

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

**BETWEEN:**

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

- and -

YORKVILLE CENTRAL INVESTMENTS INC., YORKVILLE CENTRAL 2 INVESTMENTS  
INC., YORKVILLE CENTRAL 3 INVESTMENTS INC.

Respondents

**SUPPLEMENTAL REPORT TO THE FIRST REPORT OF THE RECEIVER**

**October 2, 2020**

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## I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) dated September 11, 2020, RSM Canada Limited was appointed as receiver and manager over the lands and premises municipally known as 110 Avenue Road, Toronto, 112 Avenue Road, Toronto, 114 Avenue Road, Toronto, and 116 Avenue Road, Toronto (collectively the “**Properties**”) owned by Yorkville Central Investments Inc. (“**Yorkville Central**”), Yorkville Central 2 Investments Inc. (“**Yorkville Central 2**”), and Yorkville Central 3 Investments Inc. (“**Yorkville Central 3**”), (collectively, the “**Debtors**”), and for all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to the Properties, including all proceeds thereof (together with the Properties, hereinafter collectively referred to as the “**Property**”).

## II. PURPOSE OF SUPPLEMENTAL REPORT

2. The First Report of the Receiver dated September 25, 2020 (the “**First Report**”) was filed in connection with a motion by SC Land Inc. (“**SC Land**”) for an order directing the Receiver to enter into an Agreement of Purchase and Sale with SC Land for the sale of the Properties (the “**Proposed Agreement**”) pursuant to the terms set out in the motion (the “**SC Land Motion**”). The First Report was filed to:

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- i) report to the Court on the activities of the Receiver from the date of its appointment to September 24, 2020;
  - ii) report to the Court on the steps taken by the Receiver to ascertain the value of the Properties and the Receiver's findings in respect thereof;
  - iii) provide comments with respect to the Proposed Agreement;
  - iv) seek the advice and direction of the Court with respect to the next steps to be taken by the Receiver with respect to the Proposed Agreement and the marketing of the Properties; and
  - v) seek an Order:
    - i. approving the First Report and the Receiver's activities described in the First Report;
    - ii. sealing Confidential Appendix "D" to the First Report; and
    - iii. providing such further directions to the Receiver with respect to the Proposed Agreement and the marketing of the Properties.

3. The purpose of this Supplemental Report to the First Report (the "**Supplemental Report to the First Report**") is to provide the Court with additional information, in the event that the Court does not grant the relief requested in the SC Land Motion, relating to the Receiver's view set out in the First Report that a "Stalking Horse" sales process could be appropriate in this proceeding.

4. This Supplemental Report should be read in conjunction with the First Report, including the Terms of Reference referred to therein.

5. Unless defined herein, capitalized terms herein have the same meaning as in the First Report.

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### III. POTENTIAL “STALKING HORSE” PROCESS

6. With reference to the Endorsement made by Justice Dietrich on September 11, 2020, the First Report set out:
  - i) that the Receiver was not in a position at this time to conclude that the purchase price set out in the Proposed Agreement is the most advantageous to the stakeholders in this proceeding; and
  - ii) the Receiver’s view that a “Stalking Horse” sales process could be appropriate in this proceeding.
7. Subsequent to the filing of the First Report, the Receiver has engaged in discussions with counsel to each of SC Land and Synvest to determine the interest of their respective clients to submit a “Stalking Horse” offer.
8. SC Land, through counsel, confirmed in writing to the Receiver that it was interested in being a “Stalking Horse” bidder and provided the Receiver with the salient terms under which it was prepared to proceed. The Receiver has reviewed these salient terms and, subject to finalization of the terms of a “Stalking Horse” agreement of purchase and sale, the Receiver would be prepared to recommend such agreement for approval by the Court.
9. In the event that the Court does not grant the relief requested in the SC Land Motion, the Receiver intends on making an application to the Court as soon as practically possible to seek the Court’s approval of a sale procedure to effect the sale of the Properties. If the Receiver is able to finalize the “Stalking Horse” agreement of

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purchase and sale on the salient terms submitted by SC Land, then the proposed sale procedure will be by way of a “Stalking Horse” bidding process.

#### **IV. CONCLUSION**

10. The Receiver respectfully requests that, in addition to the relief requested in the First Report, the Court grant an Order approving the Supplemental Report to the First Report.

All of which is respectfully submitted to this Court as of this 2<sup>nd</sup> day of October, 2020.

#### **RSM CANADA LIMITED**

In its capacity as Court-appointed Receiver of  
110 Avenue Road, Toronto, 112 Avenue Road, Toronto,  
114 Avenue Road, Toronto, and 116 Avenue Road, Toronto,  
and not in its personal capacity



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



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT  
Senior Vice President