TDB Restructuring Limited
Licensed Insolvency Trustee

65 Queen St. West, Suite 605
Toronto, ON M5H 2M5

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416-575-4440
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IN THE MATTER OF THE RECEIVERSHIP OF

CRAIG DEVELOPMENTS INC.

SUPPLEMENT TO THE FIRST REPORT OF THE RECEIVER

AUGUST 17, 2026

Contents

APPENDICES

1.0 PURPOSE OF THE REPORT

1. This supplement to the First Report (as defined herein) (the "**Supplementary Report**") is submitted in response to certain questions and comments set out in the Affidavit of Judith Pare sworn August 13, 2026 (the "**Pare Affidavit**").

2. All capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the first report of the Receiver dated May 19, 2026 (the "**First Report**").

2.0 RECEIVER'S RESPONSE TO THE PARE AFFIDAVIT

3. The Receiver has reviewed the Pare Affidavit and wishes to address some of the comments made by Ms. Pare.

2.1 Correspondence with the Second Mortgagee

4. In paragraphs 7 and 8 of the Pare Affidavit, Ms. Pare states that she and Ms. Ciara Donnelly ("**Ms. Donnelly**"), on behalf of the second mortgagee, sought to submit a bid to purchase the Property and that the Receiver failed to respond to the second mortgagee's inquiries in this regard in a timely or substantive manner.

5. Throughout these receivership proceedings, the Receiver and CBRE corresponded with the second mortgagee, through Ms. Donnelly, and its counsel regarding the second mortgagee's stated interest in submitting an offer to purchase the Property in order to protect its security position. A brief chronology of the Receiver's correspondence with the second mortgagee and its representatives in this regard is set out below:

    (a) <u>January 17, 2025</u> – After discussions with counsel to the Receiver on January 10, 2025 and January 15, 2025, counsel to the second mortgagee delivered a letter to Robins Appleby dated January 17, 2025 (the "**January 17 Letter**"), expressing the second mortgagee's interest in submitting an offer to purchase the Property, either through the Receiver's anticipated sale process or by way of a stalking horse bid. A copy of the January 17 Letter is attached as **Appendix "A"** to this Report.

(b) January 21, 2025 – Robins Appleby and the Receiver participated in a conference call with counsel to the second mortgagee and Ms. Donnelly to discuss the second mortgagee's interest in submitting a stalking horse bid. During that discussion, the Receiver requested confirmation that the second mortgagee was in a position to finance a purchase of the Property and whether it could provide evidence of available funds. The second mortgagee advised that it was not then in a position to provide proof of funds or a deposit. In light of those circumstances, the Receiver advised that a stalking-horse bid could not be considered further at that time absent evidence of financing and the ability to provide the required deposit. The Receiver encouraged the second mortgagee to participate in the Receiver's sale process by submitting a bid in the normal course should it wish to do so.

(c) February, 2025 – CBRE, the listing broker for the Property, was initially contacted by Ms. Donnelly prior to the commencement of the formal marketing and sale process. Following the launch of the sale process, CBRE provided Ms. Donnelly with all marketing materials relating to the Property and the sale process. The Receiver understands that Ms. Donnelly did not thereafter engage further with CBRE regarding the opportunity and did not execute a confidentiality agreement, which was required to obtain access to additional due diligence information concerning the Property.

(d) April 17, 2025 – In advance of the bid submission deadline of April 29, 2025, the Receiver wrote to counsel for the second mortgagee to advise that the deadline was approaching and to remind the second mortgagee that, if it wished to participate in the sale process, any bid would need to be submitted by the prescribed deadline. A copy of the Receiver's email dated April 17, 2025 is attached as **Appendix "B"** to this Report.

(e) May 28, 2025 - In response to an email from Ms. Donnelly dated May 23, 2025, the Receiver replied to address, among other matters, the second mortgagee's expressed interest in acquiring the Property. In its response, the Receiver specifically advised Ms. Donnelly as follows:

    i. No offer was ever provided to the Receiver;

ii. The January 17th letter of intent stated that the 2nd mortgagee was willing to "make a cash payment sufficient to discharge the first mortgage and the construction lien as well as paying the reasonable fees of the receiver", which would put the offer in the range of $6.5 - $7 million. Notwithstanding, the 2nd mortgagee further noted that it was "not in position to provide a deposit toward the purchase". This fact alone presented significant transactional risk to the Receiver, should an offer have been submitted; and

iii. No evidence was provided regarding the 2nd mortgagee's ability to close the proposed transaction such as proof of funds or an unconditional financing commitment from a reputable lender.

A copy of the Receiver's May 28, 2025 email to Ms. Donnelly is attached as **Appendix "C"** to this report.

(f) August 14, 2025 – In response to a further email from Ms. Donnelly, the Receiver provided an update regarding its activities following the bid submission deadline. In that correspondence, the Receiver also reiterated that, despite the second mortgagee having previously expressed an interest in acquiring the Property, neither the second mortgagee nor its representatives had ever submitted an offer to purchase the Property. A copy of the Receiver's August 14, 2025 email to Ms. Donnelly is attached as **Appendix "D"** to this Report.

(g) August 18, 2025 – In response to a further email from Ms. Donnelly in which she alleged that the Receiver had "actively discouraged" the second mortgagee from submitting an offer in the sale process, the Receiver wrote to clarify that it had merely advised that any offer would be required to be accompanied by a cash deposit, as is customary in receivership sale processes. The Receiver advised that the second mortgagee's inability or unwillingness to provide a deposit and its failure to provide evidence of its ability to close presented significant transactional risk. A copy of the Receiver's August 18, 2025 email to Ms. Donnelly is attached as **Appendix "E"** to this Report.

6. As of the date of this Supplementary Report, notwithstanding the second mortgagee's repeated expressions of interest, no offer to purchase the Property has ever been submitted to the Receiver.

2.2 Sale Process

7. In paragraph 21 of the Pare Affidavit, Ms. Pare raised concerns regarding the length of time the Property was exposed to the market by CBRE.

8. CBRE initially marketed the Property through a structured sale process commencing February 27, 2025, with a bid submission deadline of April 29, 2025. No commercially acceptable offers were received by that deadline.

9. Following the conclusion of the formal sale process, CBRE continued to market the Property by responding to inquiries and selectively presenting the opportunity to prospective purchasers. The Property remained listed on MLS until February 2026 and, according to CBRE, continued to generate inquiries from prospective purchasers throughout that period. Notwithstanding these continued marketing efforts, no further offers were received in respect of the Property.

10. For clarity, the Receiver's reference in the First Report to approximately twelve months of marketing included both the formal sale process and the subsequent period during which CBRE continued to market the Property following the April 29, 2025 bid deadline.

2.3 Related-Party Purchaser

11. The Receiver is also aware of Ms. Pare's concerns regarding the relationship between the Purchaser, First Source and Ms. Teresa Oliver. As set out in the First Report, the Receiver was aware of these relationships and considered them in evaluating the proposed transaction. The Receiver's recommendation for approval of the transaction is based on its assessment of the terms of the APS, the marketing history, the value of the Property and the certainty of closing, and not on the relationship between the Purchaser and any stakeholder.

2.4 Other Matters

12. Throughout the Pare Affidavit, Ms. Pare raises a number of allegations concerning the conduct of Ms. Teresa Oliver and First Source prior to the Receiver's appointment, as well as an alleged investigation by the OSC. The Receiver has no independent information regarding the matters alleged and takes no position on them. The Receiver's mandate in these proceedings is to realize upon the Property for the benefit of the estate and its stakeholders, and the Receiver does not consider the historical matters raised in the Pare Affidavit to affect its recommendation regarding the proposed sale.

3.0 RECEIVER'S REQUEST OF THE COURT

13. Based on the foregoing, the Receiver respectfully requests that the Court grant the relief set out in the Notice of Motion and the First Report.

All of which is respectfully submitted to this Court as of this 17th day of August, 2026.

TDB RESTRUCTURING LIMITED, solely in its capacity as Court-appointed Receiver of the Debtor, and not in its personal or corporate capacity

Per:

Jeffrey Berger, CPA, CA, CIRP, LIT
Managing Director

Appendix A

SV LAW
EXCELLENCE IN OUR COMMUNITY

January 17, 2025

<u>Delivered by Email</u>

<u>Without Prejudice</u>

Robins Appleby
Barristers and Solicitors
Suite 2600, 120 Adelaide Street West
Toronto, Ontario M5H 1T1

Attention: Dominique Michaud

Dear Mr. Michaud:

Re: Receivership – Craig Developments

I write further to our telephone discussions on January 10 and January 15, 2025.

I confirm that I have spoken with my client and can advise that it wishes to enter a bid to purchase the properties owned by Craig Developments.

As discussed in our call last week, my client's interest is in preserving its interest in the properties as the second mortgagee.

In short, my client is contemplating a bid that will set a price which ensures that the receiver, the construction lienholder, the first mortgagee, and the second mortgagee are all paid in full.

When we spoke by phone you expressed some concern about meeting the *Soundair* test. I wish to be clear that my client will not object in any way to its bid serving as a "stalking horse" bid for the purpose of seeking competing offers in the market. My client's goal is to set a floor for such offers, at a price that ensures its security interest is satisfied.

In particular, I anticipate that my client would agree to make an offer to:

- Make a cash payment sufficient to discharge the first mortgage and the construction lien as well as paying the reasonable fees of the receiver; and

- The purchase would be subject to the second mortgage, with my client assuming same as part of the purchase.

My client is not in position to provide a deposit toward the purchase, though I note that it is heavily invested in the property as it stands and suggest to you that this demonstrates its bona fides in terms of its intention to complete a purchase.

My client proposes a closing date for the transaction of March 12, 2025, but does have some flexibility if the receiver requires further time in order to solicit bids.

Yours Very Truly,
SMITHVALERIOTE LAW FIRM LLP

Michael J. Ruhl, B.A.Sc., LL.B.
Practising through a professional corporation
(he/him/his)
MJR\kp

direct line: 519-821-2165
email: mruhl@svlaw.ca
assistant email: kpreston@svlaw.ca/ssala@svlaw.ca

Appendix B

Jeffrey Berger

From: Jeffrey Berger
Sent: Thursday, April 17, 2025 1:12 PM
To: 'Michael Ruhl'
Cc: 'Samantha Sala'; 'Dominique Michaud'; 'Kirsten Preston'
Subject: RE: Letter from M Ruhl - Receivership - Craig Developments Inc.
Attachments: 2025 01 17 - Letter to D. Michaud.pdf

Importance: High

Mr. Ruhl,

Further to the attached letter and our subsequent videoconference, please note that a bid deadline for the Receiver's sale process has been set for April 29, 2025. If your client still intends to submit an offer to protect its interests, please make sure that their offer is submitted prior to the bid deadline on the Receiver's form of APS.

Should you have any questions, please let us know.

Thank you,

TDB Restructuring Limited
Licensed Insolvency Trustee

Jeffrey Berger, CPA, CA, CIRP, LIT
Managing Director

jberger@tdbadvisory.ca
647-726-0496
416-915-6228
11 King St. West, Suite 700
Toronto, ON M5H 4C7

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From: Michael Ruhl <mruhl@svlaw.ca>
Sent: January 17, 2025 3:26 PM
To: Jeffrey Berger <jberger@tdbadvisory.ca>
Cc: Samantha Sala <ssala@svlaw.ca>; Dominique Michaud <dmichaud@robapp.com>; Kirsten Preston <kpreston@svlaw.ca>
Subject: RE: Letter from M Ruhl - Receivership - Craig Developments Inc.

External sender

Dear Mr. Berger,

Thank you for your email.

Attached is a copy of the email that was sent to Mr. Michaud earlier today.

Yours truly,

Michael Ruhl, BASc, LL.B. (he/him/his)
Practising through a professional corporation
Direct Line: 519-821-2165

SmithValeriote Law Firm LLP
245 Hanlon Creek Boulevard Unit 102
Guelph, ON N1C 0A1

Phone: 519 837 2100
Fax: 519 837 1617
Toll Free: 800 746 0685
www.svlaw.ca

From: Jeffrey Berger <jberger@tdbadvisory.ca>
Sent: January 17, 2025 1:16 PM
To: Michael Ruhl <mruhl@svlaw.ca>
Cc: Samantha Sala <ssala@svlaw.ca>; Dominique Michaud <dmichaud@robapp.com>; Kirsten Preston <kpreston@svlaw.ca>
Subject: RE: Letter from M Ruhl - Receivership - Craig Developments Inc.

Mr. Ruhl,

Further to the correspondence below and your discussion with the Receiver's counsel, can you please provide an update on the status of your client's offer, if any?

Thank you,

TDB Restructuring Limited
Licensed Insolvency Trustee

Jeffrey Berger, CPA, CA, CIRP, LIT
Managing Director

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From: Kirsten Preston <kpreston@svlaw.ca>
Sent: Monday, January 6, 2025 4:54 PM
To: Jeffrey Berger <jberger@tdbadvisory.ca>

Cc: Michael Ruhl <mruhl@svlaw.ca>; Samantha Sala <ssala@svlaw.ca>; Sara Mosadeq <Sara@rarlitigation.com>
Subject: Letter from M Ruhl - Receivership - Craig Developments Inc.

External sender

Dear Mr. Berger,

Please see attached correspondence from Mr. Ruhl's office as of today's date.

Kind regards,
Kirsten

SV LAW
25 YEARS OF EXCELLENCE

Kirsten Preston, Legal Assistant
Direct Line: (519) 837-2100 ext 247

SmithValeriote Law Firm LLP
245 Hanlon Creek Boulevard
Unit 102
Guelph, ON N1C 0A1

Phone: 519 837 2100
Fax: 519 837 1617
Toll Free: 800 746 0685
www.svlaw.ca

Appendix C

Jeffrey Berger

From:	Jeffrey Berger
Sent:	Wednesday, May 28, 2025 5:01 PM
To:	Administrator
Cc:	Bryan Tannenbaum; Margarita Cargher; Dominique Michaud
Subject:	RE: Inquiry Regarding Status of Huntsville Property
Attachments:	RE: Letter from M Ruhl - Receivership - Craig Developments Inc.

Ms. Donnelly,

We acknowledge receipt of your email below, and respond as follows:

With respect to your inquiry regarding the potential involvement of Ms. Teresa Oliver or InvestorCentric Inc. in connection with any creditor bid for the Property, the Receiver has not received any such offer at this time. Any such bid, if submitted, would be considered within the context of the Receiver's mandate, which includes ensuring that any realization process is conducted in a fair, transparent, and commercially reasonable manner. In the event that any offer, credit bid or otherwise, is accepted by the Receiver, such offer would be conditional upon Court approval of the transaction and all stakeholders, including the 2nd mortgagee, would be served with proper notice of the Receiver's motion for approval. At that time, you would have an opportunity to consider the Receiver's recommended offer and respond accordingly, should you wish to do so.

To address your other questions:

1) Next Steps in the Process: The Receiver is considering its options with respect to the next steps to be taken. At this time, there is no established plan to communicate;
2) Intentions of the Receiver: The Receiver remains focused on preserving and maximizing value for the benefit of all stakeholders, consistent with its obligations pursuant to the *Bankruptcy and Insolvency Act* and other applicable laws; and
3) The Strategy/Position of the First Mortgage Holder Going Forward: as noted above, The Receiver is not privy to the intentions or actions of First Source, and is not acting on its behalf. Accordingly, the Receiver is not in a position to respond to this point.

With respect to your comment that the second mortgagee submitted an intent to purchase the property on January 17, 2025, we note the following:

1) No offer was ever provided to the Receiver;
2) The January 17th letter of intent stated that the 2nd mortgagee was willing to "make a cash payment sufficient to discharge the first mortgage and the construction lien as well as paying the reasonable fees of the receiver", which would put the offer in the range of $6.5 - $7 million. Notwithstanding, the 2nd mortgagee further noted that it was "not in position to provide a deposit toward the purchase. This fact alone presented significant transactional risk to the Receiver, should an offer have been submitted; and
3) No evidence was provided regarding the 2nd mortgagee's ability to close the proposed transaction such as proof of funds or an unconditional financing commitment from a reputable lender.

The Receiver's position as set out above was communicated by the Receiver and its counsel during a conference call held on January 21, 2025. We note that you were in attendance on that call.

In addition to the foregoing, and to ensure that the 2nd mortgagee had an opportunity to present a formal credit bid to protect its position, the Receiver wrote to Mr. Ruhl on April 17, 2025 to advise Mr. Ruhl that the bid deadline had been set for April 29, 2025. The Receiver explicitly stated, "If your client still intends to submit an offer to protect its interests, please make sure that their offer is submitted prior to the bid deadline on the

Receiver's form of APS.". No response was ever received from Mr. Ruhl, and no offer was ever presented by the 2nd mortgagee. A copy of the April 17th email is attached hereto, for your reference.

We trust this clarifies the Receiver's position. Please do not hesitate to reach out should you wish to discuss further.

Regards,

TDB Restructuring Limited, solely in its capacity
as Court-Appointed Receiver of Craig Developments Inc.,
and not in its personal or corporate capacity

TDB Restructuring Limited
Licensed Insolvency Trustee

Jeffrey Berger, CPA, CA, CIRP, LIT
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From: Administrator <1001015209.ontario@gmail.com>
Sent: May 23, 2025 1:10 PM
To: Jeffrey Berger <jberger@tdbadvisory.ca>; Bryan Tannenbaum <btannenbaum@tdbadvisory.ca>; kunj@firstsourcemortgage.ca
Subject: Inquiry Regarding Status of Huntsville Property

External sender

Hello,

I hope this message finds you well.

We understand that Craig Developments is currently insolvent. However, we've become aware that Teresa Oliver is operating under another entity, "Investorcentric," which is actively pursuing developments in Huntsville.

Given her continued involvement in the region and her development contacts, we would like to know if First Source is currently working with Teresa Oliver or Investorcentric in connection with gaining control of a creditor bid for the property in question?

Additionally, if First Source is submitting a creditor bid, we would appreciate clarity on how our interests will be protected in that process.

As you're aware, we submitted our intent to purchase on January 17th in order to protect our second position interest, but that was declined on January 21st. Following the listing of the property, we engaged with a local CBRE representative to monitor the status and ensure our interest remained protected.

As of April 29th, we were advised that no offers had been received, and we note that the property is still listed on Realtor.ca.

We would appreciate a response regarding:

- The next steps in this process
- The intentions of the receiver
- The strategy or position of the first mortgage holder going forward

Thank you for your attention to this matter. I look forward to your response.

Warm regards,
Ciara Donnelly

1001015209 Ontario Inc.

Appendix D

Jeffrey Berger

From: Jeffrey Berger
Sent: Thursday, August 14, 2025 12:23 PM
To: Administrator
Cc: Margarita Cargher; Dominique Michaud
Subject: RE: Inquiry Regarding Status of Huntsville Property

Ms. Donnelly,

We apologize if any previous emails were inadvertently missed.

As you are aware, the Receiver conducted a sale process for the subject property earlier this year, and no satisfactory bids were received as a result of those efforts. We note that the Receiver contacted you and your counsel at the time to encourage you to submit an offer to protect your interests, as you had previously expressed the intention to do so; no offer has been received from the second mortgagee to date.

The Receiver's duty is to maximize realizations for the benefit of all stakeholders. To that end, the Receiver has authorized certain work to be completed on site with a view to increasing both the value of the property and its marketability. The Receiver has not yet determined next steps with respect to the re-listing and further marketing of the property, but intends to report to Court in due course regarding the status of the administration and anticipated further actions.

We trust that the foregoing addresses your inquiries. Once again, we note that in the circumstances the best way to guarantee that the second mortgagee's interests are protected is for you to submit a bid to purchase the property directly.

Regards,

TDB Restructuring Limited, solely in its capacity as
Court-appointed Receiver of Craig Developments Inc.,
and not in its personal or corporate capacity

TDB Restructuring Limited
Licensed Insolvency Trustee

Jeffrey Berger, CPA, CA, CIRP, LIT
Managing Director

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11 King St. West, Suite 700
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From: Administrator <1001015209.ontario@gmail.com>
Sent: August 11, 2025 3:47 PM

To: Jeffrey Berger <jberger@tdbadvisory.ca>
Subject: Re: Inquiry Regarding Status of Huntsville Property

External sender

Hello Mr. Berger,

I am writing as the holder of a second mortgage in the amount of $2,000,000 registered against Sabrina Park, Huntsville in the receivership proceedings under the authority of the Ontario Superior Court of Justice.

As of June 4, 2025, I have not received any correspondence or updates from your office. I respectfully request your prompt acknowledgement of this email and an update on the status of the receivership, including any timelines or actions relevant to the second mortgage claim.

Pursuant to the terms of the Receivership Order, the Receiver is appointed as an officer of the court, authorized to administer the estate and act in a manner that protects the interests of all stakeholders, including secured creditors such as myself, CMHC, and First Source Mortgages. Additionally, under the Personal Property Security Act (Ontario), the court may oversee and fix the Receiver's duties and remuneration—which inherently includes communication and responsiveness to stakeholders.

Given that you are obligated to administer the estate in a fair and transparent manner, and as a secured creditor, I require timely access to information concerning distributions, timelines, or any actions affecting the ranking and repayment of my mortgage. I have visited the site and have learned that Craig Developments has been working with First Source Mortgages to further develop this land. Compaction has occurred in the past 60 days and it is my understanding that this work has been completed with consent from the City of Huntsville. Why have I not been notified that work is happening on this site? My fear is that First Source Mortgages will make a creditor bid while developing the property with the bankrupt individual and will wipe out the second mortgage. I strongly believe that collusion is occurring and I am prepared to take it to the courts to protect my interest.

You as the Receiver have an obligation to communicate with all stakeholders. Accordingly, please respond within 2-business days from the date of this email [August 13, 2025], to confirm receipt and provide a status update. If I do not hear from you by then, I will have no option but to consider pursuing further relief, including but not limited to applying to the Court for directions or other appropriate remedies.

Thank you for your immediate attention to this matter.

Ciara Donnelly

On Thu, Jul 3, 2025 at 12:16 PM Administrator <1001015209.ontario@gmail.com> wrote:

> Dear Mr. Berger,
>
> I hope this message finds you well. I understand how busy your schedule must be, and I truly appreciate any time you're able to spend reviewing my previous email.
>
> Thank you again for your time and consideration.

Ciara Donnelly

On Wed, Jun 4, 2025 at 2:57 PM Administrator <1001015209.ontario@gmail.com> wrote:

Good afternoon Mr Berger,

Thank you for your prompt and informative response — it's greatly appreciated.

As I continue gathering information to better understand the process and ensure I'm doing everything I can to protect my interests in the property, I have a few follow-up questions I'd appreciate your guidance on:

- Could you help me understand the typical timeline involved in the court process once an offer is received?
- In your experience, what is considered a "reasonable amount" when it comes to receiver fees? Even a ballpark figure would be helpful in giving us better context.
- Would you be able to confirm a breakdown of the financials? Understanding how much debt has accumulated to date would provide valuable insight into the overall position.
- Once an offer does come in, will I be informed of the offer amount? I noticed the listing currently reflects a $1 purchase price. Will this be updated at any point to reflect an actual listing price?
- Lastly, do you have any insight into the marketing strategy being undertaken by the realtor or brokerage beyond the MLS listing? I'm keen to understand the level of effort being made to generate competitive offers.

I appreciate your continued support and transparency throughout this process and look forward to your response.

Ciara Donnelly

On Wed, May 28, 2025 at 3:00 PM Jeffrey Berger <jberger@tdbadvisory.ca> wrote:

Ms. Donnelly,

We acknowledge receipt of your email below, and respond as follows:

With respect to your inquiry regarding the potential involvement of Ms. Teresa Oliver or InvestorCentric Inc. in connection with any creditor bid for the Property, the Receiver has not received any such offer at this time. Any such bid, if submitted, would be considered within the context of the Receiver's mandate, which includes ensuring that any realization process is conducted in a fair, transparent, and commercially reasonable manner. In the event that any offer, credit bid or otherwise, is accepted by the Receiver, such offer would be conditional upon Court approval of the transaction and all stakeholders, including the 2nd mortgagee, would be served with proper notice of the Receiver's motion for approval. At that time, you would have an opportunity to consider the Receiver's recommended offer and respond accordingly, should you wish to do so.

To address your other questions:

1. Next Steps in the Process: The Receiver is considering its options with respect to the next steps to be taken. At this time, there is no established plan to communicate;
2. Intentions of the Receiver: The Receiver remains focused on preserving and maximizing value for the benefit of all stakeholders, consistent with its obligations pursuant to the *Bankruptcy and Insolvency Act* and other applicable laws; and
3. The Strategy/Position of the First Mortgage Holder Going Forward: as noted above, The Receiver is not privy to the intentions or actions of First Source, and is not acting on its behalf. Accordingly, the Receiver is not in a position to respond to this point.

With respect to your comment that the second mortgagee submitted an intent to purchase the property on January 17, 2025, we note the following:

1. No offer was ever provided to the Receiver;
2. The January 17th letter of intent stated that the 2nd mortgagee was willing to "make a cash payment sufficient to discharge the first mortgage and the construction lien as well as paying the reasonable fees of the receiver", which would put the offer in the range of $6.5 - $7 million. Notwithstanding, the 2nd mortgagee further noted that it was "not in position to provide a deposit toward the purchase. This fact alone presented significant transactional risk to the Receiver, should an offer have been submitted; and
3. No evidence was provided regarding the 2nd mortgagee's ability to close the proposed transaction such as proof of funds or an unconditional financing commitment from a reputable lender.

The Receiver's position as set out above was communicated by the Receiver and its counsel during a conference call held on January 21, 2025. We note that you were in attendance on that call.

In addition to the foregoing, and to ensure that the 2nd mortgagee had an opportunity to present a formal credit bid to protect its position, the Receiver wrote to Mr. Ruhl on April 17, 2025 to advise Mr. Ruhl that the bid deadline had been set for April 29, 2025. The Receiver explicitly stated, "If your client still intends to submit an offer to protect its interests, please make sure that their offer is submitted prior to the bid deadline on the Receiver's form of APS.". No response was ever received from Mr. Ruhl, and no offer was ever presented by the 2nd mortgagee. A copy of the April 17th email is attached hereto, for your reference.

We trust this clarifies the Receiver's position. Please do not hesitate to reach out should you wish to discuss further.

Regards,

TDB Restructuring Limited, solely in its capacity

as Court-Appointed Receiver of Craig Developments Inc.,

and not in its personal or corporate capacity

TDB Restructuring Limited
Licensed Insolvency Trustee

Jeffrey Berger, CPA, CA, CIRP, LIT
Managing Director

jberger@tdbadvisory.ca
647-726-0496
416-915-6228

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

tdbadvisory.ca
Integrity. Leadership. Excellence.

From: Administrator <1001015209.ontario@gmail.com>
Sent: May 23, 2025 1:10 PM
To: Jeffrey Berger <jberger@tdbadvisory.ca>; Bryan Tannenbaum <btannenbaum@tdbadvisory.ca>; kunj@firstsourcemortgage.ca
Subject: Inquiry Regarding Status of Huntsville Property

External sender

Hello,

I hope this message finds you well.

We understand that Craig Developments is currently insolvent. However, we've become aware that Teresa Oliver is operating under another entity, "Investorcentric," which is actively pursuing developments in Huntsville.

Given her continued involvement in the region and her development contacts, we would like to know if First Source is currently working with Teresa Oliver or Investorcentric in connection with gaining control of a creditor bid for the property in question?

Additionally, if First Source is submitting a creditor bid, we would appreciate clarity on how our interests will be protected in that process.

As you're aware, we submitted our intent to purchase on January 17th in order to protect our second position interest, but that was declined on January 21st. Following the listing of the property, we engaged with a local CBRE representative to monitor the status and ensure our interest remained protected.

As of April 29th, we were advised that no offers had been received, and we note that the property is still listed on Realtor.ca.

We would appreciate a response regarding:

- The next steps in this process
- The intentions of the receiver
- The strategy or position of the first mortgage holder going forward

Thank you for your attention to this matter. I look forward to your response.

Warm regards,
Ciara Donnelly

1001015209 Ontario Inc.

Appendix E

Jeffrey Berger

From: Jeffrey Berger
Sent: Monday, August 18, 2025 9:28 AM
To: Administrator
Cc: Margarita Cargher; Dominique Michaud
Subject: RE: Inquiry Regarding Status of Huntsville Property

Ms. Donnelly,

It appears that you misunderstood the Receiver's position at the time. In order to submit a credit bid as the second mortgagee, you would need to provide a cash component of the offer sufficient to pay the first mortgage (inclusive of accrued interest and fees), as well as any other priority payables (i.e. property tax arrears, utilities, professional fees, etc.). Accordingly, and in line with standard practice in these circumstances, the Receiver advised that a cash deposit would be required in order to consider any offer. We note that the cash deposit required pursuant to the Receiver's standard form of APS is 10%, and this applies to any party making an offer. While we recognize that you have previously advanced funds toward this project, it does not change the fact that you would need to pay in excess of $6 million to fund the cash component of any credit bid, which would necessitate a deposit of at least $600,000 (10%) in order for the Receiver to consider the offer.

The Receiver is a Court officer, and its obligation is to maximize the value of realizations for the benefit of all stakeholders. The Receiver is meeting this obligation.

Lastly, the Receiver would be happy to arrange a call or meeting to discuss its ongoing activities and intended course of action. Please note that I am out of the country, returning August 29th. If you would like to schedule a meeting for the week of September 1st, please let us know your availability and we will circulate a Teams link for a mutually convenient time.

Regards,

TDB Restructuring Limited, solely in its capacity as
Court-appointed Receiver of Craig Developments Inc.,
and not in its personal or corporate capacity

TDB Restructuring Limited
Licensed Insolvency Trustee

Jeffrey Berger, CPA, CA, CIRP, LIT
Managing Director

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From: Administrator <1001015209.ontario@gmail.com>
Sent: August 15, 2025 12:26 PM

To: Jeffrey Berger <jberger@tdbadvisory.ca>
Cc: Margarita Cargher <mcargher@tdbadvisory.ca>; Dominique Michaud <dmichaud@robapp.com>
Subject: Re: Inquiry Regarding Status of Huntsville Property

External sender

Thank you for your response.

To clarify, when I expressed my intention to submit an offer, your team actively discouraged me from doing so. I was told that any bid would require an additional $1 million deposit, despite my existing $2 million investment in the property. I also requested clarity on the minimum acceptable offer and a breakdown of the Receiver's fees — neither of which I received.

Given the seriousness of my concerns and the ongoing lack of transparency, I'm requesting a meeting to discuss the process, including the recent activity on site and your plans for moving forward. Please let me know your availability within the next five business days.

As a secured creditor, I remain committed to protecting my interests and expect that the Receiver will fulfill its obligation to communicate with all stakeholders in a timely and transparent manner.

Sincerely,
Ciara Donnelly

On Thu, Aug 14, 2025 at 12:23 PM Jeffrey Berger <jberger@tdbadvisory.ca> wrote:

> Ms. Donnelly,
>
> We apologize if any previous emails were inadvertently missed.
>
> As you are aware, the Receiver conducted a sale process for the subject property earlier this year, and no satisfactory bids were received as a result of those efforts. We note that the Receiver contacted you and your counsel at the time to encourage you to submit an offer to protect your interests, as you had previously expressed the intention to do so; no offer has been received from the second mortgagee to date.
>
> The Receiver's duty is to maximize realizations for the benefit of all stakeholders. To that end, the Receiver has authorized certain work to be completed on site with a view to increasing both the value of the property and its marketability. The Receiver has not yet determined next steps with respect to the re-listing and further marketing of the property, but intends to report to Court in due course regarding the status of the administration and anticipated further actions.
>
> We trust that the foregoing addresses your inquiries. Once again, we note that in the circumstances the best way to guarantee that the second mortgagee's interests are protected is for you to submit a bid to purchase the property directly.

Regards,

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Court-appointed Receiver of Craig Developments Inc.,

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From: Administrator <1001015209.ontario@gmail.com>
Sent: August 11, 2025 3:47 PM
To: Jeffrey Berger <jberger@tdbadvisory.ca>
Subject: Re: Inquiry Regarding Status of Huntsville Property

External sender

Hello Mr. Berger,

I am writing as the holder of a second mortgage in the amount of $2,000,000 registered against Sabrina Park, Huntsville in the receivership proceedings under the authority of the Ontario Superior Court of Justice.

As of June 4, 2025, I have not received any correspondence or updates from your office. I respectfully request your prompt acknowledgement of this email and an update on the status of the receivership, including any timelines or actions relevant to the second mortgage claim.

Pursuant to the terms of the Receivership Order, the Receiver is appointed as an officer of the court, authorized to administer the estate and act in a manner that protects the interests of all stakeholders, including secured creditors such as myself, CMHC, and First Source Mortgages. Additionally, under the Personal Property Security Act (Ontario), the court may oversee and fix the Receiver's duties and remuneration—which inherently includes communication and responsiveness to stakeholders.

Given that you are obligated to administer the estate in a fair and transparent manner, and as a secured creditor, I require timely access to information concerning distributions, timelines, or any actions affecting the ranking and repayment of my mortgage. I have visited the site and have learned that Craig Developments has been working with First Source Mortgages to further develop this land. Compaction has occurred in the past 60 days and it is my understanding that this work has been completed with consent from the City of Huntsville. Why have I not been notified that work is happening on this site? My fear is that First Source Mortgages will make a creditor bid while developing the property with the bankrupt individual and will wipe out the second mortgage. I strongly believe that collusion is occurring and I am prepared to take it to the courts to protect my interest.

You as the Receiver have an obligation to communicate with all stakeholders. Accordingly, please respond within 2-business days from the date of this email [August 13, 2025], to confirm receipt and provide a status update. If I do not hear from you by then, I will have no option but to consider pursuing further relief, including but not limited to applying to the Court for directions or other appropriate remedies.

Thank you for your immediate attention to this matter.

Ciara Donnelly

On Thu, Jul 3, 2025 at 12:16 PM Administrator <1001015209.ontario@gmail.com> wrote:

> Dear Mr. Berger,
>
> I hope this message finds you well. I understand how busy your schedule must be, and I truly appreciate any time you're able to spend reviewing my previous email.
>
> Thank you again for your time and consideration.
>
> Ciara Donnelly

On Wed, Jun 4, 2025 at 2:57 PM Administrator <1001015209.ontario@gmail.com> wrote:

Good afternoon Mr Berger,

Thank you for your prompt and informative response — it's greatly appreciated.

As I continue gathering information to better understand the process and ensure I'm doing everything I can to protect my interests in the property, I have a few follow-up questions I'd appreciate your guidance on:

- Could you help me understand the typical timeline involved in the court process once an offer is received?
- In your experience, what is considered a "reasonable amount" when it comes to receiver fees? Even a ballpark figure would be helpful in giving us better context.
- Would you be able to confirm a breakdown of the financials? Understanding how much debt has accumulated to date would provide valuable insight into the overall position.
- Once an offer does come in, will I be informed of the offer amount? I noticed the listing currently reflects a $1 purchase price. Will this be updated at any point to reflect an actual listing price?
- Lastly, do you have any insight into the marketing strategy being undertaken by the realtor or brokerage beyond the MLS listing? I'm keen to understand the level of effort being made to generate competitive offers.

I appreciate your continued support and transparency throughout this process and look forward to your response.

Ciara Donnelly

On Wed, May 28, 2025 at 3:00 PM Jeffrey Berger <jberger@tdbadvisory.ca> wrote:

Ms. Donnelly,

We acknowledge receipt of your email below, and respond as follows:

With respect to your inquiry regarding the potential involvement of Ms. Teresa Oliver or InvestorCentric Inc. in connection with any creditor bid for the Property, the Receiver has not received any such offer at this time. Any such bid, if submitted, would be considered within the context of the Receiver's mandate, which includes ensuring that any realization process is conducted in a fair, transparent, and commercially reasonable manner. In the event that any offer, credit bid or otherwise, is accepted by the Receiver, such offer would be conditional upon Court approval of the transaction and all stakeholders, including the 2nd mortgagee, would be served with proper notice of the Receiver's motion for approval. At that time, you would have an opportunity to consider the Receiver's recommended offer and respond accordingly, should you wish to do so.

To address your other questions:

1. Next Steps in the Process: The Receiver is considering its options with respect to the next steps to be taken. At this time, there is no established plan to communicate;
2. Intentions of the Receiver: The Receiver remains focused on preserving and maximizing value for the benefit of all stakeholders, consistent with its obligations pursuant to the *Bankruptcy and Insolvency Act* and other applicable laws; and
3. The Strategy/Position of the First Mortgage Holder Going Forward: as noted above, The Receiver is not privy to the intentions or actions of First Source, and is not acting on its behalf. Accordingly, the Receiver is not in a position to respond to this point.

With respect to your comment that the second mortgagee submitted an intent to purchase the property on January 17, 2025, we note the following:

1. No offer was ever provided to the Receiver;
2. The January 17th letter of intent stated that the 2nd mortgagee was willing to "make a cash payment sufficient to discharge the first mortgage and the construction lien as well as paying the reasonable fees of the receiver", which would put the offer in the range of $6.5 - $7 million. Notwithstanding, the 2nd mortgagee further noted that it was "not in position to provide a deposit toward the purchase. This fact alone presented significant transactional risk to the Receiver, should an offer have been submitted; and
3. No evidence was provided regarding the 2nd mortgagee's ability to close the proposed transaction such as proof of funds or an unconditional financing commitment from a reputable lender.

The Receiver's position as set out above was communicated by the Receiver and its counsel during a conference call held on January 21, 2025. We note that you were in attendance on that call.

In addition to the foregoing, and to ensure that the 2nd mortgagee had an opportunity to present a formal credit bid to protect its position, the Receiver wrote to Mr. Ruhl on April 17, 2025 to advise Mr. Ruhl that the bid deadline had been set for April 29, 2025. The Receiver explicitly stated, "If your client still intends to submit an offer to protect its interests, please make sure that their offer is submitted prior to the bid deadline on the Receiver's form of APS.". No response was ever received from Mr. Ruhl, and no offer was ever presented by the 2nd mortgagee. A copy of the April 17th email is attached hereto, for your reference.

We trust this clarifies the Receiver's position. Please do not hesitate to reach out should you wish to discuss further.

Regards,

TDB Restructuring Limited, solely in its capacity

as Court-Appointed Receiver of Craig Developments Inc.,

and not in its personal or corporate capacity

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From: Administrator <1001015209.ontario@gmail.com>
Sent: May 23, 2025 1:10 PM
To: Jeffrey Berger <jberger@tdbadvisory.ca>; Bryan Tannenbaum <btannenbaum@tdbadvisory.ca>; kunj@firstsourcemortgage.ca
Subject: Inquiry Regarding Status of Huntsville Property

External sender

Hello,

I hope this message finds you well.

We understand that Craig Developments is currently insolvent. However, we've become aware that Teresa Oliver is operating under another entity, "Investorcentric," which is actively pursuing developments in Huntsville.

Given her continued involvement in the region and her development contacts, we would like to know if First Source is currently working with Teresa Oliver or Investorcentric in connection with gaining control of a creditor bid for the property in question?

Additionally, if First Source is submitting a creditor bid, we would appreciate clarity on how our interests will be protected in that process.

As you're aware, we submitted our intent to purchase on January 17th in order to protect our second position interest, but that was declined on January 21st. Following the listing of the property, we engaged with a local CBRE representative to monitor the status and ensure our interest remained protected.

As of April 29th, we were advised that no offers had been received, and we note that the property is still listed on Realtor.ca.

We would appreciate a response regarding:

- The next steps in this process
- The intentions of the receiver
- The strategy or position of the first mortgage holder going forward

Thank you for your attention to this matter. I look forward to your response.

Warm regards,
Ciara Donnelly

1001015209 Ontario Inc.