there are no outstanding options to purchase or rights of first refusal to purchase the Property or any portion thereof;

k) save and except as disclosed in the ~~Due Diligence~~ Materials, the SELLER has no knowledge of the use of the Property as a landfill or waste disposal site or of the use and occupation of the Property contravening any environmental law or of the Property containing any hazardous substances that may be detrimental to the environment, including the air, soil, subsoil or surface or ground water at, on or under the Property. The SELLER has not emitted, released, discharged or disposed or deposited any hazardous substance at or near the Property and the SELLER has not received any notice of any proceedings, which relate to the environmental status of the Property; and

l) the SELLER has not received any notice with respect to a by-law change, or passage of any site specific or interim control by-law or other material proceedings of a governmental authority affecting the Property.

m) The foregoing representations and warranties are for the sole benefit of the BUYER and may be waived by the BUYER at any time in whole or in part.

~~**21.1 EXCLUSIVITY**~~

~~**21.2** The SELLER, upon signing and returning this Agreement of Purchase and Sale to the BUYER, agrees that the BUYER shall have the exclusive right to negotiate and close the subject transaction. Following acceptance of this Agreement of Purchase and Sale, the SELLER (including all officers, directors, agents, consultants, advisors, etc.) shall refrain from (directly or indirectly) contacting, undertaking, receiving or responding to any solicitation, continuing negotiations or discussions with, enquiries from or providing any information to any third party concerning any proposed sale of all or any part of the assets of SELLER, or any merger, combination, amalgamation, arrangement or take over bid, or other transaction whereby SELLER is combined with another entity or joint venture.~~

~~**22.1 BINDING**~~

~~**22.2** This Agreement of Purchase and Sale and the terms and conditions herein are intended to create and constitute a legally binding obligation between the parties and shall continue to bind the parties hereto during the "BUYER DUE DILIGENCE CONDITIONAL PERIOD". This Agreement of Purchase and Sale will cease to bind the parties hereto and will no longer have any validity or effect on the date the BUYER chooses not to waive the BUYER DUE DILIGENCE CONDITIONS.~~

Initials of BUYER: Initials of SELLER:

SCHEDULE "A"

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23.1 GOVERNING LAW

23.2 This Agreement of Purchase and Sale shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

24.1 ENTIRE AGREEMENT

24.2 There are no other agreements, whether written or oral, among the parties with respect to the subject matter of the Agreement of Purchase and Sale.

25.1 ACCESS TO LANDS

~~25.2~~ From and after the date of acceptance hereof, the BUYER shall be entitled to enter upon the whole or any part of the subject lines to undertake surveys and such tests as the BUYER may by giving written 24 hour notice, in its discretion, require, including soil test provided that the BUYER shall restore the lands to their original condition and it's so cost and expense. ~~In addition, following waiver of the BUYER DUE DILIGENCE CONDITIONS as set out in this Schedule "A", the BUYER shall have the right, either on its own account, or on behalf of the SELLER, at the sole cost and expense of the BUYER to take and complete all such actions, matters and things as may be required by the BUYER, and its discretion for the development of the subject lines, including the right to prepare, submit and process all applications and other documents generally required for the development of the subject lines through all governmental authorities having jurisdiction in that regard, and the rights to enter into all such agreements as the BUYER may deem necessary for the development of the subject lines. SELLER shall deliver such written authorization and execute all such documents that the BUYER may require to enable the BUYER to undertake and complete the foregoing, provided that the SELLER incurs no financial exposure or liability.~~

~~25.2~~

26.1 ASSIGNMENT

26.2 The BUYER shall have the right at any time prior to Closing to assign the within Offer to any person, persons or corporation(s), acting reasonably, and upon delivery to the SELLER of notice of such assignment, together with the assignee's covenant in favor of the SELLER to be bound hereby as BUYER, the BUYER herein before named shall ~~be fully released from~~remain liable all further liability hereunder.

27.1 LEGAL ADVICE

27.2 Parties to this Agreement acknowledge that the Real Estate Broker(s) so named in this Agreement has recommended that the Parties obtain independent professional advice prior to signing this document. The Parties further acknowledge that no information provided by such Real Estate Broker(s) is to be construed as legal, tax or environmental advice.

Initials of BUYER: Initials of SELLER:

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SCHEDULE "A"

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28.1 PROVISIONS SHALL NOT MERGE ON CLOSING

28.2 The SELLER and BUYER acknowledge and agree that the provisions of this Agreement shall not merge on closing but shall continue and remain in full force and effect thereafter.

29.1 AGENCY

29.2 The parties to this transaction hereby acknowledge that the BUYER Broker represents the interest of the BUYER and not the SELLER. The BUYER Broker has entered into a BUYER Representation Agreement contract with the BUYER for the authority to purchase this property.

30.1 TIME OF THE ESSENCE

30.2 Time shall be of the essence of this Agreement and every part hereof provided that the time for doing or the completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by the SELLER and the BUYER or by their respective solicitors, who are hereby expressly appointed in this regard.

~~**31.1 PLANNING ACT**~~

~~**31.2** This Agreement is conditional upon compliance with Section 50 of The Planning Act. The SELLER further Covenants that Transfers/Deed of Land to be delivered on closing will contain the statements contemplated by Section 50 (22) of The Planning Act.~~

32.1 COUNTERPART/FACSIMILE/EMAIL EXECUTION

32.2 This Agreement may be executed in any number of counterparts and by facsimile signature and each such counterpart shall for all purposes constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the same counterpart, provided that each party has signed at least one counterpart.

33.1 EFFECT OF TERMINATION OF AGREEMENT

33.2 In the event of the termination of this Agreement for any reason, the BUYER shall forthwith return to the SELLER all documentation, written information, information on disk, and similar material provided to the BUYER by or on behalf of the SELLER and all copies thereof made by the BUYER and the BUYER shall remain obligated to repair and restore the Property and to indemnify the SELLER.

Initials of BUYER: Initials of SELLER:

SCHEDULE "A"

This Schedule is attached to and forms a part of the Agreement of Purchase and Sale between the
BUYER, 1000037743 Ontario Limited In Trust for A New Corporation to be Named
And; the **SELLER,** 5004591 Canada Limited
For the Purchase and Sale of: 2849 – 2857 Islington Avenue, North York, Ontario, M9L 2J9

34.1 CONFIDENTIALITY

34.2 The BUYER and SELLER hereby covenants and agrees that the contents, terms and conditions of this Agreement of Purchase and Sale to be executed shall be kept strictly confidential. It is understood that the BUYER and SELLER will not, without written permission of the ~~BUYER~~other party, discuss or reveal the terms of this Agreement of Purchase and Sale with other Parties including, but not limited to other neighbors, prospective BUYERS, Real Estate Brokers/Sales Representatives, suppliers or customers, save and except for the legal and financial advisors of the BUYER or SELLER.

35.1 DISCLOSURE AND COMMISSION PAYABLE

35.2 Both parties to this Agreement of Purchase and Sale acknowledge that Superstars Realty Ltd. is providing customer Service to the BUYER in this transaction and shall be compensated as a Cooperating Brokerage as identified in the Confirmation of Cooperation Agreement attached hereto to this agreement. The SELLER hereby accepts this Agreement of Purchase and Sale and the Confirmation of Cooperation Agreement. Consideration for the procuring of this Agreement of in Purchase and Sale will be paid a brokerage cooperating commission of_____ percent plus HST, upon the completion of the Agreement of Purchase and Sale.

36.1 HARMONIZED SALES TAX

36.2 Harmonized Sales Tax ("HST") payable in respect of the purchase price of the Property is not included in but is in addition to the Purchase Price. The BUYER hereby represents, covenants and warrants that it is now or will be by no later than the Closing Date registered in accordance with the requirements and for the purposes of HST in accordance with the provisions of the Excise Tax Act (Canada). The BUYER shall deliver a statutory declaration on closing attesting to its HST registration together with a copy of such registration, if available. The BUYER shall further provide to the SELLER on Closing a certificate and indemnity in a form satisfactory to the SELLER, acting reasonably, indemnifying the SELLER and saving it harmless from all costs, expenses, damages, penalties, interest and liability whatsoever that relates to or arises from the BUYER not paying HST eligible on the subject transaction or from any inaccuracy, mistake or misrepresentation made by the BUYER in connection with any matter raised in this Schedule "A" or contained in the BUYER declaration and/or certificate delivered pursuant hereto. If the BUYER is not registered for purposes of HST on Closing, the BUYER shall pay any HST eligible on this transaction to the SELLER as an adjustment on Closing.

Initials of BUYER: Initials of SELLER:

SCHEDULE "A"

This Schedule is attached to and forms a part of the Agreement of Purchase and Sale between the
BUYER, 1000037743 Ontario Limited In Trust for A New Corporation to be Named
And; the **SELLER,** 5004591 Canada Limited
For the Purchase and Sale of: 2849 – 2857 Islington Avenue, North York, Ontario, M9L 2J9

37.1 ELECTRONIC REGISTRATION

37.2 Where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act (Ontario) and the Electronic Registration Act, 1991 (Ontario) and any amendments thereto, the SELLER and the BUYER acknowledge and agree that the delivery of the Closing documents provided for in this Agreement (the "Requisite Deliveries") will:

a) not occur at the same time as the registration of the Transfer/Deed (and any other documents intended to be registered in connection with the completion of this transaction), and

b) be held in escrow and not released except in accordance with the terms of a Document Registration Agreement. Unless otherwise agreed to by the lawyers, the exchange of the Requisite Deliveries will occur on Closing at the offices of BUYER Solicitors.

Initials of BUYER: Initials of SELLER:

SCHEDULE “A”

Initials of BUYER: Initials of SELLER:

Hearing Brief p. 1423

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

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 24TH
	)	
JUSTICE CAVANAGH	)	DAY OF JULY, 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 Lakeshore Luxe Design and Build Group Inc., in trust for a corporation to be incorporated dated June 12, 2024 and appended to the First Report of the Receiver dated July 16, 2023 (the "First Report"), and vesting in 1000944028 Ontario Inc. (the “Purchaser”) 5004591 Ontario Inc.’s (the “Debtor”) 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.

EXHIBIT 5 -

EXHIBIT

5

ON READING the First 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 affidavit of Candace Baumtrog, sworn July 17, 2024:

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 the Purchaser.

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 the Purchaser, 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 Titles Division of Toronto 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 the Purchaser 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 the Receiver is authorized and directed to make the Interim Distribution as described and defined in the First Report.

6. THIS COURT ORDERS THAT the distribution to Cameron Stephens Mortgage Capital Ltd. (as contemplated as part of the Interim Distribution) is without prejudice to any arguments, positions, claims, rights or entitlements that any person may now have, or could have or has made to date or may hereafter decide to make in relation to either Property, and without limiting the generality of the foregoing, does not prejudice any claims or rights that any person has or may have under the foregoing general wording as well as (i) to claim to subrogate to any of the security or loan debt held by Cameron Stephens, or in relation to duties and obligations relating thereto or claims under Section 2 of the *Mercantile Law Amendment Act* or otherwise, (ii) to claims relating to rights arising from Section 2 of the *Mortgages Act*, (iii) to claim contribution and indemnity from any person (other than, for certainty, against the Receiver); and (iv) to assert any marshalling arguments provided that, for certainty, no party may make any claim against any recipient on account of proceeds received from the Interim Distribution.

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 the Purchaser 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.

Schedule A – Form of Receiver's Certificate

Court File No. _____

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 (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 July 24, 2024, the Court approved the agreement of purchase and sale made as of June 12, 2024 (the "Sale Agreement") between the Receiver and Lakeshore Luxe Design and Build Group Inc., in trust for a corporation to be incorporated (the "Purchaser") and provided for the vesting in the Purchaser of the 5004591 Ontario Inc.'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 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 C – Claims to be deleted and expunged from title to Real Property

Reg. Num.	Date	Instrument Type	Parties To
TB379984	December 29, 1986	DECL SEC 22	
AT5125306	May 1, 2019	TRANSFER	5004591 ONTARIO INC.
AT5323017	December 18, 2019	CHARGE	CAMERON STEPHENS MORTGAGE CAPITAL LTD.
AT5323018	December 18, 2019	NO ASSGN RENT GEN	CAMERON STEPHENS MORTGAGE CAPITAL LTD.
AT6455828	December 7, 2023	NOTICE	
AT6591119	June 11, 2024	APL COURT ORDER	RSM CANADA LIMITED
AT6591123	June 11, 2024	APL AMEND ORDE	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	Parties To
NY524794	November 21, 1967	Agreement	The Corporation of the Borough of North York
NY579166	July 20, 1970	By-law exempting Part Lot	
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

CAMERON STEPHENS MORTGAGE CAPITAL LTD. **Applicant**	-and-	CONACHER KINGSTON HOLDINGS INC. et al. **Respondents**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

APPROVAL AND VESTING ORDER

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Toronto, ON M5V 3H1
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Tel: 416.646.6356
Email: ryan.shah@paliareroland.com

Lawyers for the Receiver,
TDB Restructuring Limited

Sixth Report of the Receiver

dated June 8, 2026

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.

Respondent

AFFIDAVIT OF SIMION KRONENFELD

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

1. I am a director of AJGL Group Inc. ("AJGL").

2. AJGL has for several years carried on business as, among other ventures, a property developer in various locations, including in the greater Toronto area, at times in association with other entities.

3. As set out in the Affidavit of Jamie Erlick sworn October 3, 2024 and in my first affidavit sworn in this matter on October 8, 2024, AJGL (through my efforts) assembled the five properties on Islington Avenue in Toronto (2849, 2851, 2853, 2855 and 2857 Islington Avenue, hereinafter the "**Toronto Lands**" or Properties) and developed these Properties over a number of years.

EXHIBIT 7 -

EXHIBIT
7

4. 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.

5. The Receiver has brought this motion on short notice. Specifically, my affidavit is being prepared in response to: the Notice of Motion of the Receiver dated November 25, 2024 served at 4:57 PM on November 25, 2024 for a motion returnable on Wednesday December 4, 2024 and with respect to the supplementary Motion record of the receiver dated November 29, 2024, served on Friday November 29, 2024, at 3 pm.

6. I note that the Receiver took a month (from the waiver of conditions by the purchaser on October 27, 2024 until service on November 25, 2024) to prepare and serve its motion record. In the circumstances, it is unfair that notice of only six business days was provided to me for the December 4, 2024 motion to sell my property. Further, it is unfair that notice of only two business days was provided that the Kingston sale had been terminated. We require additional time to prepare responding materials.

7. I was very surprised to learn late Friday night, November 29th, as set out in the Receiver's Supplementary Motion Record, that the Kingston sale fell through.

8. AJGL's submissions to the Court at the Motion heard on October 9, 2024, included the submission that the marketing of the Islington Properties should be paused until the Kingston Property sale closed or was otherwise terminated. I believe 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 me to consider offering to purchase the Islington

Properties. The Receiver was also aware, as set out in its motion material on the October 9, 2024 motion, that despite demands from the Receiver that the second and third mortgage on title to the Kingston Property produce proof that they had advanced any funds, neither the second nor third mortgage had provided any evidence that their mortgages were valid. In the circumstances, I did not think that the Receiver would entertain offers to sell the Properties.

9. I was not provided with any notice that the Receiver was entertaining offers and evaluating same for possible acceptance. The disclosure by the Receiver in its November 25th 2024 motion material that the Receiver had accepted a conditional offer to sell the Properties was very much a surprise to me.

10. In these circumstances, and for the other reasons set out herein, I am very concerned about the potential for offers which significantly undervalue the true market value of the Properties, being accepted by the Receiver.

11. A set out below, I am very concerned by certain omissions in the Receiver's motion material and reports regarding the sale of the Toronto Property to Arjun Anand in trust, (defined as the "Toronto Purchaser").

12. The December 4th motion materials of the Receiver do not state the proposed sale price of the Properties, with the result that I have no way to resolve my concerns (without precluding myself from presenting an offer).

13. My concerns have prompted me, in response to the Receiver's motion material for the December 4th motion, to submit an offer to purchase the Properties. Attached hereto as

"**Exhibit 1**" is a copy of a letter from my counsel, Paul Rooney, to the Receiver, attaching an offer to purchase for a cash, immediate payment and closing, for a purchase price of $3 million.

14. I have attempted in this short time-period to set out particulars of my concerns, as follows.

15. In my view, the period of the re-listing of only four weeks (referenced in paragraph 27 b, ii of the Third Report) is much too short a time-period to expose the property to the market for a resale. Accordingly I am very concerned that the sale price (the "**Sale Price**") to the Toronto Purchaser, may very well be improvident.

16. I cannot determine from a review of the Receiver's motion material if the Sale Price is improvident because the Receiver's motion material does not contain **any** information about the Sale Price, including any information about the relative Sale Price. Apart from when there is a "low ball offer" (see below), I understand why the receiver will not disclose the actual Sale Price, in the event the sale does not close. However, in my view, there is no valid reason why the receiver could not provide some information about the relative sale price. Further, as set out below, AJGL is in a unique position as a stakeholder who should be provided with an opportunity to respond to an offer to purchase, and, in any event to respond to a "low ball offer" (if the offer of the Toronto Purchaser is a "low ball offer").

17. For example, I would have, at least, some information about whether the Sale Price is improvident if the Receiver were to disclose if the Sale Price is within a reasonable range (a certain percentage higher or lower) of:

a) the sale price in the purchase agreement of Lakeshore Luxe Design and Build Group Inc, dated June 12, 2024, which was approved by the Honourable Justice Cavanagh pursuant to his honour's endorsement dated July 24, 2024;

b) the price set out in recent offers to purchase, such as the following offers attached as exhibits to the affidavit of Mario Kalemi sworn July 19, 2024 (the "Kalemi Affidavit"):

i) As set out in Exhibit A of the Kalemi Affidavit, in early February 2022, we received an offer to purchase the Toronto Property for a purchase price of $7,750,000. Pursuant to my instructions, the offer was signed back at a purchase price of $8,250,000.

ii) As set out in Exhibit B of the Kalemi Affidavit, in late June 2022, we received an offer to purchase the Toronto Property for a purchase price of $8,000,000. Pursuant to my instructions, the offer was signed back at a purchase price of $8,300,000. The potential purchaser then signed back the offer for price of $8,150,000.

iii) As set out in Exhibit I of the Kalemi Affidavit, in May of 2023 we received an offer to purchase the Toronto Property for the price of $9.1 million.

c) the total sale price of $4 million which the five properties would generate if the five homes and Properties were sold individually to buyers of single family residential homes.

18. The Receiver's motion material does not provide a stakeholder with any information which would enable the stakeholder to determine if the Sale Price is improvident.

19. For example, there is no indication whether the sale price is reasonable relative to the appraised value of the Toronto Property. Neither the Receiver nor Colliers obtained any opinion of value of the Properties.

20. Accordingly, there is no indication in the Receiver's motion material whether the Sale Price is within a reasonable range of the appraised value of a certified appraiser.

21. There is no reference in the Receiver's motion material whether the sales agent, Colliers, is of the view that the Sales Price is reasonable or fair. There is no indication in the Receiver's motion material whether the Sale Price is within a reasonable range of a price which Colliers views as a reasonable or fair Sale Price.

22. In any event, because Colliers has, as set out below, only marketed the Properties as a bulk sale to a developer, I assume that Colliers must be of the opinion (if they turned their minds to the issue - and there is no indication in the Receiver's motion material that anyone has averted to this issue), that the sale price generated by a sale to a developer would exceed the $4 million sale price generated by selling to individual home buyers. The fact that the Properties were only marketed and offered for sale as a bulk sale to a developer is evident from the two page listing on Colliers webpage (attached hereto as **Exhibit 2**), which describes the property as "Approved Mid-Rise Redevelopment Land" and "redevelopment opportunity" "this future development" and "0..84 acres of Prime Development Land Across 5 Adjacent Parcels". This is also evident from the fact that Colliers did not at any time list any of the homes/individual properties for sale. Simply,

none of the five homes/properties were marketed or offered for sale to individual residential home buyers.

23. There is no indication in the Receiver's motion material whether the Sale Price is within a reasonable range of recent sales of comparable properties. The receiver's motion material does not even identify whether the Receiver considered the sale price of comparable sales.

24. It appears that Colliers and the Receiver have not indicated to the market any expected price range, or asking price, for the relisting of the Property. My concern is that when a first offer has failed to close, market participants who have not submitted an offer because they thought the original asking price was too high, are no longer considering the property because they assume that the relisted price is in the same, original asking price range. In circumstances where a seller has an appetite for accepting a reduced price, the market should be given some indication of same, to keep bidders at the table who previously thought they were priced out of the market.

25. There is no indication in the Receiver's motion material, or in Colliers marking material, that offers for the property will be considered which are within a specified price range. For these Properties I would have expected Colliers to communicate that the expected price range is at least $6.5 million.

26. There is no indication in the Receiver's motion material of what the Receiver considers to be comparable properties. In my view, comparable properties should consider the two separate value scenarios represented by the properties: 1) the properties are an assembly of five properties approved for development and suitable for development of multiple

units, and 2) the properties consist of five separate homes which could be marketed and sold as five residential homes. Colliers has only considered and marketed the property based on the value scenario as development property – I am fine with this as long as the sale price exceeds the sale prices ($4 million) which would be realized if the five homes are sold separately.

27. Because the five homes could be sold separately as residential homes, the projected sale price of the five homes is in my view a "floor price" – the lowest possible price for the properties assuming they are sold to five separate residential home buyers. In my opinion the minimum total sale price if the properties were sold to five separate residential home buyers is $4 million, based on an average sale price of $900,000 per home. Further if between $10 to 15 thousand were spent on each of 2851, 2853, 2855 and 2857 Islington Avenue then the sale price would be in the $950,000 to $1million sale price range for each of these properties. The property at 2849 Islington Avenue is the largest property with the largest home. If $100,000 is spent fixing up this property, then I believe it would sell for approximately $1.2 million.

28. There is no indication in the Receiver's motion material whether the Sale Price is within a reasonable range of the sale proceeds which would be generated if the properties were sold to five separate residential home buyers.

29. There is no indication in the Receiver's motion material if the Receiver determined a floor price for the Properties. That is, there is no indication in the Receiver's motion material if the Receiver determined the price at which an offer is unreasonable and improvident.

30. We have disclosed to the Receiver the prices we paid to purchase the properties ten years ago, in 2014. The 2014 purchase prices of the properties are summarized in the chart at paragraph 117 of the Mr. Erlick's affidavit, copied here for ease of reference:

Date	**Property**	**Price**	**Exhibits Hereto**
2014-09-04 (Closing Date)	2849	$1,253,000	11
2014-09-04 (Closing Date)	2851	$650,000	20 (2851 APS) 22 (Assignment)
2014-09-04 (Closing Date)	2853	$655,000	25 (2853 APS) 27 (Assignment)
2014-09-04 (Closing Date)	2855	$473,000	30 (2855 APS) 32 (Assignment)
2014-03-26 (Closing Date)	2857	$656,000	35 (2857 APS) 37 (Assignment)
		TOTAL $3,692,500	

31. There is no indication in the Receiver's motion material whether the Sale Price is within a reasonable range of the prices paid for the properties ten years ago.

32. I am very concerned that the short exposure time of four weeks, in circumstances where a previous offer recently did not close, is a recipe for attracting a "low ball offer", also called a "stink bid".

33. I am particularly concerned about a stink bid because I have been advised by a couple of my contacts in real estate that they are seeing a prevalence of stink bids to acquire properties, and that I should start making low ball offers. The theory is that properties are being sold without canvasing the interest of 'patient money', meaning buyers who have the appetite to buy and hold. To use a hypothetical example, a property which last year was valued at $100 million and offered for sale at $100 million is, when no offers of $100 million come in, not being exposed to the market at a **disclosed reduced** price. I have heard comments like 'I would have offered $10 million more if I had known offers in this price range would be considered'. The end result is that the buyers with patient money are not at the table, and the property is scooped up by a stink bid.

34. In my view the integrity of the sales process by the Receiver requires that stink bids be disclosed to the stakeholders.

35. While there are good reasons why I should be able to purchase the Properties at a discount – as owner, assembler and developer who has worked hard over 10 years to develop the Properties and someone who is buying the same property twice – I acknowledge that my offer is at least $1 million dollars less than the proceeds of sale if each of the five properties are sold as a residential home to individual purchasers.

36. I understand that if a stakeholder wants to obtain disclosure of the Sales Price they have to agree that they cannot offer to purchase the Properties. In my view, to guard against a

stink bid the opposite should prevail - the stakeholders should be provided with the stink bid sales price and be provided with an opportunity to bid against it.

37. The integrity of the sales process does not, in my view, warrant the protection of stink bids from competing bids. The consideration of stink bids should be an exception to the redaction/sealing of the document which sets out the price offered by a purchaser. At a minimum, disclosure of the relative sales price would put stakeholders on notice of a stink bid.

38. In my view the integrity of the sales process requires that notice of the proposed sale price be provided to all stakeholders, unconditionally, if the Receiver is considering accepting a sales price which is, percentage wise, significantly less than any of: 1) the prices paid to acquire the properties; 2) the prices which would be generated if the property was marketed differently (ex. as separate homes); 3) recent offers to purchase the properties; 4) a recent sale price approved by this honourable court.

39. Further and in any event, in my view the Receiver should notify stakeholders that it will entertain offers in a certain range. For example, if a Receiver has changed its position from the price in an accepted offer (ie. the Luxe offer) to where the Receiver is now willing to accept a significantly lower price, the stakeholders should be advised of same by the Receiver.

40. I believe that my price of $3,000,000 is much less than the proceeds of sale which would be generated if the properties were marketed for more than four weeks or if the properties were marketed and sold as individual homes. By making an offer with a publicly disclosed price the other stakeholders can make an offer for a higher price. Simply, I am

inviting the other stakeholders to participate in an auction in response to the fact that the Receiver's motion material does not disclose any information which would assist any of us to determine if the Sale Price is improvident, and I am respectfully requesting that this honourable court adjourn the within motion to allow for the auction to occur, if the Sale Price to the Toronto Purchaser is less than $4 million.

41. AJGL is in a unique position compared to the other stakeholders in this receivership. As an owner of the properties and the person/entity who assembled the lands and worked very hard over many years to take the properties through the planning and development stage, I believe that I should be provided with an opportunity to purchase the properties. Of course, another reason is that by making an offer to purchase, AJGL is essentially purchasing the same properties twice – my group's aggregate purchase price (the original price of $3,692,500 plus my current offer of $3 million) is $6,692,500 – which is in the range of what I believe is fair market value for the properties.

42. Finally, I am respectfully requesting an adjournment of the December 4th motion to provide me, and the other stakeholders, with an opportunity to obtain and present opinions of value.

SWORN BEFORE ME at the City of Toronto this 3rd day of December, 2024.

Commissioner for Taking Affidavits (or as may be)

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

SIMION KRONENFELD

CAMERON STEPHENS MORTGAGE CAPITAL LTD.	**and** **CONACHER KINGSTON HOLDINGS INC., *et al***	Court File No. CV-23-00701672-00CL
Applicant	Respondent	

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

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

Proceeding commenced at Toronto

AFFIDAVIT OF
SIMION KRONENFELD

DENIS LITIGATION
Barristers
365 Bay Street
Suite 800
Toronto, Ontario
M5H 2V1

S. Dale Denis (LSO #: 29452M)
Tel: (416) 479-3417
Email: dale@dilitigation.com

Lawyers for AJGL GROUP INC.

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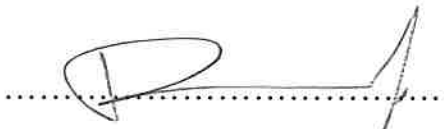
Hearing Brief p. 1450

Hearing Brief p. 1451

This is **Exhibit 1** to the affidavit of Simion Kronenfeld, sworn before me this 3rd day of December 2024.



Commissioner for taking Affidavits (or as may be)

DEAN IP

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

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

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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

E:\Office\Client Matters\Islington\\Letter to Receiver with Agreement .doc

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;

2A

(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 apelet 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 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;

(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,

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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

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

(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;

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(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,

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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

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

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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

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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

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.

Hearing Brief p. 1484

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)

Hearing Brief p. 1484

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

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 ofToronto

33

Schedule "C"

Excluded Assets

Hearing Brief p. 1490

Hearing Brief p. 1490

BMO Bank of Montreal · Banque de Montréal

CANADIAN $ DRAFT / TRAITE EN DOLLARS CANADIENS

981504

4800 DUFFERIN ST.
DOWNSVIEW, ONTARIO, CANADA M3H 5S8

DATE DEC 03 2024

CTI

Pay to the order of / Payez à l'ordre de GARFINKEL BIDERMAN LLP IN TRUST

$ 300,000.00

**********CAD300,000.00

for Bank of Montreal/
pour la Banque de Montréal

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⑈00 ⑆ 24640 298 ⑆ 50466⑈ 90

The Bank of Nova Scotia
Finch & Dufferin
845 Finch Avenue West
Toronto, Ontario
Canada M3J 2C7
Tel: (416) 665-8742
Fax: (416) 665-5911

Scotiabank

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

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

vikas.l.sharma@scotiabank.com

www.scotiabank.com

Scotiabank is a business name used by The Bank of Nova Scotia

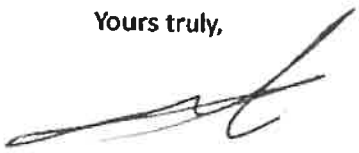
Confirmation

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 TDB Restructuring Limited.

Yours truly,



Simion Kronenfeld

This is **Exhibit 2** to the affidavit of Simion Kronenfeld, sworn before me this 3rd day of December 2024.

.....

Commissioner for taking Affidavits (or as may be)

DEAN IP

Dean Christopher Ip Fung Chun
Barrister, Solicitor, Notary Public

Learn more about this property online at:
https://www.collierscanada.com/p-can2015029

2849-2857 Islington Avenue Toronto, Ontario M9L 2J9

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

Land | Land Area: 36,694 SF

Nestled in a prime location at 2849-2857 Islington Avenue, Toronto, this property comprises five adjacent parcels of land totaling approximately 0.84 acres (36,590 square feet). Currently housing four semi-detached and one detached home, the Property presents an excellent redevelopment opportunity.

The Property has been approved and rezoned for a 6-storey, 110-unit mid-rise apartment building, with 74,971 square feet of buildable Gross Floor Area (GFA). With the City of Toronto's new Draft Mid-Rise Transition Performance Standards,there is an opportunity for a purchaser to further rezone the lands for greater height and density.

Conveniently located in close proximity to an abundance of parkland, retail, and other amenities, residents of this future development will enjoy easy access to nearby parks, retail outlets, restaurants, and recreational facilities. The neighborhood offers a dynamic lifestyle with everything residents need within reach.

To gain access to the online data room please complete the confidentiality agreement below:

Confidentiality Agreement

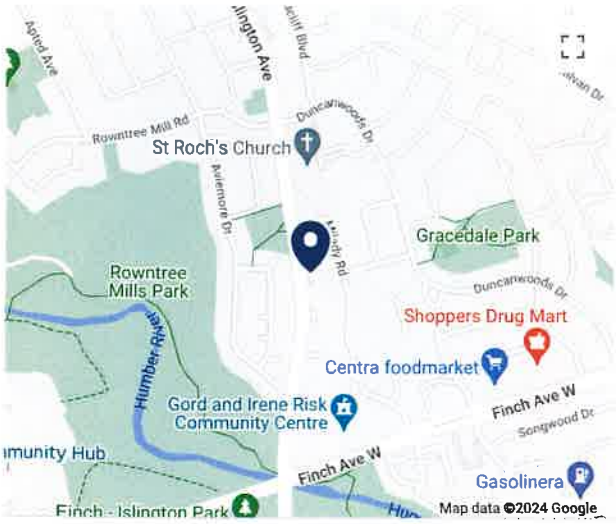
Property Details

Property Types
Land | Residential

Features

- 0.84 acres (36,590 SF) Of Prime Redevelopment Land Across 5 Adjacent Parcels
- Currently the Site of Four Semi-Detached and One Detached Home
- Approved and Rezoned for a 6-Storey, 110-Unit Mid-Rise Apartment Building with a GFA of 74,971 SF
- Potential For a Purchaser to Further Rezone the Lands for Greater Height and Density
- Within Humber Summit Community In Close Proximity To Amenities, Parklands, Major Highways and Schools

Location



Steve Keyzer
Executive Vice President, Sales Representative
Toronto Downtown
+1 416 643 3770

Alex Holiff
Vice President, Sales Representative
Toronto Downtown
+1 416 620 2803
+1 647 620 5373

TAB 7

Ryan Shah

From: Dale Denis <dale@dilitigation.com>
Sent: September 22, 2026 9:43 PM
To: Ryan Shah; mjn@mjnlaw.ca
Cc: Candace Baumtrog; Jeff Larry; Isabella Harris
Subject: [EXTERNAL] K- Islingon - TDB/Conacher - Supplemental Report

Counsel,

Please see the following answers to questions asked during the August 18, 2026 examination of Mr. Kronenfeld.

Question: Page 27 of August 18, 2026 transcript of Examination of Simion Kronenfeld

my question is: Mr. Kronenfeld,
3 please advise whether the current proposed sale of
4 the Toronto Lands referred to in your October 8th,
5 2024 Affidavit is the same documents as the
6 September 2026 -- September 26th, 2024 Agreement of
7 Purchase and Sale between TDB Restructuring Limited
8 and Arjun Anand?

Answer:

No. The "current proposed sale of the Toronto Lands" referenced in paragraph 22 of Mr. Kronenfeld's Affidavit of October 8, 2024, is not a reference to the September 26, 2024 Agreement of Purchase and Sale between TDB Restructuring Limited and Arjun Anand (which is attached as Appendix F to the Receiver's Moton Record of November 25, 2024, and Exhibit two of Mr. Kronenfeld's Affidavit of July 17, 2026).

Question: Page 28 of August 18, 2026 transcript of Examination of Simion Kronenfeld

to the extent the document is not the
2 Toronto APS, the September 26th, 2024 Agreement of
3 Purchase and Sale between TDB Restructuring Limited
4 and Arjun Anand, then I'd like an undertaking to
5 identify what the current proposed sale of the
6 Toronto Lands described in Mr. Kronenfeld's
7 October 8th 2024 Affidavit is?

Answer:

The "current proposed sale of the Toronto Lands" referenced in paragraph 22 of Mr. Kronenfeld's Affidavit of October 8, 2024, is the proposed sale referenced in the following paragraph of the Receiver's Motion Record dated October 1, 2024, contained at paragraph 16 of the Second Report of the Receiver dated September 26, 2024, as follows: "16. Colliers is currently re-marketing the Toronto Property for sale".

Regards,

Dale Denis
Denis Litigation
Direct: (416) 479-3417
Email: dale@dilitigation.com

This communication is solicitor/client privileged and contains confidential information intended only for the addressee(s). Any other distribution, copying or disclosure is strictly prohibited. If you have received this message in error, please notify us immediately and delete this message without reading or copying it.

Before printing, please consider the environment.

From: ryan.shah@paliareroland.com <ryan.shah@paliareroland.com>
Sent: September 16, 2026 11:40 AM
To: mjn@mjnlaw.ca; Dale Denis <dale@dilitigation.com>
Cc: Candace.Baumtrog@Paliareroland.com; Jeff.Larry@paliareroland.com; isabella.harris@paliareroland.com
Subject: TDB/Conacher - Supplemental Report [IMAN-PRIMANAGE.FID407588]

Maurice and Dale:

I attach a second supplement to the Sixth Report of the Receiver in the above matter, which includes a letter that was sent to former counsel to Mr. Neirinck's client, but was inadvertently omitted from the Receiver's Sixth Report.

I trust there are no concerns with admitting this, but please confirm if otherwise.

Separately, please provide your clients' answers to undertakings from your clients' examinations by **Friday, September 18**. We will need these with some lead time prior to filing our factum. I attach the transcripts for convenience.

Regards,

Paliare

Ryan Shah
Associate

Phone: 416.646.6356

Email: ryan.shah@paliareroland.com

155 Wellington St. West, 35th Floor
Toronto, ON M5V 3H1

paliareroland.com

The information contained in this e-mail message may be privileged, confidential and protected from disclosure. If you are not the intended recipient, any use, disclosure, dissemination, distribution or copying of any portion of this message or any attachment is strictly prohibited.

TAB 8

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

Cross-Examination of
Andy Bakhtiari, Deponent
taken upon affirmation this
18th day of August, 2026,
via videoconference hosted by the offices of
VERITEXT NIMIGAN

APPEARANCES:

For Receiver: TDB Restructuring Limited
Ryan Shah and Arif Dhanani
Paliare Roland Rosenberg Rothstein LLP
Ryan.shah@paliareroland.com

For Deponent AJGL Inc., 1001079582 Inc.
Dale Denis
Denis Litigation
Dale@dilitigation.com.

For 1604706 Ontario Inc. and Andy Bakhtiari
Maurice Neirinck
Maurice J. Neirinck & Associates
Mjn@mjnlaw.ca.

Also present: Isabella Harris, Articling Student with Paliare Roland Rosenberg Rothstein LLP

Bryan A. Tannenbaum, Insolvency Trustee, Representative of the Trustee

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Examination of Andy Bakhtiari, affirmed 3
Examination by MR. RYAN SHAH 3

EXHIBITS

EXHIBIT 1: Motion Record of 106 Inc. 5
EXHIBIT 2: The Receiver's 6th report called the Template APS. 12

GUIDE TO UNDERTAKINGS

This should be regarded as merely a guide and does not necessarily constitute a full and complete list.

UNDERTAKINGS (U/T) ARE FOUND ON THE FOLLOWING PAGES:
39, 45.

Under advisements (U/A) are found on the following pages:

n/a

Refusals (R/F) are found on the following pages:
n/a

Upon commencing at 2:32 p.m.

Andy Bakhtiari, affirmed.

EXAMINATION BY MR. RYAN SHAH.

BY MR. SHAH:

1 Q. Good afternoon, Mr. Bakhtiari. Am I pronouncing it right?

A. Yes.

2 Q. Can you please state your full name for the record?

A. Andy Bakhtiari.

3 Q. And in this proceeding, it involves the Corporation 1604706 Ontario Inc. I'm just going to refer to that company as 160 Inc., and please let me know if there's any confusion about what I'm referring to. You, Mr. Bakhtiari, are the President and Director of 160 Inc.; is that correct?

A. Yes.

4 Q. How long have you been the Director of 160 Inc.?

A. I don't remember; from beginning.

5 Q. But you --

A. From beginning. I don't know how many years ago.

6 Q. You were a director of 160 Inc. at least since November 2024; is that right?

A. Yes.

7 Q. And 160 Inc. engaged Ayoub Eftekhamejad, and apologies for the pronunciation error, I'll would refer to this fellow as Ayoub, and you let me know if there's any confusion about who he is. But 160 engaged Ayoub to act as a real estate agent; is that correct?

A. Yes.

8 Q. When did 160 Inc. engage Ayoub?

A. I believe it's September 2024; September or October.

9 Q. I'm just going to share my screen and show you your Affidavit in this matter. Are you able to see that, Mr. Bakhtiari?

A. What page is it? Yeah, the first, I have it, the copy with me.

10 Q. So I have -- I guess this is your Motion Record, actually, responding Motion Record, and included in it is one document, your Affidavit and its exhibits. And right now I'm looking at the first page of your Affidavit. Are you able to see that?

A. Yeah, I see it here.

11 Q. Okay. Can I please mark this Motion Record as the first Exhibit, please?

MR. NEIRINCK: If you wish.

EXHIBIT 1: Motion Record of 106 Inc.

BY MR. SHAH:

Q. Okay. That's Exhibit 1, then. So you see here at Paragraph 4, Mr. Bakhtiari, how it refers to five abutting parcels of land at 2849, 2851, 2853, 2855 and 2857 Islington Avenue in the City of Toronto?

A. Yes.

Q. So, I'll just refer to that, for convenience, as the Toronto property as defined in your Affidavit. You let me know if there's any confusion on what I'm referring to when I ask you any questions. Is it the case that you engaged Ayoub to submit an Offer to Purchase the Toronto property on 160 Inc.'s behalf?

A. Yes.

Q. And you corresponded with Ayoub about 160 Inc.'s Offer to Purchase the Toronto property in December 16th, 2024, right?

MR. NEIRINCK: So, Mr. Shah, not wishing to butt in, but there were two offers that were made in December of '24. So, I just want to be careful that we know which one you're talking about when you ask your questions.

BY MR. SHAH:

15 Q. Yes, I refer to the December 16th, 2024?

A. Well, but we didn't have it in September 16 both -- is it September? I mean, December 2nd. If you look at date, it is December 2nd.

16 Q. You --

MR. NEIRINCK: Sorry, Mr. Shah, I didn't mean to butt in. Mr. Bakhtiari, Mr. Shah is going to be asking you about the December 16th Offer, not the December 2 Offer, unless I'm mistaken. But go ahead, Mr. Shah.

BY MR. SHAH:

17 Q. For this specific question, I'm asking about the December 16th. So my question was, Mr. Bakhtiari: Did you correspond with Ayoub concerning the December 16th, 2024 Offer by 160 Inc. to purchase the Toronto property?

A. Yes.

18 Q. And did you correspond with Mr. -- With Ayoub concerning 160 Inc. Offer to -- of November 3rd, 2025 to purchase the Toronto property?

A. November 5. I believe it's November 5 when he comes. It was a different

market. I, I offer something else.

19 Q. So, I believe what you're referring to is the November 3rd, 2024 Offer by 160 Inc. that was lower than the December 16th, 2024 Offer. And my question about that is just: Did you correspond with Ayoub concerning that Offer?

A. Not really, because we weren't, we weren't qualified for December 24 and we didn't hear nothing about it. After 10, 11 months they come to us and they want us to put the Offer again. I mean, almost 11 months after, which we weren't, we weren't qualified for the first, the Offer on December 16.

MR. NEIRINCK: But Mr. Shah, Mr. Shah, just before you ask your next question, when you asked the last question, you referred, inadvertently, to November 24th. I know you meant November 25, but I'm just pointing that out for the record.

BY MR. SHAH:

20 Q. Thank you for the clarification and my apologies. So, you said, Mr. Bakhtiari, 'not really,' about corresponding with Mr. Ayoub in connection with that Offer. But you would agree with me that you, you did authorize Ayoub to submit

an Offer on November 3rd, 2025, on behalf of 160 Inc., right?

A. I guess it was -- I, if I remember, yes, for the -- when he came back to me for the, the -- ask Ayoub if he can put the Offer again. And, I guess, that time we put the Offer lower than whatever the market value was at that time. I put it to 20 -- I believe it is in November 2025 when Ayoub asked me about it, I guess, because we didn't hear anything for 11 months and we thought, this one is, this deal is dead because nobody told us about the deal is going through or not. And when he came back to me, I was surprised. I said, "I thought this deal is gone, because nobody -- we weren't qualified for the deal." And that's why, November, I didn't really take it serious when he asked me Offer. If I put the Offer, was the value market right now. Again, the problem, we didn't proceed with the procedures of the sales. Doesn't matter, Offer it come, but we didn't follow the procedures.

21 Q. And you corresponded with Ayoub about the December 2nd, 2024 Offer that 160 Inc. submitted, right?

A. It was, again, December '24. It

was, again, nobody get back to us about December 2nd, '24. And because when the counsellor, the, the Trustee or Receiver, nobody corresponding to the real estate agent, even including the Collier who were, they were for Collier, if I can remember. And the problem, the way they were doing it, nobody knew what they were doing it. I mean, again, nobody answer to Ayoub anything. Ayoub, he was just trying to work with somebody, but nobody, nobody get the answer to Ayoub.

22 Q. So, just to clarify, I'm not asking about whether the Receiver or Collier communicated with Ayoub. I'm asking about whether you communicated with Ayoub about the December 2nd, 2024 Offer by 160 Inc. Did you know --

A. December 2nd, the one is my signature or the some -- the -- which one you are talking about? Because December 2nd, even December 16th, we have it, December 2nd signature on it.

MR. NEIRINCK: Mr. Shah, if you don't mind my intervening just to help you out here, if you look on the signature line for the December 2 Offer, you will see that it has a different signature on it. It's the other shareholder of the

company that signed that Offer, not Mr. Bakhtiari.
BY MR. SHAH:
Q. Thank you for clarifying that. My question, though, is just a narrow one about whether or not Mr. Bakhtiari corresponded with Mr. -- With Ayoub about this Offer of December 2nd, 2024, and I don't believe I got an answer for that, so I just want to give you the opportunity, Mr. Bakhtiari, to clarify. Did you, so I'm showing an Offer on the screen, you said it's one signed by a different officer of 160 Inc., did you correspond with Ayoub about this Agreement to Purchase and Sale?
A. More, more can you clarify me? Is the offer from Mauro or myself?
MR. NEIRINCK: I'm not supposed to intervene but counsel, this is, if you look at the -- it's initialled and signed by his fellow shareholder, Mauro. And if you could put the signature line on, you could take a look at it. And, because we're dealing with three Offers here, but --
THE WITNESS: Let's go to the --
BY MR. SHAH:
Q. So, I understand that and I, and

I appreciate that it was signed by what appears to be a Mauro Brancaleoni. But again, I'm not asking about who signed it. I'm asking whether or not Mr. Bakhtiari discussed this Offer with Ayoub?

MR. NEIRINCK: I know, but he just wanted to be sure about which Offer we're talking about, that's all. Nothing else.

BY MR. SHAH:

25 Q. Fair enough. And so, now that you see that, Mr. Bakhtiari, does that refresh your memory about whether or not you corresponded with Ayoub about this Offer to Purchase the Toronto property?

A. No, this is the one I was on holiday, I wasn't here and -- but I heard about that. I was talking to a fellow, Mauro, and he signed it. According to Ayoub, he was -- had a meeting with Ayoub and they signed it. That, this is an Offer, I guess he was talking to Mauro.

26 Q. And in connection with the December 2nd, 2024 Offer, the December 16th, 2024 Offer and the November 3rd, 2025 Offer, would you agree with me that Ayoub had 160 Inc.'s authorization to submit those Offers?

A. Yes, he did.

27 Q. So, I'm just gonna pull up the Receiver's 6th Report and, in particular, Appendix G to the Receiver's 6th Report, which is a, what's called a template APS in the Report. Mr. Neirinck, can this 6th Report be marked as a second exhibit, please?

MR. NEIRINCK: Of course.

EXHIBIT 2: The Receiver's 6th report called the Template APS.

BY MR. SHAH:

28 Q. Mr. Bakhtiari, and feel free to ask me to move up and down in this document, but can you advise whether or not you're familiar with this document, which is called the 'Template APS'?

A. Bring it closer to see if I have a copy up here. Agreement, yeah, I see it here.

29 Q. Okay. And you see it, and are you familiar with this document?

A. What do you mean? Like, I went through it, everything. I mean, no.

30 Q. Have you, have you reviewed this document in the past?

A. No. But again, again, it was a procedure. You guys, you had the procedures from the Trustee, or whatever, selling this property.

31 Q. I'm going to put to you that --
A. I mean, I mean, you're asking me about the -- are you familiar with this document? No. I -- I was, I was interesting on the property and it doesn't matter which document is going to be as long as the, the procedures of the sales go through it.
32 Q. So, your view is that it didn't really matter which document was submitted to the Receiver; is that what you said?
A. Yeah. It doesn't make a difference, what this procedure is coming to what you're trying to say. This is a procedure to sales. Everybody has a different way to -- when I do the power sale, I do the different procedures, I do. I mean, this is something you guys, you have a procedures and the agent has to be responsible to go through it and come with me and my, my lawyer go through it.
33 Q. So you weren't really concerned with the, the fine details --
A. Not really.
34 Q. -- of what was in --
A. No. Not really, not really.
35 Q. I'm going to put to you that

Ayoub provided you a copy of this Template APS and told you that Offers to Purchase the Toronto property had to be in this template; is that correct?

A. Assume, yeah.

36 Q. So I'm going to take you back to your Affidavit in your Responding Record, and I'm going to take you to your Exhibit A --

A. Exhibit A, I didn't sign it. I didn't agree with it.

37 Q. Yes, I misspoke.

A. Page 40.

38 Q. I apologize. I'm taking you to Exhibit B, which is the Offer that was submitted by 160 Inc. on December 16th, 2024. And so --

MR. NEIRINCK: Mr. Shah, Exhibit B is the email that was sent by Ayoub, not the Offer itself.

MR. SHAH: Thank you. I think there may be some confusion here, because the document that follows the Exhibit B cover page is an Agreement of Purchase and Sale.

MR. NEIRINCK: Then, perhaps that was a mistake by -- let me check in my exhibits.

MR. SHAH: The Exhibit A --

MR. NEIRINCK: Yeah. I mean maybe something was miscopied. If there is, I -- yeah, it looks -- I'm looking at it to see. Maybe it was out of order in the copying. If that's the case, I apologize. But the body of the -- you know what happened here, Mr. Shah, I apologize, Exhibit B was mistakenly appended as Exhibit A in the -- to the Affidavit. But the affidavit, in Paragraph 14, says it, says that the email is Exhibit B, so I apologize. It was, they were put in the wrong order in the copying of the exhibits appended to the affidavit. If you look at --

MR. SHAH: Not to worry.

MR. NEIRINCK: I apologize.

MR. SHAH: And so, I guess just for clarifying the record, then, the document which begins, which is an Agreement of Purchase and Sale between 160 Inc. and TDB Restructuring Limited, which is at PDF Page 28 of the Motion Record, that is the December 16th, 2024 Agreement of Purchase and Sale, which ought to be Exhibit A.

THE WITNESS: Can you bring that signature? Can you bring, Ryan? Can you bring the --

MR. SHAH: Sure.

THE WITNESS: -- December 16? I want to see the date.

MR. SHAH: So, just for clarity, you'll see the purchase price is 3.688.

THE WITNESS: Bring the date. Bring the date.

MR. SHAH: Yes.

MR. NEIRINCK: Okay. So, Mr. Shah, I'm agreeing with you.

THE WITNESS: What's the December 16? Is it December the 2nd?

MR. NEIRINCK: No, no. Okay. Go ahead, Mr. Shah. There's no date on this document. That's the problem.

THE WITNESS: Thank you.

MR. NEIRINCK: There's a date under that line there on the signature page, but there's no date on the front page. And on the signature page, there's no date of signing other than the date that it appears in type.

MR. SHAH: I'll just be one moment here.

MR. NEIRINCK: No, take your time.

BY MR. SHAH:

39 Q. So, the document included in the

6th Report, which is described as the signed back 160 Inc. Offer, does have that December 2nd text by the signature line. So I think the way I would, you know, propose to resolve this is we can agree that this document that we are reviewing, which is Page 28 of the Motion Record of 160 Inc., is the December 16th --

A. What? We don't have any document.

MR. NEIRINCK: Okay. Mr. Bakhtiari, Mr. Bakhtiari, just a minute. Mr. Shah, you're correct, that document, the one that's referred to as my Exhibit A, inadvertently copied that at Exhibit B in the, in the Motion Record. That is the December 16th -- the Offer that was submitted on December 16th by Ayoub to -- by email to the Receiver and the Broker. And the form of Agreement of Purchase and Sale that you referred to from the 6th Report is that document bearing a signature on behalf of the, of the Receiver.

BY MR. SHAH:

40 Q. Great. Thank you very much. And so, Mr. Bakhtiari, looking at this, this document being the December 16th, 2024 Offer of 160 Inc., which begins at Page 28 of the PDF of the 160 Inc.

Motion Record, did you review this Offer before Ayoub submitted it to the Receiver?

A. Kind of, I reviewed some of the part. But again, according to Ayoub, you are not qualified for the bid, and because they're not corresponding to Ayoub anything. And which Ayoub look at it even the first offer, December 2nd, with my, one of my director, he put it there and nobody take him serious about anything else. That's why when he comes to me, I said, "I guess this property is going to somebody else. Don't waste your time." And that's it. Because from the, everybody, all the people from the other side, nobody corresponding to Ayoub. Nobody even talked to us. Even when Ayoub came to me, I said, "Listen, we are trying to talk to the agent. Nobody knows anything. Everybody was confusing about this, this properties." And that's why we don't take it serious. You ask me if I, if I did read it carefully, because I did not take seriously this offer, because the offer is really didn't make a difference because nobody gets back to us, including December 16th when Ayoub email it and nobody gets to Ayoub until ten months, 11 months and nobody knew about it. I mean, how can you, somebody put the offer? Not -- nobody acknowledged you

receive your offer. Nobody even acknowledge Ayoub receive our offer, we accepted, bring the deposit. And, and you ask me about, "Did you read it?" Absolutely. Maybe mainly because I didn't want to waste my time with these things. It was a waste of time, and because nobody knew what's going on here. You guys, you put a bunch of people, they're involved, nobody care about it. I mean, I see Ayoub came to me, Ayoub try to call the, was it Alec, who was the agent, Alex or the Trustee or RF, everybody. Nobody respond to anybody, and you ask me this seriously, did I read this one? No, because we put the Offer to December 2nd, they didn't respond to us. Then they ask us, if you take the same offer, put it -- increase it, send it to them again. They didn't, nobody respond to him. Where's the deposit? Where is here? Are you accepting it? If -- if somebody offer, accept my offer, 24 hours they should send a letter to me and said, "We accept your offer." We wait, a standby. Nobody even corresponding to us. Now you ask me, after two years ago, two and a half years ago, you come here, sit down, "Oh, remember that offer?" Of course, nobody -- my signature was December 2nd. Ayoub sent it December 16th, email it, but he couldn't deliver

it to anyone. And then being here for 11 months, eleven months after that, where's the deposit?

41 Q. So I'm going to ask you a few questions about the evidence you just gave there. So, the first is that you just said that Ayoub told you that this was not a qualified bid. Would you agree with me that you have not produced any correspondence between yourself and Ayoub, where Ayoub told you that this Offer was not a qualified bid?

A. Because nobody, nobody acknowledged it to accept our offer. I mean, if I want to, I'm in the construction, if I want to put the price to the government job, they want my bid bond, they want everything. They acknowledge they received my price. These people, they didn't know what they were doing it. If they received the Offer from anybody, they should send the email back. They said, "We receive your offer. Please stand by," or whatever we have to do; nothing. Eleven months after you guys wake up. Okay, the guy who offered, we accept, we are not closing now, let's go to somebody else? What --

42 Q. My question was not about what was --

A. The question --

43 Q. -- not about what -- sorry, Mr. Bakhtiari, please let me finish my question. My question was not about what was told to Mr. Ayoub. My question was about whether or not you had produced any correspondence between yourself and Ayoub about Ayoub telling you that this is not a qualified bid, because you said, "Ayoub told me this is not going to be a qualified bid." So I'm asking you: Do you produce any correspondence where Ayoub says that?

A. No. Ayoub, he told me, "We're wasting our time." You know what, he came back to me and said, "Ayoub, did you hear anything from them?" He said, "No." I said, "Okay. Don't waste your time. Just nobody get back to us, this is dead. For us, this offer is dead." That's all --

44 Q. You told Ayoub -- when did you tell Ayoub that the offer was dead?

A. When I. -- when Ayoub, after -- because it was probably January 25th, of January here, because two weeks Ayoub, he tried to contact any of those people in the contact. Ayoub came back to me, I believe it is January, February, I don't know, he said, "Listen, I cannot get anything from

them to accept your offer or not." Because Ayoub said, "I tried to call them, even if there is a deposit they needed, nobody get back to me." I was wasting my time. For a month and a half, two months, Ayoub trying to see, to get ahold of anybody; nobody respond to Ayoub.

45 Q. You said January 25th, I believe. Are you referring to January 2025 when --

A. Mr. Shah, don't -- I said, "Is it a month after holiday?" All I come to mention it to Ayoub, "Ayoub, have you heard anything about this?" He said, "First of all, we didn't deliver, we didn't deliver the things to everybody. I don't think so." Both offer, which is December 2nd and December 16th, they think two Offer, nobody in the, probably, a month, two months to get back to us, and we didn't know what happened. And then maybe assuming they sold it to somebody else, that's all we assuming.

46 Q. And I'm sorry, this, just to confirm, this conversation between you and Ayoub where you said, "The deal is dead," that was in January 2025; is that correct?

A. Shah, Shah, I said, "I don't know exactly." I said, "Maybe it was January or February." I said, "After seven, eight weeks, six

weeks, whatever, after holiday." I mentioned to Ayoub, "Ayoub, did you hear anything from Islington?" He said, "No, nothing." I said, "Okay Don't worry about it."

47 Q. I, I understand. And did you, before this litigation began, did you ever communicate to the Receiver that you thought this deal was dead?

A. To, to who; to Receiver?

48 Q. Yes. Or the Receiver's agent?

A. Nobody get back to anybody. I never even get back. No, none of those people, they even respond to the email or, or the phone call. Why I have to bother myself; this is their responsibility. Because if, if they accept my offer, by any chance, if we were -- we did the right procedures, the sales procedures, if we go 100%, they're responsible to get back to me to say, "Mr. Bakhtiari, we accept your offer. Please submit your deposit." But nobody. I mean, you ask me, "Did I proceed?" No, but why should I, when I talk -- when I realize that we are not qualified? Listen, first of all, they have to accept the -- the the -- that they received my Offer. They didn't receive my Offer. They never acknowledged that they

received my Offer for a year. After a year, you guys, you didn't make a deal with the guy, he was buying it, then he come back to the fake Offer because you guys didn't even proceed with your, whatever they have to do it. This is not the way to sell something. A bunch of unprofessional people sitting there, they're asking about the -- you're selling, and nobody even bothered themselves to get back to our agent. I mean, I'm, I'm, I'm expecting for Collier to call my agent. "Yes, you know what, we receive your offer." I'm not asking to accept my offer. "Do you receive the offer?" Nobody, nobody inform it to us, they receive the Offer. And we are sitting here to say to me if my offer was qualified, or not, after two years?

49 Q. So your understanding was, and I believe you said this in an earlier answer, that the Receiver should have responded to tell you what they were going to do with your offer 24 hours after it was sent to the Receiver; did I understand that correctly?

A. Twenty-four hours, six months, two months, one month. After two weeks, three weeks, they said, "You know what, we receive your Offer. We are working with another offer." Because

when I go to the -- any, any power sale, or anything, the people, they let you know. They respond to your Offer, or they accept your procedures. Any Offer without, you don't bring the deposit, you are not qualified. It doesn't matter, your house, or anything you want to sell, somebody doesn't bring the Offer with the deposit, you're not qualified. They didn't even ask us. It means they did not --

MR. NEIRINCK: Mr. Bakhtiari, Mr. Bakhtiari, you've answered Mr. Shah's question now, I think, three times. So, Mr. Shah, can we move on to something else?

MR. SHAH: Thank you.

MR. NEIRINCK: I think you've got, you've got his position, right?

BY MR. SHAH:

50 Q. Thank you. Thank you. Mr. Bakhtiari, you never communicated to the Receiver in any correspondence that they had to respond within 24 hours?

A. No.

51 Q. Am I right about that?

A. No.

52 Q. Nor two weeks or six months or

two months, or any of the times --

A. No.

53 Q. -- you've described in your previous answer?

A. No. No.

54 Q. You use the word, 'waste of time' a few times in characterizing the offer. So, am I right in saying that your evidence is that you understood that submitting this Offer that's on the screen right now, being the December 16th, 2024 Offer, you thought it was a waste of time to submit that Offer at the time you submitted it?

A. I don't remember, it's a waste of time or not. But again, because we had it December 2nd, we send the Offer, they never get back to us, and then the same or the change of Offer with the different signature we submitted and, again, the same thing. Beca -- according to my knowledge, the first two weeks after December 2nd and then go to December 16, again the same thing, no acknowledged from the -- another side or anybody corresponding to us, are -- "We receive your offer," or, you know, "Please proceed with the sales here." We didn't have no corresponding by another side, nothing.

55 Q. So, I think, I think what your

answer described, the correspondence that you expected to receive after you submitted this offer? I'm asking about --

A. After --

56 Q. -- when you're, when you're -- I know, and I'm asking about what was in your head, not after, but at the time you submitted this offer? My question is: At the time you submitted this offer, did you believe it to be a waste of time?

A. I don't know if it was a waste of time, or not. But again, I find that unprofessional procedures, they're doing it. That's all I find out about it. The way they're doing it is unprofessional. I mean, if they want to have the procedures, you know, they bring the date, open the, open the offer front of the everybody and who is the lowest one or the highest, but they get, they get the buildings, whatever the houses. But it seems to me, nobody knew what they're doing between the counsel, the Trustee or the agent. I guess, I find that it was a lack of information between each other. I guess they weren't corresponding to it. Again, it's, it's not my business. I was, I was, you know what, I was more interesting to buy the property than anything else. But, unfortunately, I

didn't see they're doing the professional way to do it, the procedure of the sales.

57 Q. I'm going to put to you, Mr. Bakhtiari, that you did not believe that this agreement and proposal was a waste of time because you submitted it to the Receiver and you wanted the Receiver to accept it, otherwise you wouldn't have sent it in the first place; isn't that right?

A. Yeah. Yeah, definitely I was, I was interesting to. Yeah, I was interesting to buy the property December 2nd, 2024, even when I was --

MR. NEIRINCK: Mr. Bakhtiari, he's referring to the December 16 Offer here.

THE WITNESS: Maurice, doesn't matter say 16 or 2nd, both is interesting on the -- am I interested to buy the property? Yes, I was interested to buy the property.

BY MR. SHAH:

58 Q. So, Mr. Bakhtiari, I just want to take you to Schedule D of the December 16th, 2024 offer, and looking at Page 60 of the PDF of 160 Inc. Motion Record, for the record, it's the case that you read this Schedule D before 160 Inc. submitted its December 16th, 2024 offer, right?

A. Um-hmn.

59 Q. Can you just answer 'yes' or 'no' for the record?

A. I don't see it. What, what page is it?

60 Q. This is --

A. This is Exhibit what?

61 Q. B.

A. Exhibit B, what page?

62 Q. In your response -- in your responding Motion Record, it is Page 60 on my PDF. So, I don't know exactly what that corresponds to on your end.

MR. NEIRINCK: He might not have the --

THE WITNESS: I don't have it. I don't have it.

MR. NEIRINCK: No. You have the exhibits. The --

THE WITNESS: I have it, Exhibit A, B.

MR. NEIRINCK: It's in the Motion Record that was sent. Actually, I'm trying to think now, if he got the Motion Record or just the Affidavit. I think he might have the Affidavit. So what the counsel is asking you to look for, is

Schedule D to the December 16 Offer, which is the Sale Procedure that is appended to that Offer.

MR. SHAH: Oh, I see. Okay.

MR. NEIRINCK: And if you look on the, if you don't mind, Mr. Shah, if you look at the top of the page there, you'll see the word 'Sale Procedure,' and you'll see a page number on it above Schedule D, it'll say '33' on that page.

MR. SHAH: Thank you very much, Mr. Neirinck.

THE WITNESS: What's the question?

MR. NEIRINCK: Have you found the document, Mr. Bakhtiari?

THE WITNESS: Yes, I see it. Is it --

MR. NEIRINCK: Okay, okay.

THE WITNESS: -- Schedule D.

MR. NEIRINCK: Schedule D.

THE WITNESS: Yeah.

MR. NEIRINCK: Okay.

THE WITNESS: Definition, definition of the -- is it definition?

MR. NEIRINCK: No, it's a Sale Procedure on that page.

THE WITNESS: Sales Procedures.

MR. NEIRINCK: Sale Procedure.
THE WITNESS: Yeah, yeah.
MR. NEIRINCK: Okay, Mr. Shah, go ahead.
BY MR. SHAH:
63 Q. Thank you. So, Mr. Bakhtiari, my question for you is: Did you read this schedule at the time that you submitted the December 16th, 2024 Offer on behalf of 160 Inc.?
A. I don't remember it. I don't remember it. To read it or not, I don't remember it. I went through every pages, but I don't remember it myself.
64 Q. Okay. So I'm just going to take you back to Paragraph 8 of your Affidavit. Paragraph 8 of your Affidavit says, "In the case of the 160 Inc. Bid," which is the December 16th, 2024 bid, "the Sales Procedure was incorporated in and formed a material part of that Bid as Schedule D thereto, as stipulated in Section 1.4 of that Bid." So, as I understand it, 160 Inc.'s position in this litigation, is that the procedures set out in that Schedule D, were terms that applied to 160 Inc.'s Offer; is that correct?
A. If it was, if it was the

accepting the offer, yeah, if they accept the offer. The offer, they never acknowledged they accept it. I mean, you --

MR. NEIRINCK: Just a minute, Mr. Bakhtiari. So, Mr. Shah, the answer is yes. All we're doing and, in fact, it may help you in this examination, our position is based on, on the agreement, and you have a different position and a court will decide it, but nothing's going to change regarding what's in the agreement, right?

BY MR. SHAH:

65 Q. So, I understand your position now in this litigation, Mr. Bakhtiari, is that this Offer was not a qualified bid within the meaning of that Sales Procedure. But at the time that you submitted this Offer, December 16th, 2024, were you of the view then that the Offer was not a qualified bid?

MR. NEIRINCK: Well, hold it. You mean, when it was presented by Ayoub; is that what you're saying as opposed to -- at what point in time are you referring to, counsel?

BY MR. SHAH:

66 Q. At the time it was presented by Ayoub to the Receiver?

A. December 2nd or 16?
67 Q. Sixteen?
A. Why they're not pushing for December 2nd? I'm asking you, that December 16 -- December 2nd we, we send the Offer. From December 2nd.
68 Q. Can you please answer my question?
A. December 2nd to December 16, you don't want to even talk about it. And now, December 16, did Ayoub send the Offer to everybody? No, he didn't.
69 Q. So, Mr. Bakhtiari, you didn't answer my question. I'm going to ask it again.
A. Okay.
70 Q. The question is: At the time that Ayoub submitted the December 16th, 2024 Offer, were you, at that time, of the view that the Offer was not a qualified Bid within the meaning of the Sales Procedure, and the --
A. No.
71 Q. -- Receiver was not capable of accepting it?
A. Not that time. Not time after.
72 Q. And, in fact, at the time you

submitted the December 16th, 2024 Offer, it was your hope and intention that the Receiver would consider it an Offer to Purchase the Property and sign it back, right?

A. Yeah. Yeah. Yes.

73 Q. And, at the time that you submitted the 160 Inc. Offer on December 16th, 2024, you were aware that the Receiver had obtained Offers to Purchase the property from other parties, right?

A. Nobody informed us. But again, again, lack of information from another side. I don't, I don't -- because what Ayoub, I guess, was try to deliver it there, he didn't remember after 5:00, 5:30, whatever he was delivering, forget about the email, a couple of emails but, again, was going to deliver it. Except the minute, when I got there, it was late. "They're not going to accept your offer," because I was, I was in the traffic, I got there late. When he was delivering the offer, it past 5:00.

MR. NEIRINCK: Mr. Bakhtiari, he's asking you if you were aware that other people had made Offers for the Toronto property; that's the question?

THE WITNESS: The question, yes,

probably I heard about it.
BY MR. SHAH:
74 Q. And --
A. It's normal, it's a normal everybody -- I mean, there's more Offers coming.
75 Q. On December 16th, 2024, when you submitted that Offer, would you agree with me that it was your hope that the Receiver would choose your Offer instead of the other Offers it had received and was considering?
A. Probably at that moment, yes. That, that, to 24, yes, December 24, yes, I was hoping.
76 Q. So, I'm just taking you back to your Affidavit, Mr. Bakhtiari, and I'm showing you Paragraph 11 of your Affidavit, if you can read that? It says that, "Pursuant to Section 3 of the Sales Procedure, which was incorporated in and forms part of the 160 Inc. Bid, bids for the Toronto property were required to be submitted to certain notice parties by email, so that they were actually received by each of the notice parties no later than the bid deadline. And any bids received after the bid deadline, shall not constitute a bid, and shall be disqualified." At paragraphs 12 and 13, you then

go on to describe how, because the December 16th, 2024 Offer was submitted late, that it did not constitute a qualified Bid and that the Receiver was not able to accept it. Would you agree with me, that this Affidavit is the first time that 160 Inc. ever communicated this position to the Receiver?

MR. NEIRINCK: Can I help you out there, Mr. -- make it quick, Mr. Shah?

MR. SHAH: Absolutely.

MR. NEIRINCK: Yes, I believe that's the case and -- but I want to clarify what you just said. We aren't saying that it was delivered late. What we're saying, is that we've been informed by the broker that it wasn't delivered to counsel, and we're relying on, as opposed to the email that went to the broker and the agent, it wasn't delivered to counsel for the Receiver. And so, we have a legal position relying on the Sale Procedure and the Agreement, but that's for argument before the Court.

BY MR. SHAH:

77 Q. Of course. Thank you very much, Mr. Neirinck. I'm next going to take you to Paragraph 20 and 21, which describe how Section 1 of the Sales Procedure incorporated in and forming part of the 160 Inc. Bid, as Schedule D thereto, "Defines

a qualified Bid as a bid that satisfies the conditions set out in Section 7 thereof." And it describes one of those conditions being that a Bid must contain what's described as a good faith deposit. I understand 160 Inc.'s position is that because such a quote, unquote, 'good faith deposit' was not included that, again, the 160 Inc. December 16th, 2024 Offer was not a qualified Bid and was not capable of acceptance by the Receiver. Same question as last time: Would you agree with me that this Affidavit is the first time that 160 Inc. ever communicated this position to the Receiver?

MR. NEIRINCK: So, let me help you out again to save time. Yes, we believe that that's the case, counsel, and you understand our defence to the Motion based on, on the wording and the Sale Procedure and the Agreement. And again, that's an issue for the Court to determine.

BY MR. SHAH:

78 Q. Thank you, Mr. Neirinck. So, I'm next going to take you to Appendix W to the Receiver's 6th report, which is a copy of another Offer from 160 Inc., which I understand was submitted by Ayoub to the Receiver on November 3rd, 2025.

MR. NEIRINCK: Can we, Mr. Shah?

MR. SHAH: Yes?

MR. NEIRINCK: Just to make it clear, can we refer to that one as the Offer for the 2.3 million; is that okay?

MR. SHAH: Let me just run the number here. Make sure we're -- sure, sure. We'll refer to it as 2.3 million, just for purposes of, of ease of reference.

79 Q. So, Mr. Bakhtiari, so we established that Ayoub sent this to the Receiver with your authorization on behalf of 160 Inc. My question for you is to direct you to Schedule D of this 2.3 Offer, and please feel free to take your time to review this Schedule D Offer, but my question for you is: Would you agree with me that this Schedule D to the 2.3 Offer is the exact same as the Schedule D appended to the December 16th, 2024 Offer submitted by 160 Inc.?

MR. NEIRINCK: Well, you'd have to go look through the whole thing. Let me see if I can help you again. Yes, we believe that the Schedule D, D as in Donald, that appears as that Schedule to the $2.3 million Offer, is the same Sale Procedure, unless I advise you to the contrary in writing, as

the one that appears as a Schedule D to the earlier two Offers in December of '24. And the only reason I'm hesitating here --

MR. SHAH: Yes, counsel.

MR. NEIRINCK: The only reason I'm hesitating there, is I want to make sure there's no date that's been changed or something, but I don't think so, but I'll have a look and let you know.

MR. SHAH: Understandable, counsel. How about we deal with it this way, then? That I ask for your undertaking to advise whether or not Schedule D to the, what we've termed the 2.3 Offer, is the same as, in your client's view, the December 16th, 2024 Schedule D?

U/T MR. NEIRINCK: You have that undertaking. And if there happens to be any changes, I doubt that there are, but if there are, I'll let you know which ones they are.

BY MR. SHAH:

80 Q. Thank you, counsel. Mr. Bakhtiari, so with respect to this 2.3 Offer, as we've termed it, this offer submitted on November 3rd, 2025, is it 160 Inc.'s position that the Receiver was incapable of accepting this Offer when it was submitted?

MR. NEIRINCK: Well, that's a legal question, but I can, I can help you out on that and answer the question because pursuant to the order of the Court of Appeal, the -- any further Offers pursuant to the decision of the Court of Appeal had to be submitted within so many days. As it turns out, this one was submitted outside those, that time period. So, if you're asking me for what 160 Inc.'s position is regarding the ability of the Receiver to accept that, in light of the decision of the Court of Appeal, which may or may not be what you had in mind, I would say that the answer is no, that the Receiver did not have that authority because it was too late. Now, that's not the reason --

MR. SHAH: Thank you, counsel.

MR. NEIRINCK: -- given. Yeah, that's not the reason it was given in the, in the letter from your office, I understand that, but I thought I'd answer the question from a legal standpoint.

BY MR. SHAH:

81 Q. Thank you, counsel. Mr. Bakhtiari, would you agree with me that 160 Inc. authorized Ayoub to submit this 2.3 Offer because it wanted the Receiver to accept this offer?

A. It was -- the market was different. When Ayoub came back to me, when suddenly he told me, to ask us to put the Offer after 11 months, and which, with my, my experience, Which, with which I find it unprofessional. People that were working on this case and nobody corresponding to us for almost 11 months, they ask us to put the new Offer, new Offer. They did not ask us to honour your -- they ask us new Offer, and which I check it with Ayoub. I said, "How's the, the market right now?" Because market dropped from 24 to 25, almost 30%, 40%. I said, "You know what, With the Offer for 2.3, that's all is worth it right now, because I'm not interested after 11 months, no response from them." And then they told us, "Is out of time or we are not accepting it." And then everything, everything's gone, everything's dead. Nobody get back to us. Now, you ask me about the 2.3, I agree with it? I said, "That moment, when after 11 months I didn't hear anything, I said put a 2.3."

82 Q. Sorry, I'm not sure I got an answer to my question there, Mr. Bakhtiari. My --

A. What's, what --

83 Q. You said --

A. -- question you asked me? "Are you agree with the 2.3?" I said, "I put that 2.3." I did not get it. It was from my number, told Ayoub to put the 2.3. You want to --

84 Q. You told --

A. What's your question?

85 Q. The question, the question, just just to to be clear, Mr. Bakhtiari, was whether or not --

A. Bakhtiari.

86 Q. -- it was your --

A. Bakhtiari.

87 Q. No, no worries. Please, please let me finish my question, just so that the record's clear.

A. Go ahead.

88 Q. Would you agree with me that when 160 Inc. authorized Ayoub to send this 2.3 Offer, that it was your intention that the Receiver accept this offer?

A. We sent the offer. Yes, we did. We send the offer for 2.3.

89 Q. And, sorry. So, you said you sent the offer. My question is not about whether or not you sent it. I understand you did. My question

is about what was, what were you thinking when you sent it? Let me just kind of rephrase it a bit. When you sent this Offer, did you hope and want that the Receiver would sign it back and accept it?

A. Well, maybe assuming probably we are the only one who send the Offer. Because we, we, you know what kind of things I find, that after 11 months, maybe nobody interested to buy that property, that's the reason I put 2.3.

90 Q. I didn't ask the reason that you put 2.3, and I didn't ask for whether you thought you were the only party that submitted the Offer. My question is: Was it your hope and intention that the Receiver sign this Offer back and accept it?

A. I don't remember it. I didn't remember what I dream about it, but I asked him to put the Offer. You asked me, you asked me: Did you have a hope you get?" I don't know. I asked me that feeling. I said, "Put a 2.3." I don't know if I'm getting it or I'm not getting it. I didn't know that. Just I put the Offer.

91 Q. And to summarize what, if I can just summarize what I understand your evidence to be, is that you directed Ayoub to submit an Offer to Purchase real properties for $2.35 million, and you

don't know whether or not you wanted to purchase the property or not; is that what you're saying?

A. All I'm saying, if it was, when I put the Offer, accept at 2.3, then not buy it, but they did not get back to me. Of course, when I put the Offer to any property, if they get back to me, I buy it. I mean, you ask me, "Did I feel it?" I'm not, I'm not sitting there and waste my time. I mean, of course, Ayoub, when he came to me, I put the Offer. But again, according to my experience, after two years, two years, waste my time for this property from December 2024 and all the way go to the, a year after, wasting my time. And now you ask me my feeling. What kind of question you ask me? I mean, this is, at the least you make that sense, that question. You ask me, "How did you feel when, When, last month I had to have you" --

MR. NEIRINCK: Mr. Bakhtiari, you've answered the question.

THE WITNESS: Like, I knew that --

MR. NEIRINCK: Hang on. In the midst of all of that, Mr. Shah, he did answer your question. He did say he was prepared to buy it, buy the property.

MR. SHAH: Can we just go off the

record for a brief moment?

MR. NEIRINCK: Of course.

THE REPORTER: We're off the record at 3:35 p.m.

(OFF RECORD)

MR. SHAH: Okay. Can we go back on the record then, please, Madam Court Reporter.?

THE REPORTER: Okay. We're back on the record at 3:38 p.m.

MR. SHAH: Thank you very much. Counsel, can I please have an undertaking to identify whether or not the document that is marked as Exhibit D to the Affidavit of Andy Bakhtiari, sworn July 2nd July 20th, 2026, and which begins at Page 69 of the Respondent's 160 Inc.'s Motion Record is, indeed, the December 2nd, 2024 Offer to Purchase the Toronto property submitted by 160 Inc.? And if not, to produce the document that is such Offer?

U/T

MR. NEIRINCK: Right. This is the December, what I'll call the December 2nd, 2024 Offer. And yes, you have that undertaking.

MR. SHAH: Okay. Thank you very much. I have no further questions for the witness, then.

MR. NEIRINCK: All right. Thank you.

THE WITNESS: Okay. Thank you.

THE REPORTER: Thank you.

(Adjourned at 3:39 p.m.)

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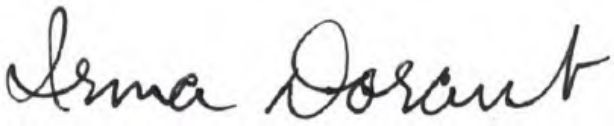

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Court File No.: CV-23-00701672-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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Applicant

- and -

CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC.

Respondents

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Applicant

- and -

CONACHER KINGSTON HOLDINGS INC. and 5004591 ONTARIO INC.

Respondents

RESPONDING MOTION RECORD OF 1604706 ONTARIO INC.
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Tab 1

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

AFFIDAVIT OF ANDY BAKHTIARI

I, Andy Bakhtiari, of the City of Toronto, in the Province of Ontario MAKE OATH AND SAY:

1. I am the president and a director of 1604706 Ontario Inc. ("160 Inc."). As such, I have knowledge of the matters hereafter deposed.

2. I am deposing this Affidavit on behalf of 160 Inc., in opposition to the Motion of TDB Restructuring Limited ("the Receiver") on account of an Offer to Purchase by 160 Inc. that was delivered to the Receiver, but not to its counsel, on December 16, 2024 ("the 160 Inc. Bid").

3. The 160 Inc. Bid is appended hereto as **Exhibit A**. The signature for the 160 Inc. Bid on page 28 is mine.

4. The 160 Inc. Bid was for the purchase from the Receiver of five abutting parcels of land at 2849, 2851, 2853, 2855 and 2857 Islington Avenue in the City of Toronto ("the Toronto Property"). The stated purchase price in the 160 Inc. Bid was $3,688,000.

5. As set out in the Receiver's Motion Record, the 160 Inc. Bid was pursuant to the Order of Justice Black dated December 10, 2024 ("the Black Order").

6. The Receiver required that all bids for the Toronto Property conform with the Receiver's Template for all such Bids. The Receiver's Template is found at Appendix A to the Receiver's Sixth Report in support of its Motion against 160 Inc.

7. The Receiver's Template for Bids for the Toronto Property in part specifically required that all Bids for the Toronto Property incorporate and comply with a Sales Procedure to be appended as Schedule D to the Bid ("the Sales Procedure").

8. In the case of the 160 Inc. Bid, the Sales Procedure was incorporated in and formed a material part of that Bid as Schedule D thereto as stipulated in section 1.4 of that Bid.

9. The Receiver further confirmed and agreed that the provisions of the Sales Procedure are a material part of the 160 Inc. Bid, when the Receiver signed the 160 Inc. Bid on November 13, 2025. The Receiver is bound by the Sales Procedure, as also confirmed in the Receiver's Sixth Report.

10. By virtue of the very terms of the 160 Inc. Bid, including the incorporated Sales Procedure at Schedule D thereto, the 160 Inc. Bid was never a Bid which qualified for or that was available for acceptance.

First Reason for Disqualification of the 160 Inc. Bid

11. Pursuant to section 3 of the Sales Procedure which was incorporated in and formed part of the 160 Inc. Bid, Bids for the Toronto Property were required to be submitted to certain "Notice Parties" by email so that they are actually received by each of the Notice Parties no later than the Bid Deadline and any Bids received after the Bid Deadline "shall not constitute a Bid and shall be disqualified."

12. Section 1 of the Sales Procedure defined the Notice Parties as "the Receiver, its counsel and the Listing Agent." The Bid Deadline was set by the Black Order as 5:00 PM on December 16, 2024.

13. Accordingly, for the 160 Inc. Bid to constitute a Bid for the Toronto Property and not be disqualified from consideration by the Receiver, the Bid had to be delivered to each of the Receiver, its counsel and the Listing Agent by 5:00 PM December 16, 2024.

14. I am advised by 160 Inc.'s real estate agent, Ayoub Eftekharnejad ("Ayoub"), and verily believe to be true that he submitted the 160 Inc. Bid to the Receiver and its Listing Agent by an email at 2:55 PM on December 16, 2024, a copy of which email is appended hereto as **Exhibit B**, but that the 160 Inc. Bid was not submitted by Ayoub to the Receiver's counsel by 5:00 PM on December 16, 2024, or at all.

15. Nor did 160 Inc. or anyone else on behalf of 160 Inc. submit the 160 Inc. Bid to counsel for the Receiver by 5:00 PM, December 16, 2024, or at all.

16. Accordingly, (i) as the 160 Inc. Bid for the Property, including the Sales Procedure, disqualified the Bid from being a Bid for consideration by the Receiver for the purchase of the Toronto Property unless delivered by 5:00 PM, December 16, 2024, to not just the

Receiver and its Listing Agent but also to its counsel and (ii) as the 160 Inc. Bid was not submitted to the Receiver's counsel by 5:00 PM, December 16, 2024, or at all, the 160 Inc. Bid did not constitute a Bid for the Property and was disqualified by its own terms and provisions from being a Bid for consideration and possible acceptance in accordance with the other provisions of that Bid.

17. As such, the Receiver had no right or authority to at any time consider, let alone sign and take any steps to accept, the 160 Inc. Bid for the purchase of the Toronto Property. The 160 Inc. Bid did not constitute a valid Bid and was disqualified from being a Bid. The Receiver had no right to purport to in any way partially or otherwise sign or take steps to have the Bid accepted. The Bid was of no force and effect because of prior non-compliance with the delivery pre-condition in the Sales Procedure which disqualified the Bid. Accordingly, the Receiver has no possible claim against 160 Inc. on account of the Bid.

18. In that regard, the disqualification of the 160 Inc. Bid was no different than the disqualification of an earlier Bid for the Toronto Property by 160 Inc. on or about December 2, 2024, a copy of which Bid is appended hereto as **Exhibit C** ("the First 160 Inc. Bid").

19. The First 160 Inc. Bid was submitted after what was then the September 26, 2024, Bid Deadline for Bids for the purchase of the Toronto Property. I am advised by Ayoub and verily believe to be true that the Receiver refused to accept the First 160 Inc. Bid for consideration because it was delivered after September 26, 2024, and was therefore disqualified from consideration by the Receiver for the purchase of the Toronto Property and, at that, even though the $2.8 million purchase price was more than the highest

purchase price in the Bids submitted for the purchase of the Toronto Property before the September 26, 2024, then Bid deadline. Just as the First 160 Inc. Bid was disqualified from being a valid Bid for the purchase of the Toronto Property from the Receiver, so was the 160 Inc. Bid.

Second Reason for Disqualification of the 160 Inc. Bid.

20. Section 1 of the Sales Procedure incorporated in and forming part of the 160 Inc. Bid as Schedule D thereto defines a "Qualified Bid" as "a Bid that satisfies the conditions set out in Section 7 hereof."

21. In order for a Bid for the Property "to be considered a Qualified Bid…a Bid must satisfy each of the following conditions":

> "(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 beheld 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;"

22. Sections 9 and 10 of the Sale Procedure require that any Successful Bid for the purchase of the Toronto Property must be a Qualified Bid pursuant to section 7 including, more particularly, a Bid for which a Good-Faith Deposit is paid as required by sub-paragraph (f).

23. Furthermore, section 10 of the Sales Procedure in part stipulates "If no Qualified Bid is received by the Bid Deadline, then the Sale Procedure shall be terminated."

24. As previously set out in my Affidavit, sections 1, 7, 9 and 10 of the Sale Procedure are all incorporated in and form part of the 160 Inc. Bid.

25. In addition, section 2.15(a)(ii), (b) and (c) of the 160 Inc. Bid all stipulate that the 160 Inc. Bid is subject to compliance with the Sales Procedure including the requirement for the 160 Inc. Bid to be a Qualified Bid as defined in section 7 of the Sales Procedure and the requirement that there can be no Successful Bid for the Property unless the Bid is a Qualified Bid.

26. Accordingly, if the 160 Inc. Bid is not a Qualified Bid for the purchase of the Toronto Property, the 160 Inc. Bid cannot possibly be a Successful Bid for the purchase of the Toronto Property for the purpose of taking steps for acceptance of the Bid by Court Approval. Again, this is because the requirement that the 160 Inc. Bid be a Qualified Bid for the purchase of the Property is a pre-condition or condition precedent for consideration by the Receiver and possible acceptance for the purchase of the Toronto Property.

27. In this case, 160 Inc. did not pay the Good-Faith Deposit of $368,800, with respect to the 160 Inc. Bid. No deposit of any kind was paid or tendered by or on behalf of 160 Inc. with respect to the 160 Inc. Bid.

28. Because 160 Inc. did not pay the Good-Faith Deposit as required by section 7(f) of the Sales Procedure, the 160 Inc. Bid was never a Qualified Bid for the purchase of the Toronto Property which could be considered for determination as a Successful Bid by the Receiver. As the Good-Faith Deposit payment pre-condition for the 160 Inc. Bid qualifying as a Qualified Bid was never complied with or satisfied, the 160 Inc. Bid was never a Qualified Bid and the 160 Inc. Bid was therefore never open or available for consideration by the Receiver as a Successful Bid or, in turn, for acceptance by Court Approval.

29. In turn, the 160 Inc. Bid therefore never resulted in any sort of agreement with the Receiver. The Bid was no more than an offer which expired in accordance with its terms without any legal consequences whatsoever because the subject pre-condition for its qualification as a Qualified Bid, being the payment of the Good-Faith Deposit, was never complied with by 160 Inc..

30. Nor was there any default with respect to non-payment of the Good-Faith Deposit. There was no default because there was no agreement between 160 Inc. and the Receiver. Again, this was because of non-compliance with a pre-condition for the 160 Inc. Bid to qualify for consideration by the Receiver pursuant to the Sales Procedure.

31. Accordingly, the Receiver has no claim against 160 Inc. on account of the 160 Inc. Bid because there were two separate and independent disqualifications of the 160 Inc. Bid from possible consideration by the Receiver.

Disqualification/Non-Qualification of the 160 Inc. Bid Conclusion

32. The disqualification and non-qualification of the 160 Inc. Bid for possible acceptance is easily summarized as follows:

(a) By its own terms, the 160 Inc. Bid was subject to strict prior compliance with a number of pre-conditions or qualifying conditions;

(b) Failing strict compliance by 160 Inc. with the pre-conditions and qualifying conditions for the 160 Inc. Bid, the 160 Inc. Bid is undeniably disqualified and/or cannot be considered for determination as a Successful Bid or for possible acceptance pursuant to the Sales Procedure;

(c) By reason of not only (i) the Receiver's Template with the incorporated Sales Procedure for Bids for the Toronto Property and (ii) the incorporation of the Sales Procedure in the 160 Inc. Bid but (iii) the Receiver's affirmation and confirmation that the 160 Inc. Bid was subject to/conditional upon prior compliance with the disqualifying conditions and pre-conditions thereto in the Sales Procedure, there is no doubt and it is undeniable that the 160 Inc. Bid is disqualified and does not qualify as a Qualified Bid in the event of prior non-compliance with the disqualifying conditions and the pre-conditions for qualification in the Sales Procedure;

(d) Pursuant to section 3 of the Sales Procedure, the 160 Inc. Bid was therefore disqualified from possible consideration and acceptance because it was not delivered to the Receiver's Counsel by 5:00 PM on December 16, 2024;

(e) Pursuant to sections 1, 7, 9 and 10 of the Sales Procedure, section 2.15 of the 160 Inc. Bid and the very terms of the Bid, the 160 Inc. Bid was therefore also separately disqualified from possible consideration and acceptance because it was never a Qualifying Bid for consideration as a Successful Bid and for acceptance by Court approval due to non-payment of the required Good-Faith deposit of $368,800;

(f) Since the 160 Inc. Bid is a disqualified Bid and a Bid which did not qualify as a Qualifying Bid for consideration and possible acceptance, the 160 Inc. Bid was never open for consideration and possible acceptance pursuant to the Sales Procedure or otherwise and is of no legal force or effect whatsoever. No agreement and certainly no accepted agreement arose from the 160 Inc. Bid. This

is a complete defence to the Receiver's alleged, but non-existent, claim against 160 Inc.

Additional Complete Defence Due to No Valid Acceptance of The 160 Inc. Bid

33. Section 16 of the Sales Procedure is also incorporated in and forms part of the 160 Inc. Bid, as set out in section 1.3 of the Bid and Schedule A thereto.

34. In addition, section 2.15(a)(i) of the 160 Inc. Bid also separately stipulates that the 160 Inc. Bid is subject to Court approval.

35. Section 12 of the Sales Procedure stipulates that "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."

36. Accordingly, by the very terms of the 160 Inc. Bid, Court Approval of the Bid was required for acceptance of the 160 Inc. Bid.

37. In this case, the 160 Inc. Bid was not determined and could not have been determined to be a Successful Bid pursuant to the Sales Procedure and the 160 Inc. Bid incorporating that Procedure. Again, this is because the 160 Inc. Bid was not a Qualified Bid as defined in the Sales Procedure and, in turn, did not qualify for consideration as a Successful Bid.

38. On or about November 13, 2025, the Receiver purported to sign back the 160 Inc. Bid as set out in paragraph 37.2 and the letter at Appendix Y to the Sixth Report. However, the purported sign back was unauthorized and ineffective for the reasons already set out above. In that regard, the Receiver did not purport to assert in its November 13, 2025,

letter that the 160 Inc. Bid was a "Successful Bid" as defined and required by sections 7, 9 and 10 of the Sales Procedure. In addition, the 160 Inc. Bid could not be accepted by the Receiver and was prohibited from doing so by the very terms of the 160 Inc. Bid. Acceptance required Court Approval.

39. In that regard, the Receiver never obtained nor even applied for Court Approval of the 160 Inc. Bid as required by section 12 of the Sales Procedure. As there was no Court Approval of the 160 Inc. Bid, there was never any acceptance of the 160 Inc. Bid as required by section 12 of the Sales Procedure and, once again, by the very terms of the 160 Inc. Bid. The Receiver is contractually barred from even alleging otherwise.

40. In addition to the requirement for Court Approval for acceptance of the 160 Inc. Bid by the very terms of the Bid, Court Approval for the 160 Inc. Bid was also required by paragraph 8(b) of the Black Order.

41. Since there was no acceptance of the 160 Inc. Bid as required by the very terms of the 160 Inc. Bid and not to mention the Black Order, although the Bid was in any event not open for acceptance because of disqualification, there was no agreement of any kind between the Receiver and 160 Inc. that resulted from the Receiver's signing and purported acceptance of the 160 Inc. Bid by its November 13, 2025, letter.

Complete Defence Conclusion Based on No Acceptance of the 160 Inc. Bid

42. Pursuant to section 12 of the Sales Procedure, there is no acceptance of the 160 Inc. Bid until a Successful Bid, as defined in sections 7, 9 and 10 of the Sales Procedure, has been approved by the Court. That requirement is confirmed in section 2.15(a)(i) of the 160 Inc. Bid. Nor is there any provision to the contrary in the 160 Inc. Bid.

43. Acceptance of the 160 Bid by Court Approval is the last step in the Sales Procedure. First, a Bid must not be disqualified by non-compliance with section 3 of the Sales Procedure. Second, a Bid must be a Qualified Bid to be considered as a possible Successful Bid as required by sections 7, 9 and 10 of the Sales Procedure and section 2.15 of the 160 Inc. Bid. Third, assuming that a Bid is not disqualified and is a Qualified Bid (*which is not the case here*), the Receiver may determine if one or more of the Qualified Bids is a Successful Bid. Fourth, if a Qualified Bid is determined to be a Successful Bid, the Receiver is required to seek Court Approval of the Bid and of the transaction contemplated by the Bid; however, if there is no Qualified Bid, the Sales Procedure is terminated or terminated with respect to any Bid which is disqualified or is not a Qualified Bid. Fifth, a Bid is only accepted when a Qualified Successful Bid has been approved by the Court.

44. Here, the Receiver never obtained nor even applied for Court Approval of the 160 Inc. Bid. Nor will the Receiver ever do so because the Receiver instead sought Court Approval for another Bid which was approved by the Court and which was subsequently completed by a sale of the Toronto Property pursuant to the terms of that Bid.

45. Accordingly, even if the 160 Inc. Bid had not been disqualified and had been a Qualified Bid instead of being disqualified and not a Qualified Bid, the 160 Inc. Bid was never accepted as provided for and required by the very terms of the 160 Inc. Bid including the Sales Procedure. Nor was the Bid approved as required by the Black Order. As a result, there is no accepted enforceable agreement between the Receiver and 160 Inc. with respect to the 160 Inc. Bid.

46. Since there is no accepted agreement which resulted from the 160 Inc. Bid, the Receiver has no claim against 160 Inc. on account of the Bid. There was never any default by 160 Inc. because there were no underlying obligations on the part of 160 Inc. There was no breach of any kind by 160 Inc. because there was nothing to breach. The Receiver has purported to reserve its rights against 160 Inc. and to make a claim on account of that reservation but the Receiver had no rights to reserve. There is no possible contractual basis or any other basis for the Receiver's alleged claim against 160 Inc.

Further Complete Defence as a Result of No Acceptance of the 160 Inc. Bid

47. Section 5.6 of the 160 Inc. Bid specifically precludes the Receiver from asserting repudiation and claiming damages for the difference between the amount of the Bid and the price for which the Toronto Property was sold unless "all of the Purchaser Closing Conditions have been complied with" and unless 160 Inc. has failed to comply with the terms of the Bid.

48. Apart from the fact the 160 Inc. Bid was never accepted and the further fact that 160 Inc. has not failed to comply with any obligations, the fact is that the "Purchaser Closing Conditions" as defined in section 4.1 of the 160 Inc. Bid were not all complied with including, more particularly, the condition requiring the Receiver to obtain an Approval and Vesting Order. As the Receiver did not comply with all of the Purchaser Closing Conditions and as the conditions were never waived by 160 Inc., the Receiver would in any event be contractually barred from making its alleged, albeit non-existent, claim against 160 Inc.

49. This is yet another further alternative complete defence to the Claim.

The Nullity of the 160 Inc. Bid

50. Section 4.5 of the 160 Inc. Bid stipulates (i) that the obligations of 160 Inc. are conditional upon an Order being obtained for approval of the Bid and for the vesting of the Toronto Property in 160 Inc. pursuant to that approval, (ii) that the said condition "is incapable of waiver" and (iii) that the transaction contemplated by the 160 Inc. Bid "shall automatically be deemed to be null and void and of no further force and effect" should the Order not be obtained.

51. As no Court Order was obtained or will ever be obtained for approval of the 160 Inc. Bid, any obligations which 160 Inc. may have had pursuant to the 160 Inc. Bid (*although there were none*) are null, void and of no force and effect. This is yet another reason for why the Receiver has no basis for making a claim against 160 Inc. on account of the 160 Inc. Bid.

52. Section 4.5 of the 160 Inc. Bid is further proof that (i) the 160 Inc. Bid was disqualified from possible acceptance, (ii) that the 160 Inc. Bid was not a Qualified Bid for possible acceptance and (iii) that Court Approval was required for acceptance of the 160 Inc. Bid. There are other provisions in the 160 Inc. Bid which further prove those facts and 160 Inc. will rely upon them at the hearing of the Motion should the Motion have to be argued.

The Binding Provisions of the Sales Procedure on the Receiver

53. The Receiver is not only bound by the Sales Procedure pursuant to the provisions of the Sales Procedure and by, *inter alia*, section 1.3 and Schedule D of the 160 Inc. Bid but is also strictly bound by the Sales Procedure, together with the related provisions of the 160

Inc. Bid, by reason of (i) the "Entire Agreement" provisions in section 6.7 of the 160 Inc. Bid and (ii) the no "Amendments and Waiver" provisions in section 6.6 of the 160 Inc. Bid.

Other Submissions

54. The Receiver has made a claim against 10001079582 Ontario Inc. ("100 Inc.") for recovery of damages on account of its alleged default and/or breach of an alleged agreement of purchase and sale for the purchase of the Toronto Property which is alleged to have been entered into before November 13, 2025.

55. Apart from the aforesaid complete defences to the Receiver's claim against 160 Inc., the Receiver's alleged claim against 160 Inc. is also premature pending the outcome of the preceding claim against 100 Inc. The amount of the alleged claim against 160 Inc. should be eliminated or reduced by the amount of any Judgment or, alternatively, the amount of any recovery from 100 Inc. including from forfeiture of an apparent deposit paid by 100 Inc. to the Receiver.

56. 160 Inc. also puts the Receiver to the proof of the amount of its alleged claim against 160 Inc.

57. I am therefore deposing this Affidavit on behalf of 160 Inc. in good faith and for no improper purpose.

SWORN REMOTELY by the Deponent stated as being in the City of Toronto, Ontario, on July 20, 2026, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*

A Commissioner for taking affidavits, etc.
Maurice J. Neirinck

Andy Bakhtiari

Attached is **Exhibit A** referred

to in the Affidavit of

ANDY BAKHTIARI

sworn before me

this 20th day of July, 2026

Maurice J. Neirinck

A Commissioner for taking affidavits, etc.

From: Ayoub Eftekharnejad <aeftekharnejad_ca@yahoo.ca>
To: adhanani@tdbadvisory.ca <adhanani@tdbadvisory.ca>; btannenbaum@tdbadvisory.ca <btannenbaum@tdbadvisory.ca>; Alex Holiff <alex.holiff@colliers.com>
Sent: Monday, December 16, 2024 at 02:55:29 p.m. EST
Subject: Fw: Offer for 2849 Islington Ave

Dear Arif

I am writing to formally submit my offer to purchase the property located at 2849 Islington Ave. Please review the attached offer and consider it at your earliest convenience. I am confident this proposal will be of interest and look forward to discussing further details.

Thank you for your time and consideration.

Best regards, Ayoub

Attached is **Exhibit B** referred

to in the Affidavit of

ANDY BAKHTIARI

sworn before me

this 20th day of July, 2026

Maurice J. Neirinck

A Commissioner for taking affidavits, etc.

Authentisign ID: A7AF5E96-01B1-EF11-88CF-002248299057

AGREEMENT OF PURCHASE AND SALE

This AGREEMENT made the <*> day of <*> 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

[redacted] 1604706 Ontario Inc

(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:

MB

Authentisign ID: A7AF5E96-01B1-EF11-88CF-002248299057

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(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 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.

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(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";

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(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 apelet 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

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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;

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(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

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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

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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;

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(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;

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(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 $ 3,688,000.00 allocated as set out in paragraph 2.7.

Three Million & Six Hundred Eighty Eight Thousand Dollars

2.5 Deposit

The Parties acknowledge and agree that the sum of $ 368,800.00, being ten (10%) percent of the Purchase Price (the "**Deposit**") has been delivered by the Purchaser to the Vendor's solicitor in trust upon submission by the Purchaser of an executed copy of the Agreement to 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:

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(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

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(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

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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.

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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 enures 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.

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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

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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

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