

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

BETWEEN:

MARSHALLZEHR GROUP INC., AS ADMINISTRATOR

Applicant

- and -

12252856 CANADA INC.

Respondent

**SUPPLEMENT TO THE THIRD REPORT OF THE RECEIVER
(Motion returnable January 5, 2023)**

December 29, 2023

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Harvey Chaiton (LSO #21592F)
Tel: (416) 218-1129
Email: harvey@chaitons.com

Laura Culleton (LSO #82428R)
Tel: (416) 218-1128
Email: laurac@chaitons.com

**Lawyers for the Court-appointed
Receiver, RSM Canada Limited**

TO: SERVICE LIST

Court File No. CV-22-00691528-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N :

MARSHALLZEHR GROUP INC., AS ADMINISTRATOR

Applicant

- and -

12252856 CANADA INC.

Respondent

SUPPLEMENT TO THE THIRD REPORT OF THE RECEIVER
December 29, 2023

TABLE OF CONTENTS

INDEX TO SCHEDULES..... 1

INTRODUCTION 2

PURPOSE OF REPORT..... 2

TERMS OF REFERENCE 2

RESPONSE TO THE AFFIDAVIT 2

SECURITY 7

DISTRIBUTION..... 7

INDEX TO SCHEDULES

Appendix	DOCUMENT
A	Avison Young Marketing Brochure
B	Respondent's Questions to the Receiver, and the Receiver's Response

INTRODUCTION

1. On December 12, 2023, the Receiver brought a motion, now returnable January 5, 2024, for approval of the sale of the Property to MarshallZehr Capital Partners Inc. (the “**MZ Purchaser**”). On November 20, 2023, the Receiver served its Third Report to the service list.
2. On December 22, 2023, Mr. Mir Ali (“**Mr. Ali**”) filed an Affidavit (the “**Ali Affidavit**” and/or “**Affidavit**”) in response to the Receiver’s motion to approve the MZ APS.
3. All capitalized terms used but not defined herein, shall have the meaning given to such terms in the Third Report.

PURPOSE OF REPORT

4. The purpose of this supplement to the Third Report (the “**Supplemental Report**”) is to respond to certain criticisms, as set out in the Ali Affidavit with respect to the execution of the Sale Process by the Receiver and the proposed sale transaction to the MZ Purchaser.
5. The Supplemental Report should be read in conjunction with the Third Report.

TERMS OF REFERENCE

6. Unless otherwise stated, all monetary amounts contained in the Supplemental Report are expressed in Canadian Dollars.

RESPONSE TO THE AFFIDAVIT

7. The Ali Affidavit contains several criticisms about the Receiver’s marketing of the Property, and the proposed sale of the Property to the MZ Purchaser. The main criticisms appear to be that:
 - (a) the Property was marketed on an “as is” basis, rather than marketed in a manner which provided prospective purchasers with more complete information regarding

the planning and development status of the Property; (See paragraphs 24 to 25, and 34 of the Ali Affidavit)

- (b) the 1227 Offer (as defined in the Ali Affidavit) represents a materially higher realization for the secured creditors; (See paragraphs 26 to 29 of the Ali Affidavit) and
- (c) the execution of the Court-approved Sale Process for the Property by the Receiver was insufficient to obtain the best price for the Property; (See paragraphs 33 to 36 of the Ali Affidavit).

8. The Receiver's response to each criticism is set out below.

Development Status of the Property

9. Upon the Receiver's appointment, the Receiver requested that Mr. Ali provide all documents and information relating to the Property, including its development status. Mr. Ali provided various documents in response. The Receiver notes that all of the relevant documents provided by Mr. Ali were included in Avison Young's online data room for prospective purchasers to review. To the extent that Mr. Ali now considers it relevant, the Receiver notes that the documents provided by Mr. Ali did not include the letter from Evans Planning dated March 8, 2023, which was attached as Exhibit "A" to the Ali Affidavit. In addition, a search of the City of Richmond Hill's records by Avison Young disclosed that the last formal planning approvals were provided on or about March 18, 2020, prior to the Respondent's purchase of the Property.
10. It is the Receiver's understanding that Mr. Ali had a copy of Avison Young's marketing brochure, which sets out the planning status of the Property as follows:

The site is currently zoned for Multiple Residential uses, with a small portion on the southwest corner of the Property designated as Park area under the Municipality's zoning by-law. In 2019, a Zoning By-law Amendment was approved by the City to permit the development of 178 stacked townhouse units and 2 levels

of underground parking with 344 parking stalls, in addition to a private park. A Site Plan and Draft of Condominium applications were submitted to the City for approval. The 0.23 acres of designated park area on the southwest corner of the Property is to be transferred to the City for the use of a public park.

The Property is currently undeveloped save for a vacant, detached residential dwelling on one of the lots. A Phase 1 ESA was completed in 2020, with additional studies and planning reports available in the data room. No other site work has been completed to date.

11. At no time during the Sale Process did Mr. Ali advise the Receiver of any concerns regarding the description of the planning status of the Property. A copy of Avison Young's marketing brochure for the Property is attached as **Appendix "A"** to this report.
12. Further, prospective purchasers had ample opportunity to contact the City of Richmond Hill and other consultants in order to perform their own due diligence on the planning status.
13. The Receiver maintains that its statements regarding the status of the Property are factually accurate. No improvement to the Property has been undertaken since the prior purchase of the Property was completed on October 20, 2020, as it relates to the physical state of the Property. The Receiver also notes that the appraisals appended to the Ali Affidavit from Colliers and Cushman & Wakefield both describe the Property as vacant and/or unimproved, which is consistent with the Receiver's description of the Property:
 - (a) "The Subject site is unimproved. It is assumed, for the purpose of this report, that the Subject Property is vacant and unimproved." (Ali Affidavit page 55).
 - (b) "As the property being appraised represents vacant land, an analysis of its Highest and Best Use as Improved is not relevant and has therefore not been completed." (Ali Affidavit page 78).

- (c) “The Subject Property is a vacant land parcel as such we have outlined the applicable land valuation techniques below...” (Ali Affidavit page 79).
- (d) “The subject property is currently improved with two vacant lots and one lot with a vacant single detached dwelling.” (Ali Affidavit page 129).

The 1227 Offer

14. In his Affidavit, Mr. Ali makes several claims about the 1227 Offer and why it is, in his view, superior to the MZ APS for which the Receiver is seeking Court approval. The following sets out Mr. Ali’s position with respect to the 1227 Offer, and the Receiver’s comments in response:

Position - The 1227 Offer is for a purchase price well in excess of the estimated purchase price being offered by the MZ Purchaser. (Ali Affidavit, paragraph 19)

Response - In his Affidavit, Mr. Ali disclosed that the purchase price contained in the new 1227 Offer is \$41.5 million for the Property. It should be noted that this offer was delivered on December 22, 2023, more than one month after the Receiver’s motion to approve the MZ APS was served and following the original return date of the motion. In any event, Mr. Ali does not distinguish between the proposed cash component of the purchase price and the assumption of debt contained in the 1227 Offer. In fact, the total cash component of the 1227 Offer is \$24.5 million, represented by two staggered deposits of \$500,000 each, and \$23,500,000 due upon closing. The balance of the purchase price in the 1227 Offer involves the assumption of \$16 million in debt, comprised of the following mortgages:

<u>Mortgage</u>	<u>Amount</u>
Second Mortgage	\$ 1,000,000.00
Third Mortgage	\$ 500,000.00
Fourth Mortgage	\$ 5,500,000.00
Fifth Mortgage	\$ 9,000,000.00
Total	\$ 16,000,000.00

The Receiver also notes that the purported \$41.5 million purchase price appears to be an arithmetic error, as the sum of the cash purchase price (\$24.5 million) and the assumed mortgages (\$16 million) is \$40.5 million, not \$41.5 million.

As of December 12, 2023, the Debtor's total indebtedness to the senior secured lender, MarshallZehr, was \$26,119,075.41. Interest on this mortgage will continue to accrue at a rate of \$19,176.87 per diem until closing. In other words, the cash component of the 1227 Offer is insufficient to pay the MZ mortgage and priority payables in full. As at December 12, 2023, there would be a shortfall of \$1,619,075.41 to MarshallZehr, before payment of any priority payables which would serve to further increase the shortfall to MarshallZehr.

Position - The subsequent secured creditors are supportive of the 1227 Offer. (Ali Affidavit, paragraph 20)

Response - Mr. Ali did not address the shortfall to MarshallZehr in his affidavit, nor did he address the basis in law upon which he proposes to prefer the claims of the subordinate creditors to the interest of the first mortgagee.

Position – “There is a short conditional period in the 1227 Offer, to January 25, 2023, to allow time - from approval – to finalize the addition of Bridlepath to the joint partnership”. (Affidavit, paragraph 18)

Response – It is unclear to the Receiver why these parties require a further 30-day period in order to finalize a joint venture arrangement. As set out in the Third Report, those parties have been in discussions since September 2023 and have not yet been able to come to an agreement. The Receiver is concerned that the acceptance of the 1227 Offer could result in further delays, to the detriment of the first mortgagee.

The Sale Process

15. The Sale Process involving the retention of Avison Young as listing agent to market the Property for sale was approved by the Court on notice to the Respondent and Mr. Ali. Neither the Respondent nor Mr. Ali appealed the Sale Process Approval Order.

16. The Sale Process was conducted in accordance with the terms of the Sale Process Approval Order. The Receiver has provided extensive information regarding the execution of the Sale Process at paragraphs 18 to 59 of the Third Report.
17. In accordance with the Endorsement of Justice Steele dated December 12, 2023, counsel for the Debtor provided the Receiver with written questions which the Receiver has responded to, and the written questions and responses are attached as **Appendix “B”** to this report.
18. The Avison Young marketing update report as of August 23, 2023, included in Appendix “B”, describes their marketing activities in respect of the Property.

SECURITY

19. After the issuance of the Third Report, the Receiver has received an opinion from Loopstra Nixon (the “**Security Opinion**”) that, subject to the qualifications and assumptions contained therein that are typical for opinions issued to Court-appointed receivers, the MarshallZehr Mortgage is a valid and enforceable first registered mortgage against the Property.

DISTRIBUTION

20. Pursuant to the Approval and Vesting Order that is being sought, and the terms of the MZ APS, it is contemplated that the Tranche A Debt (as defined in the MZ APS), which relates to Vector Financial Services Ltd. (“**Vector**”) will be paid in cash out of the cash proceeds of sale provided by the Purchaser. As of December 12, 2023, the amount of the Tranche A Debt was \$16,946,001.57 inclusive of interest and fees.
21. The Receiver is requesting that the Court approve the distribution of the net proceeds of sale as follows:
 - (a) first, to pay all the Priority Payables as defined in the MZ APS, which include, without limitation, any construction liens to the extent of their priority over the first-

ranking mortgage, the fees and disbursements of the Receiver and its counsel, and any outstanding property taxes; and

- (b) second, to pay Vector all amounts owing by the Debtor to Vector pursuant to the Tranche A component of MarshallZehr's first ranking mortgage, inclusive of all further interest and costs for the period December 13, 2023 to closing.

All of which is respectfully submitted this 29th day of December, 2023.

RSM CANADA LIMITED, solely in its capacity as
Court-appointed Receiver of 12252856 Canada Inc.,
and not in its personal or corporate capacity

Per:



Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

Appendix A

AVISON
YOUNG

RSM

For Sale

by Court-appointed Receiver

178 Stacked Townhouse Development Opportunity

0, 227, 235 King Road
Richmond Hill, Ontario

3.875 acres of residential land

Investment Summary



The Property



Property Summary

Site Area

3.875 acres

Frontage

412 ft on King Road

Current Official Plan

Oak Ridges Local Centre

Current Zoning

Multiple Residential One (RM1)

Park (P)

Avison Young and RSM Canada Limited make no representations or warranties as to the status of the Site Plan Approval. Prospective purchasers must rely on and complete their own due diligence as it relates to the future development and zoning of the Property.

Large scale site in a highly desirable neighbourhood

Introduction

Avison Young has been retained on an exclusive basis by RSM Canada Limited, in its capacity of Court-appointed Receiver, to offer for sale 0, 227 and 235 King Road, Richmond Hill, Ontario (the "Property"). The Property presents a rare opportunity to acquire a 3.875 acre prime residential development site, situated in Oak Ridges, one of Richmond Hill's most highly coveted communities offering superb suburban living with exceptional connectivity to the rest of the GTA.

The site is currently zoned for Multiple Residential uses, with a small portion on the southwest corner of the Property designated as Park area under the Municipality's zoning by-law. In 2019, a Zoning By-law Amendment was approved by the City to permit the development of 178 stacked townhouse units and 2 levels of underground parking with 344 parking stalls, in addition to a private park. A Site Plan and Draft of Condominium applications were submitted to the City for approval. The 0.23 acres of designated park area on the southwest corner of the Property is to be transferred to the City for the use of a public park.

The Property is currently undeveloped save for a vacant, detached residential dwelling on one of the lots. A Phase 1 ESA was completed in 2020, with additional studies and planning reports available in the data room. No other site work has been completed to date.

The Property is located in Richmond Hill, along King Road and just west off Yonge Street – a major arterial route in the region, with Highways 400 and 404 just minutes away, providing convenient access to the rest of the GTA. Richmond Hill has seen significant growth over the last several years, with a 10.9% increase in population (5.3% higher than the national growth rate) and a 15% increase in average household income from ~\$120,000 to \$138,000 (23% higher than the national average for household income) from 2017 to 2022.

Proposed Development Highlights

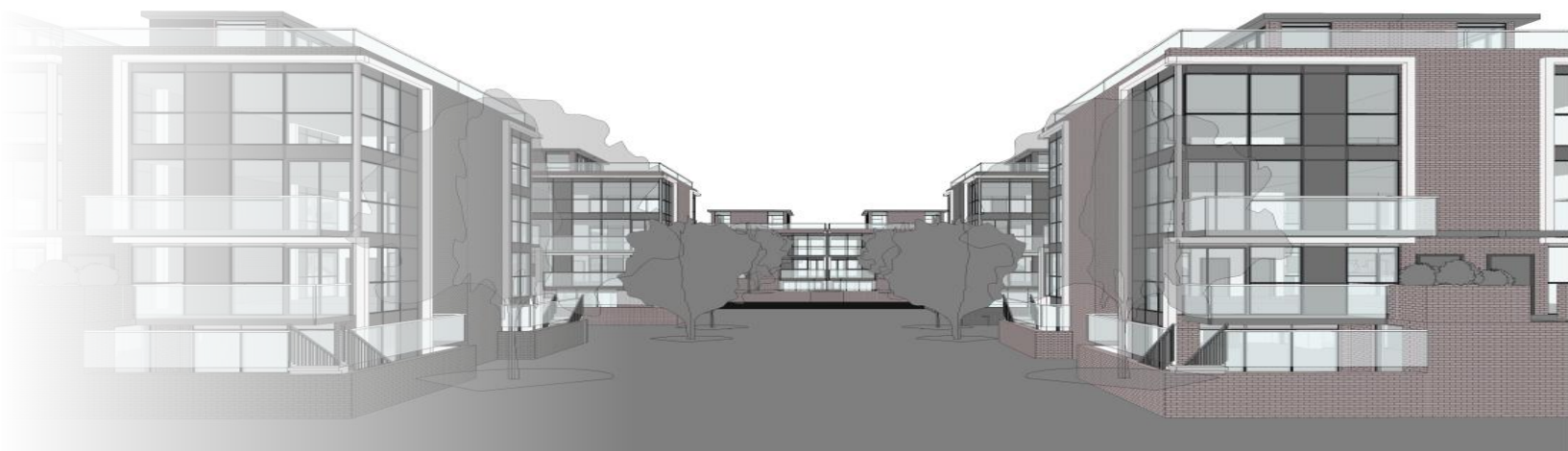
168,795 sf
site area

163,450 sf
residential unit area

10,018 sf
parkland area

178
residential units

344
parking stalls



The Location

A quiet, affluent location surrounded by amenities and green space with convenient connections to much of the GTA



TORONTO

MARKHAM

HWY 407

HWY 404

GORMLEY
GO
STATION

RICHMOND HILL

DIAMONDBACK
GOLF CLUB

SUMMIT GOLF &
COUNTRY CLUB

OAK RIDGES CORRIDOR
CONSERVATION
RESERVE

0, 227, 235
King Road

OAK RIDGES TRAILS

BATHURST GLEN
GOLF COURSE

ANYTIME
FITNESS
Scotiabank
TD
Domino's

food
Basics
DOLLARAMA
petvalu
CIBC

NOFRILLS
Starbucks
ups
POPEYES

SUBWAY
HARVEY'S
CANADA POST

Home
hardware
KABOB HOUSE
MING'S
GARDEN

YONGE ST

KING ROAD

VIVA
BLUE LINE

96 BUS

RUSSEL TILT
PARK

WILLOW HOLLOW
PARK

EAST HUMBER TRAIL
LOOKOUT

TEMPERANCEVILLE
PARK

Travel Times



1 Min
Yonge Street

9 Mins
Highway 400

8 Mins
Gormley GO Station

12 Mins
Highway 407

9 Mins
Highway 404

28 Mins
Downtown Toronto

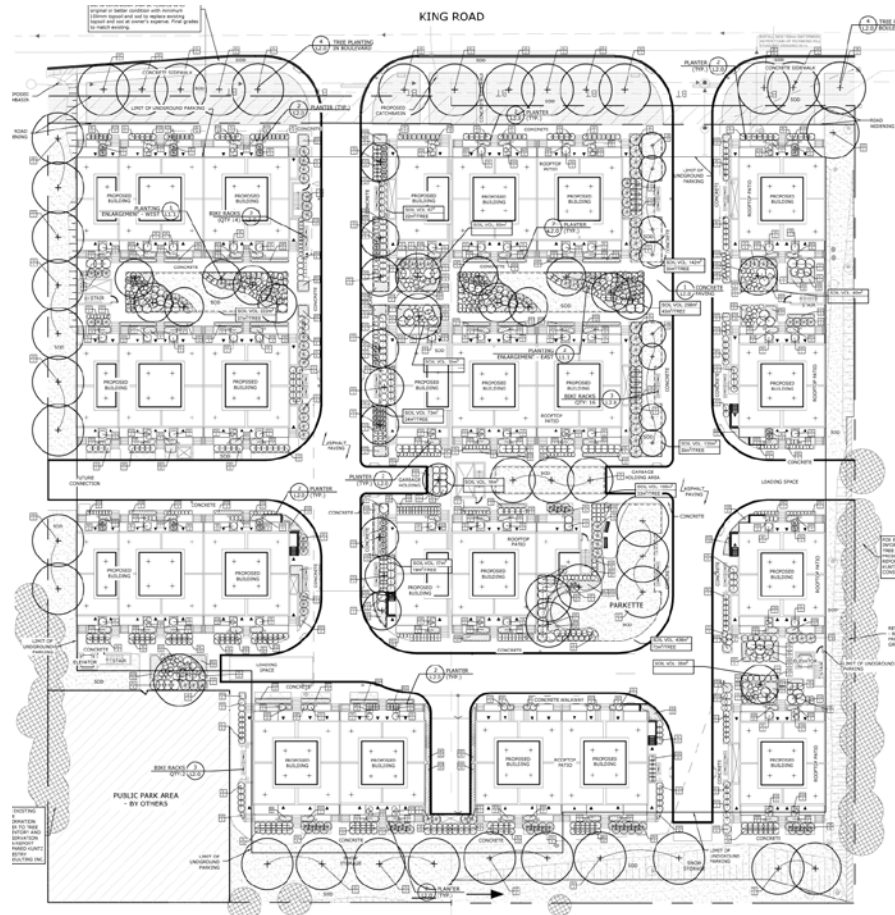
Proposed Development



In July of 2019, a Zoning By-law Amendment was approved by the LPAT based on site plans and applications to permit the development of 178 stacked townhouse units on the Property. The draft site plan includes a mix of three and four storey townhouse units, comprised of 20 1-bedroom units, 101 2-bedroom units, and 57 3-bedroom units, a 2-level underground parking garage with 344 parking stalls, a private road, and both a private park and public park to be located on the Property.

The applications are intended to facilitate the development of the 3.875 acre property with a medium-density stacked townhouse development. Given the passage of time since the ZBA was approved, and the receivership of the current owner, the local planning office should be contacted to confirm the status of all Condominium Draft plan and Site Plan applications, and any outstanding requirements.

Site Plan



Development Breakdown

Residential Units:	173
1-Bedroom:	20
2-Bedroom:	101
3-Bedroom:	57
Proposed GFA:	231,600 sf
# of Buildings:	12
# of Storeys:	2 and 3
Parking Stalls:	334 (Underground)
Resident:	299
Visitor:	45

Land Use

Official Plan

Oak Ridges Local Centre

The Oak Ridges Local Centre is focused around the existing commercial corridor in Oak Ridges generally located on Yonge Street between Blackforest Drive and Old Colony Road and on King Road east of Parker Avenue. Within the larger Region, the area continues to function as a centre for environmental, recreational and tourism activities on the Oak Ridges Moraine (ORM). Oak Ridges is envisioned as a low-rise, pedestrian-oriented, human-scaled, mixed-use centre servicing the Oak Ridges community. It is the intent of this Plan that the identity of Oak Ridges be enhanced, taking an environment-first approach through innovative landscape, built form, and environmental design.

Permitted Uses

The following land uses shall be permitted in the Oak Ridges Local Centre:

- A. Medium density residential; B. Office; C. Commercial; D. Retail; E. Automotive service commercial in accordance with policy 3.4.1.47 of this Plan; F. Community uses in accordance with Section 4.1 of this Plan; G. Parks and urban open spaces in accordance with Section 3.4.4 of this Plan; and H. Live-work units in accordance with policies 3.3.3.2.9 and 3.3.3.2.10 of this Plan.

The maximum density of a development block within the Oak Ridges Local Centre shall be 1.0 FSI. The boundaries of a development block shall be identified in a Secondary Plan for the Oak Ridges Local Centre.

Development shall have a maximum building height of 4 storeys, with the tallest massing of buildings oriented to the Yonge Street or King Road frontage.

The predominant use of land in the Oak Ridges Local Centre designation shown on Schedule A2 (Land Use) shall be for mixed-use development.

Zoning

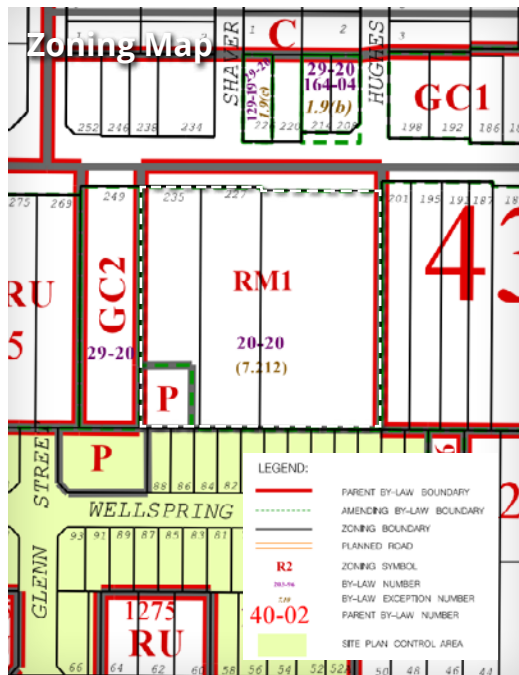
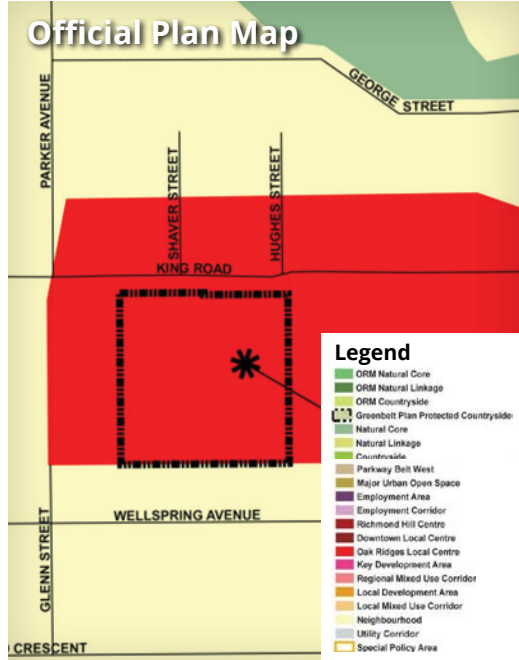
Multiple Residential One

Notwithstanding any inconsistent or conflicting provision of By-Law 313-96 as amended, the following special provisions shall apply to the lands zoned "Multiple Residential One (RM1) Zone" and more particularly shown as "RM1" on Schedule "A" to By-Law **-19 and denoted by a bracketed number (7.212):

For the purposes of this by-law, a block townhouse dwelling means a townhouse dwelling that is not a street townhouse dwelling and may include a stacked townhouse dwelling, which means a building containing at least three (3) dwelling units, each dwelling unit being separated from the other vertically and horizontally and having an independent external access.

The following provisions shall apply:

Permitted use:	block townhouse dwelling
Minimum lot frontage:	123.0 metres (403.5 feet)
Minimum lot area:	1.4 hectares (3.46 acres)
Maximum lot coverage:	30%
Maximum number of dwelling units:	178
Maximum floor area ratio:	1.0
Minimum front yard (2):	4.5 metres (14.76 feet)
Minimum side yard (2):	4.0 metres (13.1 feet)
Minimum rear yard (2):	14.0 metres (45.9 feet)
Minimum setback from the east side of the park (P) Zone (2)(3):	3.0 metres (9.8 feet)
Maximum Building height (4):	3 storeys or 11.0 meters (whichever is the lesser)



Further details regarding the Property and its applications, the City of Richmond Hill Official Plan and Zoning can be found through the links below.

- [Richmond Hill Subject Property Files](#)
- [Richmond Hill Official Plan Website](#)
- [Richmond Hill Zoning Website](#)

For Sale

by Court-appointed Receiver

178 Stacked Townhouse Development Opportunity

0, 227, 235 King Road
Richmond Hill, Ontario

For more information please contact
the listing agents:

Kelly Avison, AACI
Principal, Broker
+1 416 673 4030

kelly.avison@avisonyoung.com

Ben Sykes, SIOR
Principal, Sales Representative
+1 905 283 2324

ben.sykes@avisonyoung.com

Price

The Property is being offered on an unpriced basis.

Bids & Form of Offer

All offers MUST be submitted on the Receiver's form of Asset Purchase Agreement ("APA"), available in the data room. Offer/bids must indicate the names of the ultimate beneficial owners and their respective interests. Prospective purchasers should note that the Vendor is under no obligation to respond to or accept any APA. The Vendor reserves the right to remove the Offering from the market and to alter the offering process described above and timing thereof, at its sole discretion.

Bid Date

Bids are due **Wednesday, August 30th, 2023 by 5:00 pm.**

All bids MUST be on the Receiver's form of APA and MUST include the following at time of submission:

- A deposit in the amount of ten percent (10%) of the purchase price – by bank draft or wire transfer payable to the Receiver, in trust.
- Evidence of funds from the Buyer's financial institution(s), confirming the party has the financial wherewithal to complete the transaction.

Data Room

Detailed information has been assembled by Avison Young and is available to prospective purchasers. Access to the electronic data room will be provided upon receipt of an executed confidentiality agreement.

© 2023 Avison Young Commercial Real Estate Services, LP, brokerage.

This brochure is being delivered to prospective purchasers to assist them in deciding whether they wish to acquire the Property. This brochure does not purport to be all inclusive or to contain all the information that a prospective purchaser may require in deciding whether or not to purchase the Property. This brochure is for information and discussion purposes only and does not constitute an offer to sell or the solicitation of any offer to buy the Property. The brochure provides selective information relating to certain physical, locational and financial characteristics of the Property.

The information on which this brochure is based has been obtained from various sources considered reliable. Neither the Vendor nor Avison Young make any representations, declarations or warranties, express or implied, as to the accuracy or completeness of the information or statements contained herein or otherwise and such information or statements should not be relied upon by prospective purchasers without independent investigation and verification. The Vendor and Avison Young expressly disclaim any and all liability for any errors or omissions in the brochure or any other written or oral communication transmitted or made available to prospective purchasers. Prospective purchasers should conduct their own independent investigation and verification of the information provided herein, and should seek legal, accounting, tax, engineering or any other advice as necessary.

If any information relating to the Property, in addition to the information provided in this brochure, is provided at any time, orally or otherwise, by the Vendor, or Avison Young or anyone acting on their behalf, such information is provided as a convenience only without representation or warranty as to its accuracy or completeness and such information should not be relied upon by prospective purchasers without independent investigation and verification.



RSM

AVISON
YOUNG

Appendix B

FRIEDMANS

LAW FIRM

William Friedman
B.A., B.C.L., LL.B.
Barry M. Polisuk*
B.A., LL.B., LL.L.
Mark A. Russell
B.A., J.D.
Olohirere Musa
B.A., J.D.
Shabnam Riazzi
B.A., J.D.

Judy Hamilton
B.A., B.Ed., LL.B.
Patrick Bakos
B.A., J.D.
Michael W. Ruso*
B.A. (Hons), J.D., TEP.
Khaled Gheddai
B.A. (Hons), M.A., J.D.
Cheryl Cheon
B.Sc., J.D.

Bryan C. Friedman
B.F.A., J.D.
Stephen C. Nadler
B.A., J.D.
Shida Azari
B.A., LL.B.
Victor J. Wong
B.A., M.A., J.D.

* provides legal services through a professional corporation

December 21, 2023

Attention: Harvey Chaiton and Laura Culleton
Chaitons LLP
Barristers and Solicitors
5000 Yonge Street
10th Floor
Toronto ON M2N 7E9

Dear Mr. Chaiton and Ms. Culleton:

**Re: 12252856 CANADA INC. ats MARSHALLZEHR GROUP INC., AS
ADMINISTRATOR
Court File No.: CV-22-00691528-00CL
Our File No.: 220815**

Further to the Endorsement of Justice Steele dated December 12, 2023, please find below our client's questions for the Receiver.

1. Please provide copies of the Confidential Appendices 1 and 2 to the Third Report for review by counsel, subject to any reasonable undertaking as to confidentiality
2. Please advise as to the differences between MarshallZehr's offers dated August 30, 2023 and October 27, 2023.
3. Please provide the Receiver's calculation of the aggregate value of the purchase price under MarshallZehr's October 27, 2023 offer broken down by the categories described at paragraph 54(a) of the Third Report, being amounts for
 - a. Receiver's Borrowings
 - b. All amounts secured by the Receiver's Charge
 - c. Priority Payables;
 - d. Secured debt owed to Vector;
 - e. Assumption of the secured debt owed to MarshallZehr, including all principal, interest, fees and other amounts owing thereon.

4. Please provide a breakdown of the aggregate amount of purchase price attributed to the assumption of the secured debt owed to MarshallZehr, in particular, setting out the amounts for:
 - a. Principal;
 - b. Interest, including separately out any amount for wrap up interest if any;
 - c. Fees;
 - d. and any other charge by MarshallZehr

5. Please provide particulars of the other Offers discussed at paragraph 24 of the Third Report.

6. Please provide particulars of the Receiver's negotiations, if any, with the two offerors discussed at paragraph 24 of the Third Report and provide summary of all counteroffers and related correspondence, if any.

7. Please provide particulars as to any appraisals, valuation and/or opinion as to value, if any, that the Receiver received with respect to the Property

8. Please provide a copy of Avison Young's file for the sales process as well as any evidence related to:
 - a. marketing efforts;
 - b. negotiations with interested persons;
 - c. counteroffers;
 - d. the initial communication sent to the Mailing List (as such term is defined in the Third Report);
 - e. follow-up communications with persons on the Mailing List, if any.

Yours truly,
FRIEDMAN LAW
PROFESSIONAL CORPORATION


Per: Mark A. Russell



December 29, 2023

Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, Ontario
M3C 3E5

Attention Mark A. Russell

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

Dear Sirs,

Re: 12252856 CANADA INC. ats MARSHALLZEHR GROUP INC., AS ADMINISTRATOR
Court File No.: CV-22-00691528-00CL

Further to your letter dated December 21 2023 to Chaitons LLP, the Receiver responds to your questions as follows:

1. In order to consider your request for the Confidential Appendices, kindly confirm that your client(s) agree not to be a purchaser of the Property, either directly or indirectly, if the MZ APS (as defined in the Receiver's Third Report) is not approved by the Court and the Property needs to be re-listed for sale.
2. There are no material differences between MarshallZehr's offers dated August 30, 2023 and October 27, 2023, except that the October 27th offer contemplates that the secured tranche A debt (i.e., the amount owing to Vector Financial Services Ltd.) will be paid in cash upon closing, rather than assumed.
3. Please find attached as **Exhibit 1** to this letter a copy of MarshallZehr's discharge statement dated December 12, 2023 (the "MZ Discharge Statement"). With respect to the categories set out in paragraph 54(a) of the Third Report, please note the following:
 - a. Receiver's Borrowings – please see 'Receiver Financing' on the MZ Discharge Statement. As at December 12, 2023, the Receiver's borrowings, inclusive of accrued interest, were **\$205,399.42**.
 - b. All amounts secured by the Receiver's Charge:

Receiver's Fees: Please refer to the Fee Affidavit of Bryan A. Tannenbaum sworn November 20, 2023, a copy of which was appended as Appendix N to the Third Report (the "Fee Affidavit"). As set out in the Fee Affidavit, the total fees of the Receiver for the period February 28, 2023 through October 31, 2023 and estimated to complete the administration are \$162,173.84 (inclusive of HST).

As set out on the Receiver's interim statement of receipts and disbursements dated November 15, 2023, a copy of which was appended as Appendix M to the Third Report, the total Receiver's fees paid to date from the Receiver's Borrowings are \$31,588.50 plus disbursements of \$19.20 and HST of \$4,109, resulting in a total payment of \$35,716.71.

Accordingly, the remaining balance of **\$126,457.13** is secured by the Receiver's Charge.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Legal Fees: Please refer to the Fee Affidavit of Maya Poliak sworn November 20, 2023, a copy of which was appended as Appendix O to the Third Report (the "Chaitons Fee Affidavit"). As set out in the Chaitons Fee Affidavit, the total fees, disbursements and HST charged by Chaitons for the period March 1, 2023 through October 31, 2023 are \$83,896.57. Chaitons estimated its fees for the period November 1, 2023 to the completion of this matter will be \$70,000 plus HST, totaling \$59,100. Chaitons total fees for this matter are therefore estimated to be **\$162,996.57**. These fees remain unpaid and subject to the Receiver's Charge.

In addition, legal fees of Loopstra Nixon LLP in connection with the independent legal opinion on the MarshallZehr security are estimated to be \$5,000 plus HST, totaling **\$5,650.00**.

- c. Priority Payables – The Receiver understands the only Priority Payables to be:
- i. Construction Liens – One lien was registered by Prime Design Build Corporation ("Prime Design") in the amount of \$391,141. The Receiver understands that Prime Design claims priority over the MarshallZehr mortgage to the extent of the deficiency in the basic 10% 'holdback' amount, equal to approximately **\$39,114**. Prime Design's claim to priority is disputed by MarshallZehr.
 - ii. Property Taxes – As set out in Section 17 of the Third Report, all property taxes for the 2023 calendar year have been paid in full. Depending on the date of closing, additional property taxes relating to the 2024 calendar year may be payable. However, the Receiver has not received any property tax statements for the 2024 period, and is therefore unable to provide further detail regarding what amount will be owing at the time of closing.
- d. Secured debt owed to Vector – Please refer to the MZ Discharge Statement. The Tranche A amounts set out on the MZ Discharge Statement represent Vector's secured debt, and all accrued interest thereon. The total amount owing as at December 12, 2023 in respect of Tranche A was **\$16,946,001.57**. This amount continues to accrue interest and costs.
- e. Assumption of the secured debt owed to MarshallZehr, including all principal, interest, fees and other amounts owing thereon – Please refer to the MZ Discharge Statement. Tranche B amounts set out on the MZ Discharge Statement represent MarshallZehr's secured debt, and all accrued interest thereon. The total amount owing as at December 12, 2023 in respect of Tranche B was **\$8,967,674.42** for principal, interest, fees and other amounts. This amount continues to accrue interest and costs.
4. Please refer to the MZ Discharge Statement, which sets out the principal, interest (wrap-up and non wrap-up), fees and other charges. We note that the tranche A debt will be paid in cash on closing, and the tranche B debt will be assumed by the MZ Purchaser.
5. The Receiver is unable to share the particulars of the other offers noted in paragraph 24 of the Third Report as those offers are confidential and disclosure of the offers may adversely affect the purchase price for the Property in the event that the Receiver is required to re-market the Property. We note that the two offers were for amounts materially less than the amount provided by the MZ APS.

6. The Receiver did not negotiate with the two lowest offers, as they were for purchase prices materially lower than the three highest offers received.
7. The Receiver did not commission any appraisals for the Property, as the market response determined the current fair market value. The Receiver obtained opinions of value from three commercial real estate brokers as part of the listing proposals received. The listing proposals and the opinions of value contained therein are confidential, and cannot be disclosed by the Receiver due to the impact that the disclosure would have if the Receiver is required to re-market the Property. We note that a summary of the listing proposals, including the opinions of value contained therein, was provided to the Court previously as Confidential Appendix 1 to the Receiver's First Report dated May 30, 2023, which has been ordered to be sealed pending the closing of the proposed transaction or further order of the Court.
8. The Receiver does not have a copy of Avison Young's file. Avison Young provided weekly update reports to the Receiver throughout the term of the sale process. Attached as **Exhibit 2** to this letter is a partially redacted copy (redacted only to protect the confidentiality of the names of parties who executed a confidentiality agreement and accessed Avison Young's online data room) of Avison Young's last marketing update report dated August 23, 2023. We note that this report was prepared one week prior to the bid submission deadline of August 30, 2023, and was not updated as there was no further material activity to report prior to the bid deadline. We have also attached as **Exhibit 3** to this letter a copy of the marketing brochure prepared by Avison Young and sent to their mailing list (which is referred to in Exhibit 2).

Regards,

RSM Canada Limited, solely in its capacity as
Court-appointed Receiver of 12252856 Canada Inc.,
and not in its personal or corporate capacity



Per: Bryan A. Tannenbaum
President

Exhibit 1



DISCHARGE STATEMENT AT: DECEMBER 12, 2023

Prepared on December 12, 2023

ID#: DS202312121MZGI329

Terms: \$18,000,000 1st mortgage for Acquisition Loan with a term of 13 months.
 Tranche A: \$12,000,000: Interest at Prime + 7.05% per annum
 Tranche B: \$6,000,000: Interest at 13% per annum

As of August 1st, 2022 the loan entered the Wrap Up Period where the applicable rates are as follows:
 Tranche A: \$12,000,000: Interest at Prime + 7.05% per annum x 2
 Tranche B: \$6,000,000: Interest at 13% per annum x 2

Interest shall accrue commencing on the date of the Initial Advance, calculated daily (365 days/year), compounded and payable monthly with interest only payments made from Borrower Draws up to the budgeted amount, after which payments shall be made from the Borrower and/or the Guarantor's own resources.

201 King Road Bridge - MZGI 329

201 - 235 King Road, Richmond Hill ON

	Tranche A	Tranche B	Receiver Financing	Total
Principal Amount Outstanding	\$ 12,000,000.00	\$ 6,000,000.00	\$ 200,000.00	\$ 18,200,000.00
Total Interest Outstanding	\$ 4,946,001.57	\$ 2,492,020.15	\$ 5,399.42	\$ 7,443,421.14
Non Wrapup	\$ 2,287,901.04	\$ 1,193,769.91		\$ 3,481,670.95
Wrapup	\$ 2,658,100.54	\$ 1,298,250.24		\$ 3,956,350.78
Sub-Total	\$ 16,946,001.57	\$ 8,492,020.15	\$ 205,399.42	\$ 25,643,421.14
Deferred Lender Fee - Initial Funding				\$ 180,000.00
Deferred Lender Fee Forbearance				\$ 150,000.00
Cost Recovery - Site Visits				\$ 250.75
Cost Recovery - Legal Fees*				\$ 68,158.86
Default Administration Fee - \$5000 per month**				\$ 80,000.00
Final Discharge Admin Fee				\$ 500.00
Less: Cash held in Trust				\$ 3,255.34
Total Balance on DECEMBER 12, 2023				\$ 26,119,075.41

Per Diem	\$ 13,108.98	\$ 5,997.84	\$ 70.05	\$ 19,176.87
----------	--------------	-------------	----------	--------------

Payment must be received by 1:00 p.m. or per diem interest will be added up to the next business day

*Legal fees included are those up to August 31st, 2023. All unbilled legal fees legal fees to be provided at time of payout

**Default Administration Fee charged since September 1st, 2022 the maturity date of the loan

You are authorized and directed to make the balance due payable to our solicitor; **Chaitons LLP "In Trust"**, OR as they may further direct.

MARSHALLZEHR GROUP INC.

DocuSigned by:

Murray Snedden

5D7B047774B943F...
 Murray Snedden, Principal Broker

Mortgage Administrator #: 11955

E. & O. E.

MarshallZehr Group Inc.

FSRA Mortgage Brokerage #12453 | FSRA Mortgage Administrator #11955 | BCFSA Mortgage Broker #MB600627
 412 Albert Street, Suite 100, Waterloo ON, N2L 3V3

Exhibit 2

Progress Report



**0, 227, 235 King Road
Richmond Hill, ON**

August 23, 2023

Capital Markets Group

**AVISON
YOUNG**

Prospects

The following groups have signed the approved Confidentiality Agreement and were granted data room access:

#	First name	Last name	Company	Direct/ Co-Broker	Data Room Accessed
1				Principal	yes
2				Principal	yes
3				Principal	yes
4				Principal	yes
				Principal	yes
5				Principal	yes
				Principal	yes
6				Principal	yes
				Principal	yes
				Principal	yes
				Principal	yes
7				Principal	yes
				Principal	yes
				Principal	yes
8				Principal	yes
9				Principal	yes
				Principal	yes
10				Broker	yes
				Principal	yes
11				Principal	yes
12				Principal	yes
				Principal	yes
				Principal	yes
13				Principal	yes
14				Principal	yes
15				Principal	yes
16				Principal	yes

Email marketing statistics

For Sale Eblast Sent on	June 29, 2023 at 2:00 pm EST	
Total People Contacted	3,641	
Opened The Email	712	20%
Clicked Through To Content	69	10%
Downloaded the Brochure	68	10%


For Sale Eblast Sent on	July 13, 2023 at 2:00 pm EST	
Total People Contacted	3,632	
Opened The Email	666	18%
Clicked Through To Content	34	5%
Downloaded the Brochure	35	5%

For Sale Eblast Sent on	August 2, 2023 at 2:00 pm EST	
Total People Contacted	3,594	
Opened The Email	626	17%
Clicked Through To Content	45	7%
Downloaded the Brochure	43	6%

Bid date is set for August 30th, 2023

Globe and Mail Ad

The following ad will appear in the Globe and Mail on July 11th and 13th, 2023.



Stacked Townhouse Development Site

For sale by Court-appointed Receiver

0, 227, 235 King Road, Richmond Hill, Ontario

- 3.875 acre property, ZBA approved for a 178-unit stacked townhouse development
- Proposed development includes 2 levels/344 stalls of underground parking
- Located steps from the Yonge Street, walking distance to parks, shopping centres and other amenities
- Excellent accessibility with a bus stop at the frontage, the Yonge VIVA line steps east, and Hwys 400 & 404 less than 10 minutes away



Contact us

<p>Kelly Avison[*], AACI, Principal +1 416 673 4030 kelly.avison@avisonyoung.com</p>	<p>Ben Sykes[*], SIOR, Principal +1 905 283 2324 ben.sykes@avisonyoung.com</p>
--	--


avisonyoung.ca ^{*}Broker ^{*}Sales Representative
Avison Young
Commercial Real Estate Services, LP, Brokerage

LinkedIn

Property was posted on the agents' LinkedIn accounts.

For Sale
by Court-appointed Receiver
0, 227, 235 King Road
Richmond Hill, ON



FOR SALE

0, 227, 235 King Road

Property Highlights



- 3.875 acre property, ZBA approved for a 178-unit stacked townhouse development
- Proposed development includes 2 levels/344 stalls of underground parking
- Located steps from the Yonge Street, walking distance to parks, shopping centres and other amenities
- Excellent accessibility with a bus stop at the frontage, the Yonge VIVA line steps to the east, and highways 400 and 404 less than 10 minutes away

Investment Summary

Confidentiality Agreement

For more information, please contact:

<p>Kelly Avison, AACI</p> <p style="font-size: small;">Principal, Broker +1 416 673 4030 kelly.avison@avisonyoung.com</p>	<p>Ben Sykes, SIOR</p> <p style="font-size: small;">Principal, Sales Representative +1 905 283 2324 ben.sykes@avisonyoung.com</p>
--	--

This email was sent to: jason.ub@00development.ca
Manage Email Preferences or Unsubscribe | Privacy Policy
222 Bay St., Suite 2500, Box 245, Toronto, ON, M5K 1J5
©2023 Avison Young Inc. All rights reserved.

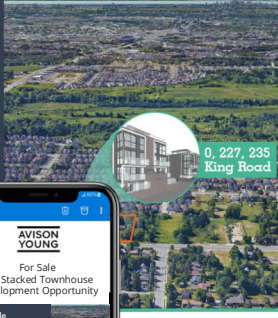
This message and any attachments are confidential. If the reader is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this email is strictly prohibited. If you have received this email in error, please notify the sender immediately by return email. The sender does not accept liability for any errors or omissions in the content of this message which arise as a result of internet transmission.

For Sale

178 Stacked Townhouse Development Opportunity

0, 227, 235 King Road, Richmond Hill, Ontario


- 3.875 acre property, ZBA approved for a 178-unit stacked townhouse development
- Proposed development includes 2 levels/344 stalls of underground parking
- Located steps from the Yonge Street, walking distance to parks, shopping centres and other amenities
- Excellent accessibility with a bus stop at the frontage, the Yonge VIVA line steps east, and Hwys 400 & 404 less than 10 minutes away




0, 227, 235 King Road

<p>Kelly Avison[*], AACI, Principal 416 673 4030 kelly.avison@avisonyoung.com</p>	<p>Ben Sykes[*], SIOR, Principal 905 283 2324 ben.sykes@avisonyoung.com</p>
---	---

^{*}Broker ^{*}Sales Representative





Brochure

A customized brochure has been drafted and is distributed with our bi-weekly e-blast.

AVISON YOUNG **RSM**

For Sale

by Court-appointed Receiver
178 Stacked Townhouse Development Opportunity
 0, 227, 235 King Road
 Richmond Hill, Ontario
 3.875 acres of residential land
 Investment Summary

The Property

Frontage: 412 ft on King Road

Property Summary

Site Area: 3.875 acres

Frontage: 412 ft on King Road

Current Official Plan: Oak Ridge Local Centre

Current Zoning: Multiple Residential One Park (P7)

Large scale site in a highly desirable neighbourhood

Introduction

Avison Young has been retained on an exclusive basis by Hill Country Limited in its capacity of Outdevelopment Receiver, to offer for sale 0, 227 and 235 King Road, Richmond Hill, Ontario. The Property presents a rare opportunity to acquire a 3.875-acre prime residential development site, zoned in Oak Ridge, one of Richmond Hill's most highly coveted communities offering superb infrastructure with exceptional connectivity to the rest of the GTA.

The site is well-served by public transit and has a small portion on the southeast corner of the Property designated as a park area under the Official Plan. In 2016, a Zoning By-law Amendment was approved by the City to permit the development of 178 stacked townhouse units and 2 levels of underground parking with 344 parking stalls. In addition to a pre-approved 2016 rezoning, the following conditions were submitted to the City for approval. The 0.23 acre of designated park area on the southeast corner of the Property is to be transferred to the City for use as a public park. The Property is currently underwritten for a worst case residential density of one of 6-7 U/G.

Proposed Development Highlights

168,795 sq ft net area

163,450 sq ft residential unit area

10,018 sq ft park area

178 residential units

344 parking stalls

The Location

A quiet, affluent location surrounded by amenities and green space with convenient connections to much of the GTA

For Sale

by Court-appointed Receiver
178 Stacked Townhouse Development Opportunity
 0, 227, 235 King Road
 Richmond Hill, Ontario

For more information please contact the listing agents:

Kelly Avison, ARI
 Kelly.avison@avisonyoung.com
 +1 416 673 4030

Ben Sykes, SICR
 Ben.sykes@avisonyoung.com
 +1 905 283 2324

Price

The Property is being offered on an unpriced basis.

Site & Form of Offer

All offers MUST be submitted on the Receiver's form of Asset Purchase Agreement (APA), available in the Data Room. Offers must indicate the terms of the offering, the amount of the purchase price, the date of completion of the purchase, and the vendor's obligation to respond to or accept any APA. The Vendor reserves the right to remove the Offering from the market and to alter the offering process described above and acting thereof, at its sole discretion.

Site Data

A full data set of offers will be communicated in due course. All bids MUST be on the Receiver's form of APA and MUST include the following at time of submission:

- A deposit in the amount of ten percent (10%) of the purchase price - to be held in trust until completion of the transaction.
- Evidence of funds from the Buyer's financial institutions, confirming the party has the financial wherewithal to complete the transaction.

Data Room

Detailed information has been assembled by Avison Young and is available to prospective purchasers. Access to the Data Room will be provided upon receipt of an executed confidentiality agreement.

Disclaimer

This brochure is being distributed to prospective purchasers for their information only. It is not intended to constitute an offer of securities or any other financial product. The information contained herein is for informational purposes only and should not be relied upon as a basis for investment decisions. The information contained herein is subject to change without notice and is not intended to constitute an offer of securities or any other financial product. The information contained herein is for informational purposes only and should not be relied upon as a basis for investment decisions.

RSM AVISON YOUNG

Proposed Development

In July 2016, a Zoning By-law Amendment was approved by the LRM based on the plan and application to permit the development of 178 stacked townhouse units on the Property. The development includes a site of 3.875 acres, a total lot area of 168,795 sq ft, a total residential unit area of 163,450 sq ft and a total park area of 10,018 sq ft. The development includes 178 stacked townhouse units and 344 parking stalls.

The application was based on the development of the 178 unit project with a maximum density of 45 units per acre. The development is subject to the approval of the City of Richmond Hill and the approval of the City of Oak Ridge.

Land Use

Official Plan

The Official Plan for the Property is the Oak Ridge Local Centre Official Plan. The Official Plan for the Property is the Oak Ridge Local Centre Official Plan. The Official Plan for the Property is the Oak Ridge Local Centre Official Plan.

Permitted Use

The Property is zoned for Multiple Residential One (MRO1) use. The Property is zoned for Multiple Residential One (MRO1) use. The Property is zoned for Multiple Residential One (MRO1) use.

Zoning


The Property is zoned for Multiple Residential One (MRO1) use. The Property is zoned for Multiple Residential One (MRO1) use. The Property is zoned for Multiple Residential One (MRO1) use.

Site Plan

The Site Plan shows the layout of the 178 stacked townhouse units and 344 parking stalls. The Site Plan shows the layout of the 178 stacked townhouse units and 344 parking stalls. The Site Plan shows the layout of the 178 stacked townhouse units and 344 parking stalls.

Customized Website

The Property is listed on Avison Young's website and is featured on Kelly's and Ben's web page of available properties. <https://www.avisonyoung.ca/properties/0-227-235-king-road-richmond-hill-sale>

Français


Canada

PROPERTIES OFFICES PROFESSIONALS

ABOUT US SERVICES THOUGHT CAPITAL NEWS CONTACT CAREERS TENANT LOGIN

< back to search

0, 227, 235 King Road, Richmond Hill, ON L4E 2W2



LAND PROPERTY FOR SALE

0, 227, 235 King Road

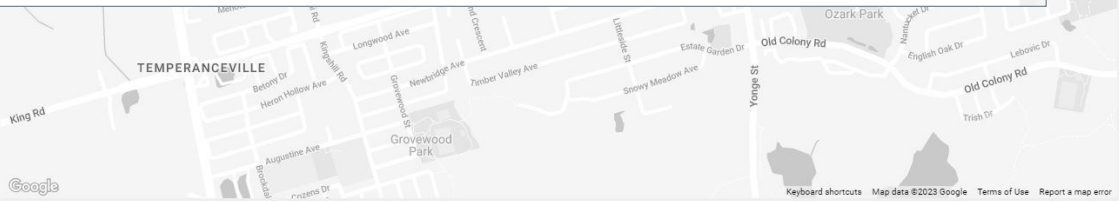
Richmond Hill, ON L4E 2W2

0, 227, 235 King Road

[Overview](#) [Location](#) [Photos](#) [Documents](#) [Contact](#)

Overview

Avison Young has been retained on an exclusive basis by RSM Canada Limited, in its capacity of Court-appointed Receiver, to offer for sale 0, 227 and 235 King Road, Richmond Hill, Ontario (the "Property"). The Property presents a rare opportunity to acquire a 3.875 acre prime residential development site, situated in Oak Ridges, one of Richmond Hill's most highly coveted communities offering superb suburban living with exceptional connectivity to the rest of the GTA.



Contact

Request More Info

Name

Email Address *

We'll never share your email with anyone else.

Phone

Message (optional)



Kelly Avison
Broker, Principal
416 673 4030
kelly.avison@avisonyoung.com




Ben Sykes
Sales Representative,
Principal
905 283 2324
ben.sykes@avisonyoung.com

TREB MLS View

The Property was posted on MLS on July 14, 2023.

Printed on 07/14/2023 11:12:17 AM

	227/235 King Rd Richmond Hill Ontario L4E 2W2 Richmond Hill Oak Ridges York SPIS: N For: Sale Taxes: \$39,000.00 / 2022 / Annual Last Status: New Legal: LT 16 PL 136 KING EXCEPT PT 11 EXPROP PL B87881B * DOM: 0		List: \$1.00 For Sale
	Land Designated Residential Occup: Vacant Freestanding: Y Com Cndo Fee: Dir/Cross St: King Road/Yonge Street	SPIS: N Lse Term Mnths: / Holdover: 120 Franchise:	
MLS#: N6664966 Sellers: Rsm Canada Limited, In Its Capacity As Court-Appointed Receiver** Contact After Exp: N Possession Remarks: TBD PIN#: 031960038 ARN#: 193808001245200			
Total Area: 3.88 Acres Ofc/Apt Area: Indust Area: Retail Area: Apx Age: Volts: Amps: Zoning: Multiple Residential One (RM1)/Park (P) Truck Level: Grade Level: Drive-In: Double Man: Clear Height: Sprinklers: Heat: Phys Hdcp-Eqp:	Survey: Lot/Bldg/Unit/Dim: 3.88 x 0 Acres Lot Lot Irreg: Bay Size: %Bldg: Washrooms: 0 Water: Municipal Water Supply: Sewers: San+Storm Avail A/C: Utilities: A Garage Type: Park Spaces: #Trl Spc: Energy Cert: Cert Level: GreenPIS:	Soil Test: Out Storage: Rail: Crane: Basement: Elevator: UFFI: Assessment: Chattels: LLBO: Days Open: Hours Open: Employees: Seats: Area Infi:	
Bus/Bldg Name: Actual/Estimated: Taxes: Insur: Mgmt: Maint:	Heat: Hydro: Water: Other:	For Year: Gross Inc/Sales: -Vacancy Allow: -Operating Exp: =NetIncB4Debt:	Financial Stmt: EstValueInv At Cost: Com Area Upcharge: % Rent:
Client Remks: Rare large scale site in a highly desirable neighbourhood with 412 feet of frontage on King Road. Court-appointed receivership sale, offered on a unpriced basis. Site is approved for 178 Stacked townhouse development including 2 levels of underground parking with 344 stalls and a private park. Proposed development highlights include: 168,795 sf site area; 163,450 sf residential unit area; 10,018 sf parkland area. Located within minutes to GormleyGO Station and Highways 400, 404 and 407. Taxes to be confirmed by purchaser (2022 taxes are estimated). Offer submission date: Wed, Aug 30, 2023 by 5:00 PM. Extras: *Legal Description: RICHMOND HILL & LT 15 PL 136 KING EXCEPT PT 10 EXPROP PL B87881B ; RICHMOND HILL. **Seller name: of all assets, undertakings and properties of 12252856 Canada Inc., and not in any personal capacity. Inclusions: Exclusions: Rental Items: Brkage Remks: All parties are required to to execute NDA for data room access and vendor's form of APA. Fees to cooperating broker are a pure "override" fee (in addition to LB's fee) and only paid on successful closing, and receipt of payment of fees to LB by Seller.			
AVISON YOUNG COMMERCIAL REAL ESTATE SERVICES, LP Ph: 905-712-2100 Fax: 905-712-2937 77 City Centre Dr Suite 301 Mississauga L5B1M5 BEN SYKES, Salesperson 416-903-5340 KELLY JOHN AVISON, Broker 416-673-4030 Contract Date: 7/14/2023 Condition: Ad: N Expiry Date: 11/30/2023 Cond Expiry: Escape: Last Update: 7/14/2023 CB Comm: \$100,000 Original: \$1.00			

Signage

A 8 x 8 For Sale, V-shaped sign has been installed fronting King Road on July 14, 2023 for maximum exposure.

**AVISON
YOUNG**

For Sale
± 3.9 Acres of Residential Land

Kelly Avison** / Ben Sykes*

905 712 2100

avisonyoung.ca

Avison Young Commercial Real Estate Services, LP, Brokerage
**Broker / * Sales Representative





0, 227, 235
King Road

For more information please contact the listing agents:

Kelly Avison, AACI
Principal, Broker
416.673.4030
kelly.avison@avisonyoung.com

Ben Sykes, SIOR
Principal, Sales Representative
905.283.2324
ben.sykes@avisonyoung.com

avisonyoung.ca

Avison Young Commercial Real Estate Services, LP
222 Bay Street, Suite 2500, Toronto, ON
Phone: 416.955.0000 Fax: 416.955.0724



Exhibit 3

AVISON
YOUNG

RSM

For Sale

by Court-appointed Receiver

178 Stacked Townhouse Development Opportunity

0, 227, 235 King Road
Richmond Hill, Ontario

3.875 acres of residential land

Investment Summary



The Property



Property Summary

Site Area
3.875 acres

Frontage
412 ft on King Road

Current Official Plan
Oak Ridges Local Centre

Current Zoning
Multiple Residential One (RM1)
Park (P)

Avison Young and RSM Canada Limited make no representations or warranties as to the status of the Site Plan Approval. Prospective purchasers must rely on and complete their own due diligence as it relates to the future development and zoning of the Property.

**Large scale site in
a highly desirable
neighbourhood**

Introduction

Avison Young has been retained on an exclusive basis by RSM Canada Limited, in its capacity of Court-appointed Receiver, to offer for sale 0, 227 and 235 King Road, Richmond Hill, Ontario (the "Property"). The Property presents a rare opportunity to acquire a 3.875 acre prime residential development site, situated in Oak Ridges, one of Richmond Hill's most highly coveted communities offering superb suburban living with exceptional connectivity to the rest of the GTA.

The site is currently zoned for Multiple Residential uses, with a small portion on the southwest corner of the Property designated as Park area under the Municipality's zoning by-law. In 2019, a Zoning By-law Amendment was approved by the City to permit the development of 178 stacked townhouse units and 2 levels of underground parking with 344 parking stalls, in addition to a private park. A Site Plan and Draft of Condominium applications were submitted to the City for approval. The 0.23 acres of designated park area on the southwest corner of the Property is to be transferred to the City for the use of a public park. The Property is currently undeveloped save for a vacant, detached residential dwelling on one of the lots. A Phase 1 ESA was completed in 2020, with additional studies and planning reports available in the data room. No other site work has been completed to date.

The Property is located in Richmond Hill, along King Road and just west of Yonge Street – a major arterial route in the region, with Highways 400 and 404 just minutes away, providing convenient access to the rest of the GTA. Richmond Hill has seen significant growth over the last several years, with a 10.9% increase in population (5.3% higher than the national growth rate) and a 15% increase in average household income from ≈ \$120,000 to \$138,000 (23% higher than the national average for household income) from 2017 to 2022.

Proposed Development Highlights

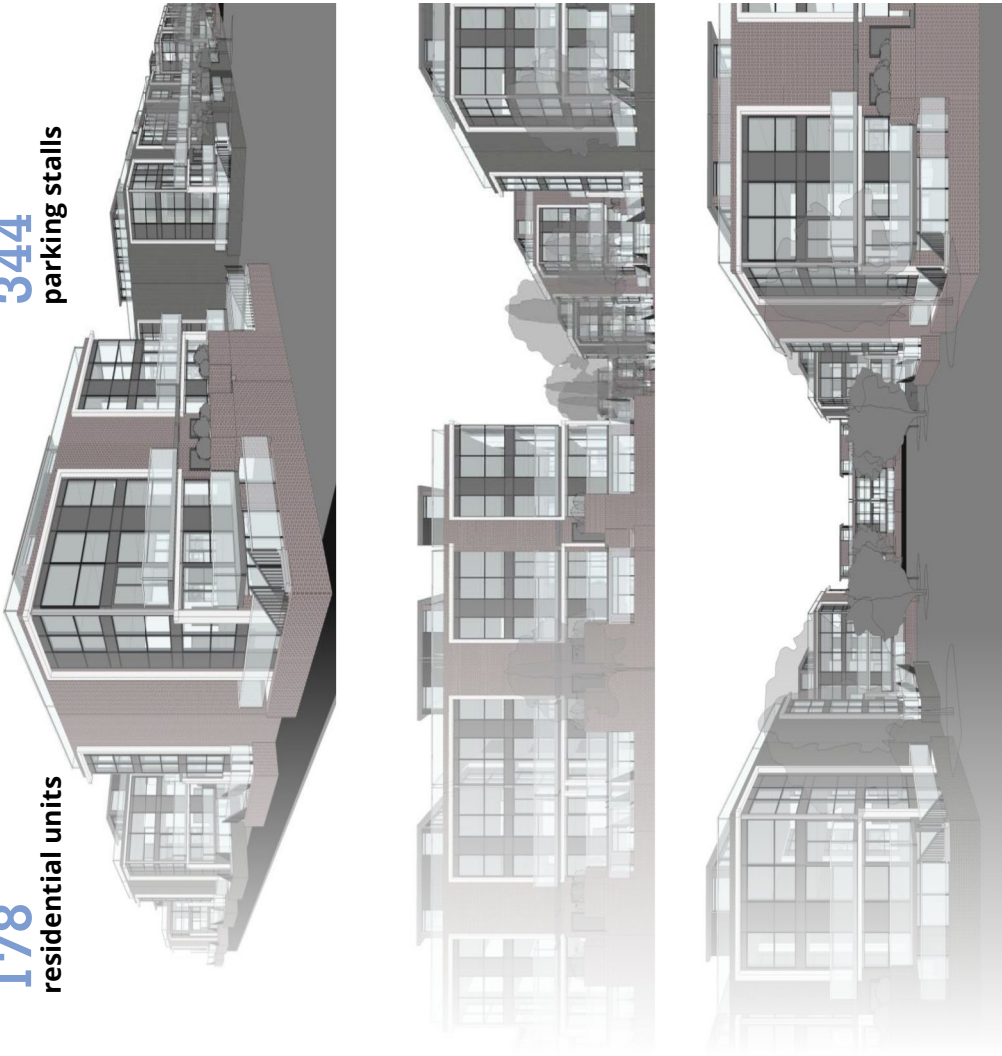
168,795 sf
site area

163,450 sf
residential unit area

10,018 sf
parkland area

178
residential units

344
parking stalls



The Location

A quiet, affluent location surrounded by amenities and green space with convenient connections to much of the GTA



TORONTO

HWY 407

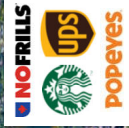
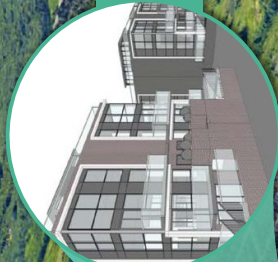
MARKHAM

RICHMOND HILL

HWY 404

GORMLEY STATION

0, 227, 235 King Road



BATHURST GLEN GOLF COURSE

OAK RIDGES TRAILS

SUMMIT GOLF & COUNTRY CLUB

OAK RIDGES CORRIDOR CONSERVATION RESERVE

KING ROAD

TEMPERANCEVILLE PARK

EAST HUMBER TRAIL LOOKOUT

YONGE ST

RUSSEL TILT PARK

WILLOW HOLLOW PARK

DIAMONDBACK GOLF CLUB

BLOOMINGTON DOWNS GOLF CLUB

VIVA BLUE LINE 96 BUS

Travel Times

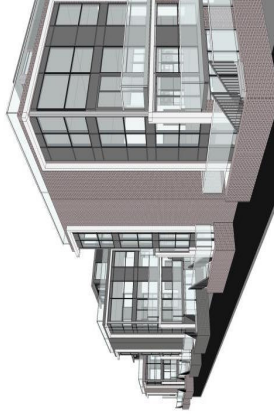
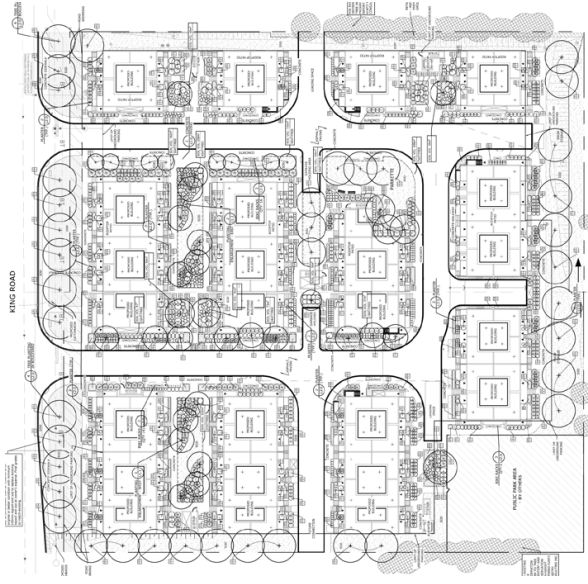


Proposed Development

In July of 2019, a Zoning By-law Amendment was approved by the LPAT based on site plans and applications to permit the development of 178 stacked townhouse units on the Property. The draft site plan includes a mix of three and four storey townhouse units, comprised of 20 1-bedroom units, 101 2-bedroom units, and 57 3-bedroom units, a 2-level underground parking garage with 344 parking stalls, and both a private park and public park to be located on the Property.

The applications are intended to facilitate the development of the 3.875 acre property with a medium-density stacked townhouse development. Given the passage of time since the ZBA was approved, and the receivership of the current owner, the local planning office should be contacted to confirm the status of all Condominium Draft plan and Site Plan applications, and any outstanding requirements.

Site Plan



Land Use

Official Plan

Oak Ridges Local Centre

The Oak Ridges Local Centre is focused around the existing commercial corridor in Oak Ridges generally located on Yonge Street between Blackforest Drive and Old Colony Road and on King Road east of Parker Avenue. Within the larger Region, the area continues to function as a centre for environmental, recreational and tourism activities on the Oak Ridges Moraine (ORM). Oak Ridges is envisioned as a low-rise, pedestrian-oriented, human-scaled, mixed-use centre servicing the Oak Ridges community. It is the intent of this Plan that the identity of Oak Ridges be enhanced, taking an environment-first approach through innovative landscape, built form, and environmental design.

Permitted Uses

The following land uses shall be permitted in the Oak Ridges Local Centre:

- A. Medium density residential; B. Office; C. Commercial; D. Retail; E. Automotive service commercial in accordance with policy 3.4.1.47 of this Plan; F. Community uses in accordance with Section 4.1 of this Plan; G. Parks and urban open spaces in accordance with Section 3.4.4 of this Plan; and H. Live-work units in accordance with policies 3.3.3.2.9 and 3.3.3.2.10 of this Plan.

The maximum density of a development block within the Oak Ridges Local Centre shall be 1.0 FSI. The boundaries of a development block shall be identified in a Secondary Plan for the Oak Ridges Local Centre.

Development shall have a maximum building height of 4 storeys, with the tallest massing of buildings oriented to the Yonge Street or King Road frontage.

The predominant use of land in the Oak Ridges Local Centre designation shown on Schedule A2 (Land Use) shall be for mixed-use development.

Zoning

Multiple Residential One

Notwithstanding any inconsistent or conflicting provision of By-Law 313-96 as amended, the following special provisions shall apply to the lands zoned "Multiple Residential One (RM1) Zone" and more particularly shown as "RM1" on Schedule "A" to By-Law **-19 and denoted by a bracketed number (7.21.2):

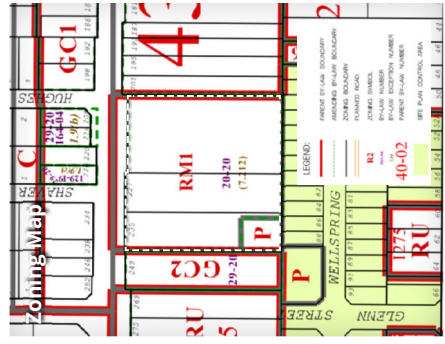
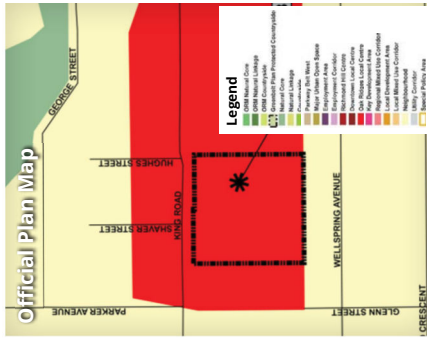
For the purposes of this by-law, a block townhouse dwelling means a townhouse dwelling that is not a street townhouse dwelling and may include a stacked townhouse dwelling, which means a building containing at least three (3) dwelling units, each dwelling unit being separated from the other vertically and horizontally and having an independent external access.

The following provisions shall apply:

- Permitted use: block townhouse dwelling
- Minimum lot frontage: 123.0 metres (403.5 feet)
- Minimum lot area: 1.4 hectares (3.46 acres)
- Maximum lot coverage: 30%
- Maximum number of dwelling units: 178
- Maximum floor area ratio: 1.0
- Minimum front yard (2): 4.5 metres (14.76 feet)
- Minimum side yard (2): 4.0 metres (13.1 feet)
- Minimum rear yard (2): 14.0 metres (45.9 feet)
- Minimum setback from the east side of the park (P) Zone (2)(3): 3.0 metres (9.8 feet)
- Maximum building height (4): 3 storeys or 11.0 metres (whichever is the lesser)

Development Breakdown

Residential Units:	173
1-Bedroom:	20
2-Bedroom:	101
3-Bedroom:	57
Proposed GFA:	231,600 sf
# of Buildings:	12
# of Storeys:	2 and 3
Parking Stalls:	334 (Underground)
Resident:	299
Visitor:	45



Further details regarding the Property and its applications, the City of Richmond Hill Official Plan and Zoning can be found through the links below.

- [Richmond Hill Subject Property Files](#)
- [Richmond Hill Official Plan Website](#)
- [Richmond Hill Zoning Website](#)

For Sale

by Court-appointed Receiver

178 Stacked Townhouse Development Opportunity

0, 227, 235 King Road
Richmond Hill, Ontario

For more information please contact
the listing agents:

Kelly Avison, AACI
Principal, Broker
+1 416 673 4030

kelly.avison@avisonyoung.com

Ben Sykes, SIOR
Principal, Sales Representative
+1 905 283 2324

ben.sykes@avisonyoung.com

Price

The Property is being offered on an unpriced basis.

Bids & Form of Offer

All offers MUST be submitted on the Receiver's form of Asset Purchase Agreement ("APA"), available in the data room. Offer/bids must indicate the names of the ultimate beneficial owners and their respective interests. Prospective purchasers should note that the Vendor is under no obligation to respond to or accept any APA. The Vendor reserves the right to remove the Offering from the market and to alter the offering process described above and timing thereof, at its sole discretion.

Bid Date

Bids are due **Wednesday, August 30th, 2023 by 5:00 pm.**

All bids MUST be on the Receiver's form of APA and MUST include the following at time of submission:

- A deposit in the amount of ten percent (10%) of the purchase price – by bank draft or wire transfer payable to the Receiver, in trust.
- Evidence of funds from the Buyer's financial institution(s), confirming the party has the financial wherewithal to complete the transaction.

Data Room

Detailed information has been assembled by Avison Young and is available to prospective purchasers. Access to the electronic data room will be provided upon receipt of an executed confidentiality agreement.

© 2023 Avison Young Commercial Real Estate Services, LP, brokerage.

This brochure is being delivered to prospective purchasers to assist them in deciding whether they wish to acquire the Property. This brochure does not purport to be all inclusive or to contain all the information that a prospective purchaser may require in deciding whether or not to purchase the Property. This brochure is for information and discussion purposes only and does not constitute an offer to sell or the solicitation of any offer to buy the Property. The brochure provides selective information relating to certain physical, locational and financial characteristics of the Property.

The information on which this brochure is based has been obtained from various sources considered reliable. Neither the Vendor nor Avison Young make any representations, declarations or warranties, express or implied, as to the accuracy or completeness of the information or statements contained herein or otherwise and such information or statements should not be relied upon by prospective purchasers without independent investigation and verification. The Vendor and Avison Young expressly disclaim any and all liability for any errors or omissions in the brochure or any other written or oral communication transmitted or made available to prospective purchasers. Prospective purchasers should conduct their own independent investigation and verification of the information provided herein, and should seek legal, accounting, tax, engineering or any other advice as necessary.

If any information relating to the Property, in addition to the information provided in this brochure, is provided at any time, orally or otherwise, by the Vendor, or Avison Young or anyone acting on their behalf, such information is provided as a convenience only without representation or warranty as to its accuracy or completeness and such information should not be relied upon by prospective purchasers without independent investigation and verification.



**MARSHALLZEHR GROUP INC., AS
ADMINISTRATOR**

- and -

12252856 CANADA INC.

Applicant

Respondent

Court File No. CV-22-00691528-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

**SUPPLEMENT TO THE THIRD
REPORT OF THE RECEIVER**

(Motion returnable January 5, 2023)

CHAITONS LLP

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

Harvey Chaiton (LSO #21592F)

Tel: (416) 218-1129

Email: harvey@chaitons.com

Laura Culleton (LSO #82428R)

Tel: (416) 218-1128

Email: laurac@chaitons.com

**Lawyers for the Court-appointed
Receiver, RSM Canada Limited**