

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

B E T W E E N :

2615333 ONTARIO INC.

Applicant

- and -

**CENTRAL PARK AJAX DEVELOPMENTS PHASE 1 INC., 9654488 CANADA INC.,
9654461 CANADA INC., 9654372 CANADA INC., 9617680 CANADA INC. AND
9654445 CANADA 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

**THIRD SUPPLEMENT TO THE FIFTH REPORT OF THE RECEIVER
(motion returnable on March 3, 2025)**

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Appendix “A” – Commitment Letter dated February 26, 2025 (redacted)

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CONFIDENTIAL APPENDICES

(to be filed with the Court and sealed from public record pending further Order of the Court)

Confidential Appendix “1” – Commitment Letter dated February 26, 2025 (not redacted)

Confidential Appendix “2” – The Receiver’s Email Correspondence with 843 Ontario dated February 28, 2025 (not redacted)

I. UPDATE TO THE COURT

1. This report (“**Third Supplemental Report**”) filed by the Receiver is a supplement to the Fifth Report of the Receiver dated September 16, 2024 (the “**Fifth Report**”).
2. On February 27, 2025 (5:56 p.m.), the Receiver received an email from counsel to 1000612843 Ontario Inc. (“**843 Ontario**”). This email enclosed a commitment letter between 843 Ontario and Ajax Master Holdings Inc. dated February 26, 2025 (the “**Commitment Letter**”). The Commitment Letter contemplated providing funding for a purchase of the Harwood Properties (as defined in the Fifth Report) at a price higher than 843 Ontario’s prior agreement to purchase the Harwood Properties (the “**Terminated APS**”). The Terminated APS was terminated due to 843 Ontario’s failure to close.
3. A copy of the Commitment Letter, redacted, is attached hereto as **Appendix “A”**. A copy of the Commitment Letter without redactions is attached hereto as **Confidential Appendix “1”** and will be subject to a request for a sealing order.
4. On February 28, 2025 (9:50 a.m.), the Receiver’s counsel responded to 843 Ontario’s counsel and confirmed that:
 - (a) the communication from the evening before did not constitute any offer to purchase the Harwood Properties that was capable of acceptance; and
 - (b) if 843 Ontario intended to make a new offer to purchase the Harwood Properties, it could only be on the basis of an executed agreement of purchase and sale clearly setting out 843 Ontario’s proposed terms accompanied by a deposit.

5. On February 28, 2025 (2:28 p.m.), 843 Ontario's counsel emailed the Receiver a document described as 843 Ontario's offer. It did not appear to accord with the Commitment Letter as the financial terms of this offer were the same as the Terminated APS. The offer purported to rely on the same deposit paid and forfeited under the Terminated APS. No fresh deposit accompanied the document.
6. The Receiver's February 28, 2025, email correspondence with 843 Ontario (redacted) is attached hereto as **Appendix "B"**. The Receiver's February 28, 2025, email correspondence with 843 Ontario (not redacted) is attached hereto as **Confidential Appendix "2"** and will be subject to a request for a sealing order.
7. As of March 1, 2025 (5:00 p.m.), no further offer from 843 Ontario was received by the Receiver, nor was any fresh deposit paid. Despite the Receiver's lawyers' invitation to have a call with 843 Ontario's lawyers, 843 Ontario has not responded to same.
8. The Receiver has determined not to pursue this offer from 843 Ontario because:
 - (a) if 843 Ontario intended to present an offer in accordance with the financial terms described in the Commitment Letter, it has not done so despite having the opportunity to do so, and in any event did not deliver a deposit to the Receiver;
 - (b) if 843 Ontario intended to make an offer on the same financial terms as the Terminated APS, without paying a fresh deposit, that would be unacceptable to the Receiver;
 - (c) after (i) failing to pay a deposit during the formal sale and marketing process conducted by the Receiver in summer 2023, and (ii) failing to close on the

Terminated APS, the Receiver does not have confidence in 843 Ontario's ability to close, notwithstanding the Commitment Letter; and

(d) the Receiver remains of the view that concluding the sale to the Town of Ajax is in the best interests of the stakeholders, assessed collectively and objectively.

9. On February 28, 2025 (5:11 p.m.), the Receiver received a revised New Offer (as defined in Receiver's Second Supplemental Report to the Fifth Report dated February 13, 2025) from Marcus Gillam and Seyfeddin Hosseini. This revised New Offer had fewer conditions but remained subject to a 45-business day due diligence period and was not accompanied by a deposit. The Receiver has determined not to pursue this offer for those reasons.

II. TERMS OF REFERENCE

10. In preparing this Third Supplemental 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 this Third Supplemental 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 of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

All of which is respectfully submitted to this Court as of this 2nd day of March, 2025.

TDB Restructuring Limited, in its capacity
as Court-appointed Receiver of the Property,
and not in its personal or corporate capacity

Per: 

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

APPENDIX “A”

Tuesday February 26th, 20225.

PRIVATE AND CONFIDENTIAL

**Ajax Master Holdings Inc., In-Trust
(for 1928 Glendale Corp., and others)**

COMMITMENT LETTER

Attention:

Mr. Anthony De Francesco
and,
1000612843 Ontario Inc.

Re: 1st Mortgage Bridge Loan – Commitment Letter

Purpose: The 1st Mortgage Bridge Loan binding Commitment Letter (the “**Bridge Loan**”) is to provide an interim land financing to complete the acquisition for Lakeshore Luxe Design & Build Group Inc c/o 1000612843 Ontario Inc.

Lender: Ajax Master Holdings Inc., In-Trust (for 1928 Glendale Corp., and others).


Borrowers: 1000612843 Ontario Inc.

Guarantors: 1000612843 Ontario Inc and Anthony De Francesco.

Property: 184/188, 214, 224, 226, 134, 148, and 152 Harwood Avenue South, Ajax, Ontario (the “**Project**”).

Collateral Properties: PIN No. 26459-0050 (LT), PIN No. 26459-0046 (LT), PIN No. 26459-0045 (LT), PIN No. 26459-0045 (LT), PIN No. 26459-0045 (LT), PIN No. 26459-0045 (LT), PIN No. 26459-0045 (LT).

Bridge Loan Amount: to advance a [REDACTED] Bridge Loan to the Borrowers; the first tranche of [REDACTED] will be advanced pursuant to the terms of a commitment to be

Initials
DocuSigned by:

0933A59F083849C

Bridge Loan – Commitment Letter
184/188, 214, 224, 226, 134, 148, and 152 Harwood Avenue South
Ajax, Ontario

forthcoming; this advance to be made within 2 business days of the receiver's acceptance and approval of the application of the reinstatement of the agreement of purchase and sale.

This [REDACTED] advance to be payable directly to the TDB Restructuring Limited in-Trust. The balance of the loan will be advanced on the closing of the real estate transaction. The Bridge Loan is to be repaid no later than 90 days after closing. The interest rate and other terms will be contained in the commitment

1st Tranche Closing Date: to be advanced within 2 business days upon the Receiver's approval of the Application of the Reinstatement of the APS.

2nd Tranche Closing Date: to be advanced upon the closing of the Ajax Properties, the Project.

Security:

- a. 1st Mortgage collateral charge on the Project and the listed collateral properties.
- b. Guarantor agrees to execute a PPSA Agreement.
- c. Guarantor agrees to execute a GSA Agreement.

Use of Proceeds: The proceeds will be used to advance closing proceeds to **TDB Restructuring Limited** (the "Receiver") to complete the Project acquisition.

Term and Maturity: The Bridge Loan is to be repaid no later than 90 days after closing.


Interest Rate and Interest Payment Date: 1.50% per 30 days, starting at the advance date of each tranche, to be paid in advance by post-dated cheques.

Legal Documentation: The Bridge Loan closing documentation will be prepared by the Lender's solicitor on the Lender's standard forms. Such agreements and closing documentation shall contain, among other things, customary representations, warranties, covenants and conditions (which may supplement the terms of this Commitment) of the Borrower and shall otherwise be in form and substance satisfactory to the Borrower and the Borrower shall also execute such documents and agreements as may be required by Lender's solicitors.

Lender Fee: 3.00% of the Bridge Loan amount including:

- a. [REDACTED] to be **paid to Shapiro Real Estate & Business Lawyers In-Trust** upon the Acceptance of the Bridge Loan Commitment Letter.
- b. [REDACTED] to be **paid to Shapiro Real Estate & Business Lawyers In-Trust** by the Borrower upon the advance of the First Tranche and.

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Bridge Loan – Commitment Letter

184/188, 214, 224, 226, 134, 148, and 152 Harwood Avenue South
Ajax, Ontario

- c. Balance of the 3% to be **paid to Shapiro Real Estate & Business Lawyers In-Trust** upon the Advance of the Second Tranche.

Delinquency Fee: Any legal fees, monitoring fees, receiver's fees or other fees associated with the collection of the Demand Loan shall be paid by the Borrowers, shall bear interest at a rate of 14.0% per annum and shall be due when incurred (the "Delinquency Fees").

Legal Fee: All Legal Fees are for the sole account of the Borrower. Legal fees are estimated at \$5,000.00 plus disbursements and HST **payable to Shapiro Real Estate & Business Lawyers In-Trust deducted from the [REDACTED] upon acceptance of the Bridge Loan Commitment Letter.**

Additional Provisions:

- a. N.S.F. fee of \$350.00 for each dishonored cheque.
- b. Three months penalty will be charged if mortgage is not paid out in full on the maturity date.
- c. In the event of default, the mortgagee is entitled to charge \$1,500.00 for each action or proceeding instituted and a fee of \$100.00 per day for administering the maintenance and security of any property in its possession.
- d. The Borrowers and Guarantors acknowledge that the usual credit and personal enquiries may be made by the Lender in connection with the Loan and hereby consent to disclosure of any applicable personal information by all such credit and consumer reporting agencies.

Events of Default: The following are events of default:

- a. The Borrower(s) failing to make an interest payment.
- b. The Borrower(s) default on one or more of the Conditions of this commitment.
- c. The Borrower(s) becoming insolvent or it commits an act of bankruptcy.

If this Bridge Loan Commitment Letter is acceptable to you, please sign it in the space provided below and return an original copy to us on or before 5:00pm on February 27th, 2025.

Partial Discharges: No partial discharges shall be permitted.

Repayment: The loan is open for repayment with 30 days written notice without prepayment penalties.

Amortization: Not applicable (interest only bridge loan).

Applicable Law: This Commitment shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in

Initials

DocuSigned by:

0933A59F063849C

Bridge Loan – Commitment Letter


184/188, 214, 224, 226, 134, 148, and 152 Harwood Avenue South
Ajax, Ontario

all respects as an Ontario contract. Each party hereto irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

This binding **Bridge Loan Commitment Letter** is **ACCEPTED** and **AGREED** on this 26th. day of February 2025.

LENDER

Ajax Master Holdings Inc., In-Trust (for 1928 Glendale Corp., and others).

Per:  _____


Name: **zhang, Mingfeng**

Title: **Director**

I have the authority to bind the Corporation.

BORROWER

1000612843 Ontario Inc.

DocuSigned by:
Per:  _____
0933A59F063849C


Name: **Anthony De Francesco.**

Title: **President.**

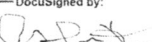
I have the authority to bind the Corporation.

GUARANTOR

Anthony De Francesco

DocuSigned by:
Per:  _____
0933A59F063849C

Initials

DocuSigned by:
 _____
0933A59F063849C


Bridge Loan – Commitment Letter

184/188, 214, 224, 226, 134, 148, and 152 Harwood Avenue South
Ajax, Ontario

Schedule 'A'

1. Agreement of Purchase and Sale dated 27th day of June 2024.

Commitment Letter

Initials
DocuSigned by:

0933A59F063849C

Bridge Loan – Commitment Letter
184/188, 214, 224, 226, 134, 148, and 152 Harwood Avenue South
Ajax, Ontario

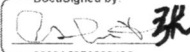
Schedule 'B'

1. Reinstatement Agreement of Purchase and Sale.

Commitment Letter

Initials

DocuSigned by:


0933A59F063B49C

Bridge Loan – Commitment Letter

184/188, 214, 224, 226, 134, 148, and 152 Harwood Avenue South
Ajax, Ontario

APPENDIX “B”

Rushi Chakrabarti

From: Alexander Soutter
Sent: February 28, 2025 3:12 PM
To: Jacob Lee
Cc: jwadden@tyrllp.com; gcorsianos@clvlaw.ca; Bryan Tannenbaum; Jeffrey Berger; Avrom Brown; Rushi Chakrabarti; Rebecca Kennedy
Subject: RE: [EXTERNAL]Re: Central Park Ajax receivership [IMAN-CLIENT.FID140057]

Dear Mr. Lee,

I called and left a voicemail a few minutes ago. I think we should have a call. Please let me know if you are available.

Regards,

From: Alexander Soutter <ASoutter@tgf.ca>
Sent: Friday, February 28, 2025 2:34 PM
To: Jacob Lee <jlee@clvlaw.ca>
Cc: jwadden@tyrllp.com; gcorsianos@clvlaw.ca; Bryan Tannenbaum <btannenbaum@tdbadvisory.ca>; Jeffrey Berger <jberger@tdbadvisory.ca>; Avrom Brown <abrown@garfinkle.com>; Rushi Chakrabarti <rchakrabarti@tgf.ca>; Rebecca Kennedy <Rkennedy@tgf.ca>
Subject: RE: [EXTERNAL]Re: Central Park Ajax receivership [IMAN-CLIENT.FID140057]

Good afternoon,

Thank you for your email. That form of APS still provides that the cash portion of the purchase price is [REDACTED] (s.2.4) and for a [REDACTED] deposit (s.2.5).

Is that the intention?

Regards,
Alexander Soutter



Alexander Soutter | ASoutter@tgf.ca | Direct Line +1 416-304-0595 | www.tgf.ca

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From: Jacob Lee <jlee@clvlaw.ca>
Sent: Friday, February 28, 2025 2:28 PM
To: Alexander Soutter <ASoutter@tgf.ca>
Cc: jwadden@tyrllp.com; gcorsianos@clvlaw.ca; Bryan Tannenbaum <btannenbaum@tdbadvisory.ca>; Jeffrey Berger <jberger@tdbadvisory.ca>; Avrom Brown <abrown@garfinkle.com>; Rushi Chakrabarti <rchakrabarti@tgf.ca>; Rebecca Kennedy <Rkennedy@tgf.ca>
Subject: [EXTERNAL]Re: Central Park Ajax receivership [IMAN-CLIENT.FID140057]

Good afternoon,

Please see attached the offer being made by 1000612843 Ontario Inc. We note that the only pages 1, 23 & 32 have been revised versus the APS dated June 27, 2024.

Jacob
Jacob H. C. Lee, B. A. Sc., M.B.A., J.D.
Corsianos Lee Vashishth LLP
6 Ronrose Drive, Suite 301
Vaughan, Ontario
L4K 4R3, Canada
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On Fri, 28 Feb 2025 at 09:50, Alexander Soutter <ASoutter@tgf.ca> wrote:

Good morning,

As you are aware, we are counsel to the Receiver in connection with this matter.

We have been referred to the emails to Mr. Tannenbaum from Mr. Lee of yesterday (5:56pm), with enclosed Commitment Letter, and from Mr. Wadden (5:59pm and 7:07pm).

We confirm that the Agreement of Purchase and Sale (“**APS**”) between the Receiver and 1000612843 Ontario Inc. dated June 27, 2024, as amended on September 1, 2024, was terminated. The Court has confirmed, pursuant to an order dated December 6, 2024, that the Receiver was entitled to retain the deposit thereunder. We confirm that there has been no agreement otherwise, nor any agreement to revive or reinstate that terminated APS.

It appears from your emails and the Commitment Letter that your client proposes to make a new offer to purchase the property subject to this receivership for [REDACTED], inclusive of a \$ [REDACTED] non-refundable deposit. Those emails and Commitment Letter do not amount to an offer that the Receiver is capable of accepting. If your client intends to make an offer, please deliver an executed APS with your client’s proposed terms together with: (a) the deposit; (b) a redline to the APS dated June 27, 2024, as amended, and (c) a redline to the template APS used in this proceeding.

You are aware that we are in Court on Monday, March 3, 2025, at 10am for a motion to approve a sale of the lands to the Town of Ajax. We therefore require receipt of the above matters as soon as possible today to consider the Receiver's position.

We confirm that there has been no agreement, including herein, to proceed with any further transaction with your client. There has been no offer made that would permit that.

Yours truly,

Alexander Soutter



Alexander Soutter | Associate | ASoutter@tgf.ca | Direct Line +1 416-304-0595 | | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | www.tgf.ca

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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

2615333 ONTARIO INC.

- and -

CENTRAL PARK AJAX DEVELOPMENTS PHASE 1 INC. *et al*

Applicant

Respondents

Court File No.: CV-20-00651299-00CL

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

Proceedings commenced at Toronto, Ontario

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

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Tel: (416) 307-2425 / Email: rchakrabarti@tgf.ca

Lawyers for the Court-appointed Receiver