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IN THE MATTER OF THE RECEIVERSHIP OF

ONASSA CORPORATION

FIRST REPORT OF THE RECEIVER

JUNE 23, 2026

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CONFIDENTIAL APPENDIX

1.0 INTRODUCTION

1. Pursuant to an order of the Ontario Superior Court of Justice (East Region Commercial List) (the "**Court**") dated June 9, 2026, (the "**Receivership Order**"), TDB Restructuring Limited ("**TDB**") was appointed as receiver and manager (the "**Receiver**") without security, of all of the assets, undertakings and properties of Onassa Corporation (the "**Debtor**"), including, without limitation, the real property legally described in Schedule "A" to the Receivership Order (the "**Real Property**"), with each individual lot forming part of the Real Property referred to as a "Lot" and collectively, the "Lots". A copy of the Receivership Order is attached hereto as **Appendix "A"**.

2. Pursuant to paragraph 26 of the Receivership Order, the Receiver has retained Thornton Grout Finnigan LLP as its insolvency counsel and Fogler Rubinoff LLP as its real estate counsel. Both firms are also counsel to the Applicant, and have been retained by the Receiver as a matter of cost efficiency, solely in respect of matters where no conflict of interest exists or may arise.

3. The Receivership Order, together with all other pertinent documents related to the receivership proceeding, has been posted on the Receiver's website, which can be found at https://tdbadvisory.ca/insolvency-case/onassa-corporation/ (the "**Case Webpage**").

1.1 Purpose of Report

4. The purpose of this first report (the "**First Report**") is to provide the Court with information regarding:

   (a) the background leading up to the appointment of the Receiver;

   (b) the Receiver's activities from the date of the Receivership Order to the date of this First Report;

   (c) the Agreement of Purchase and Sale dated May 27, 2026 (the "**APS**") entered into by the Debtor prior to the issuance of the Receivership Order with Cars

4 Cost Plus 499 Inc., as purchaser (the "**Purchaser**")[1], in respect of Lots 6, 7 and 8 of the Real Property municipally known as 300 and 226 Nelson Mandela Court and 232 Onassa Circle, respectively (collectively, the "**Purchased Assets**");

(d) support for the relief sought by the Receiver, namely the request for an approval and vesting order in respect of the sale of the Purchased Assets and the sealing of certain confidential information pending completion of the sale of all Lots; and

(e) evidence in support of the Receiver's request for an Approval and Vesting Order, substantially in the form attached as Tab 3 to the Motion Record:

i. authorizing and directing the Receiver to, in the name of and on behalf of the Debtor, ratify the execution of and carry out the terms of the APS, together with such further amendments thereto as may be deemed appropriate by the Receiver or to conform the APS to a sale by a court-appointed Receiver pursuant to the Receivership Order, and vesting title to the Purchased Assets in the Purchaser upon the closing of the purchase and sale transaction contemplated in the APS (the "**Transaction**"); and

ii. sealing Confidential Appendix "1" pending further order of the Court

1.2 Terms of Reference

5. In preparing the First Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in the First Report may refer to, or is based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would

[1] Pursuant to a Statutory Declaration provided by the Purchaser to the Receiver on June 23, 2026, the entity to acquire title to the lots pursuant to the APS is as defined above.

wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

6. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

2.0 BACKGROUND

7. The Debtor is a company incorporated pursuant to the laws of the Province of Ontario.

8. The Debtor is the registered owner of the Real Property. The Real Property is comprised of twenty-six (26) serviced lots that form part of a larger subdivision known as "Onassa Springs" in Ottawa, Ontario.

9. The applicant in these proceedings, Hillmount Capital Mortgage Holdings Inc. ("**Hillmount**" or the "**Lender**"), is an Ontario corporation related to Hillmount Capital Inc., which is also an Ontario corporation that operates as a mortgage brokerage and is the administrator of the Loan (as defined below).

10. The Lender is a secured creditor of the Debtor. Pursuant to a commitment letter dated June 3, 2022, as amended, renewed and extended from time to time, the Lender agreed to provide financing to the Debtor and the Lender advanced a loan in the principal amount of $6,000,000 to the Debtor (the "**Loan**").

11. As security for the Loan, the Lender obtained, among other things:

    (a) a first-ranking mortgage dated August 22, 2022, securing the principal amount of $6,500,000, which was registered against title to the Real Property as Instrument No. OC2527591;

    (b) a first-ranking security interest in the undertakings of the Debtor and all the Debtor's present and after-acquired personal property pursuant to a general security agreement dated July 27, 2022;

(c) a general assignment of rents and leases registered on title to the Real Property as Instrument No. OC2527592;

(d) an assignment of funds dated July 27, 2022, pursuant to which the Debtor assigned approximately $434,000 to Hillmount to be held as an interest reserve and as additional security for the Loan;

(e) an assignment of agreements of purchase and sale dated July 27, 2022, pursuant to which the Debtor assigned all of its rights, benefits and privileges under any agreements for the sale of lots in the Real Property, together with all deposits and sale proceeds, as additional security for the Loan; and

(f) an assignment of material project agreements dated July 27, 2022, pursuant to which the Debtor assigned all of its rights, title and interest in and to all material agreements, permits and approvals relating to the development of the Real Property, as additional security for the Loan.

12. Following a series of defaults by the Debtor in respect of the Loan, the Lender brought an application for the appointment of the Receiver.

13. On June 9, 2026, the Court issued the Receivership Order and TDB was appointed as Receiver.

14. Further information regarding the background of the receivership can be found in the initial Affidavit of Itzhak (Yitz) Levinson, affirmed May 13, 2026 (the "**Levinson Affidavit**"), a copy of which, without exhibits, is attached hereto as **Appendix "B"**. The complete Levinson Affidavit is included in the Application Record – Volume 1 of 2 dated May 20, 2026, and is available on the Receiver's Case Webpage.

3.0 RECEIVER'S ACTIVITIES

3.1 Information Request

15. On June 10, 2026, the Receiver requested certain information from the Debtor, including creditor listings, bank statements, property tax statements, third-party reports and details of other service providers in respect of the Real Property.

16. As of the date of this First Report, the Debtor has provided the Receiver with certain of the requested information.

3.2 Insurance

17. The Receiver obtained a copy of the Debtor's insurance policy from the Lender and arranged with the insurance broker to assume the existing insurance coverage.

3.3 Statutory Notices

18. On June 17, 2026, the Receiver prepared and issued the Notice and Statement of Receiver pursuant to section 245(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") to the known creditors of the Debtor. A copy of the notice is available on the Case Webpage.

3.4 Property Taxes

19. The Receiver understands that realty taxes payable to the City of Ottawa in respect of the Real Property total approximately \$459,486.66, of which \$49,367.09 relates to the Purchased Assets, as of May 11, 2026. A copy of the property tax statements relating to the Purchased Assets are attached hereto as **Appendix "C"**.

3.5 Other Activities

20. The Receiver has performed the following activities, among others, since the issuance of the Receivership Order:

    (a) arranged for a copy of the issued and entered Receivership Order to be registered on title to the Real Property;

    (b) reviewed the APS and corresponded with CBRE Limited ("**CBRE**") regarding the market valuation of the Real Property and specifically with respect to the purchase price payable by the Purchaser thereunder;

    (c) established and maintained the Case Webpage; and

    (d) prepared this First Report.

4.0 THE APS

4.1 Events leading up to the APS

21. The Debtor and the Purchaser entered into the APS prior to the appointment of the Receiver. A partially-redacted version of the APS was filed with this Court by the Debtor as part of its responding materials in connection with the receivership application by way of an Affidavit of Noel Perera sworn June 3, 2026 (the "**Perera Affidavit**"). Following its appointment, the Receiver requested from the Debtor and obtained an unredacted version of the APS, which included the identity of the Purchaser.

22. The APS previously filed by the Debtor in its responding materials was redacted only as to the identity of the Purchaser. The purchase price under the APS was not redacted. Accordingly, the Receiver is not seeking a sealing order as it relates to any aspect of the APS on this motion.

23. The Receiver understands that the APS was not the product of a comprehensive marketing and sale process in respect of the Purchased Assets. Rather, the APS resulted from direct discussions between the Purchaser and the Debtor. The Receiver understands: (i) based on paragraph 39 of the Perera Affidavit referenced above, that the APS was the product of arms' length dealings and the Purchaser is not related to the Debtor; and (ii) based on information obtained from the Receiver from CBRE, that the purchase price in the APS is commercially reasonable for the particular Lots in question, in all the circumstances.

24. The unredacted APS disclosed that the purchaser identified in the agreement was "Cars 4 Cost Inc.". Following inquiries by the Receiver, the Purchaser provided a statutory declaration to the Receiver dated June 23, 2026, advising that the name of the Purchaser as listed in the original APS included an inadvertent error and that the correct name of the purchasing entity was to have been reflected as "Cars 4 Cost Plus 499 Inc.", being the name of the entity in which the Purchaser wishes to take title. A copy of the statutory declaration from the Purchaser dated June 23, 2026, is attached hereto as **Appendix "D"**.

4.2 Valuation of Real Property

25. The Receiver understands that the Debtor obtained various appraisals between 2021 and 2026, including an appraisal prepared by McLean, Simon & Associates in September 2024 in respect of which an update was obtained by the Debtor in 2026 (collectively, the "**McLean Appraisal**"). The Receiver has not relied upon such appraisals for the reasons set out in the Reply Affidavit of Itzhak (Yitz) Levinson affirmed June 4, 2027, filed in support of the receivership application. A copy of the June 4, 2027, Reply Affidavit, without exhibits, is attached hereto as **Appendix "E"**

26. On June 22, 2026, CBRE provided the Receiver with a memorandum outlining, among other things, their opinion of value with respect to the three lots comprising the Purchased Assets in the APS (the "**CBRE Value Memorandum**"), as described in Confidential Appendix "1". Additionally, CBRE has provided the Receiver with commentary regarding current market conditions affecting residential land values from 2021 to the present (together with the CBRE Value Memorandum, the "**CBRE Memorandum**"). CBRE notes that residential land values in Ontario have experienced a significant decline since the market peak in 2021 and early 2022 as a result of softer housing prices, elevated construction costs, higher interest rates, and reduced developer demand. In CBRE's view, the purchase price contemplated by the APS is consistent with prevailing market conditions and reflective of the value that residential development lands can reasonably achieve in the current market environment. A copy of the CBRE Memorandum is attached hereto as **Confidential Appendix "1".**

4.3 Terms of the APS

27. Salient terms of the APS and matters relating thereto include:

    (a) the purchase price of $1,350,000, exclusive of HST, and a $25,000 deposit;

    (b) the deposit to be paid under the APS has been received from the Purchaser, and has been confirmed to be held by the Receiver's real estate counsel, Fogler Rubinoff LLP;

(c) no commission is payable in respect of the Transaction as it was privately negotiated by the Debtor and the Purchaser prior to the appointment of the Receiver;

(d) the Receiver has determined that, subject to this Court's approval, it is prepared to adopt and ratify the APS on behalf of the Debtor, and that, given that the only manner of conveying title by a Court-appointed receiver is by Court order, a vesting order is sought in order to complete the transaction in accordance with the Receivership Order;

(e) the time period relating to any conditions under the APS has expired; and

(f) closing of the sale provided for in the APS is scheduled to occur on (i) July 1, 2026, or (ii) such other date as the Receiver and the Purchaser may mutually agree upon.

28. A copy of the unredacted APS dated May 27, 2026, is attached hereto as **Appendix "F"**.

4.4 Transaction Recommendation

29. The Receiver is of the view that approval of the APS is appropriate in the circumstances, for the following reasons:

(a) to the best of the Receiver's knowledge, and in reliance upon the Perera Affidavit, the relationship between the Purchaser and the Debtor under the APS was arm's length;

(b) the APS represents a 'bird in the hand' capable of producing immediate realizations for the estate and, if not accepted, may jeopardize the prospect of recovering value for stakeholders;

(c) the purchase price is commercially reasonable in the current market for the subject Real Property, based on the Receiver's independent investigation and input received from CBRE, a highly qualified real estate brokerage firm;

(d) no transaction fees or commissions are payable in respect of the Transaction, which represents cost savings for the benefit of the estate and its creditors;

(e) based on all available information, the sale of Lots 6, 7 and 8 at the purchase price is expected to generate market momentum for the sale of the remaining Lots subject to the Receivership Order, thereby enhancing the prospect of maximizing recoveries through a sale process undertaken by the Receiver; and

(f) the Receiver understands that Hillmount supports the Transaction.

30. The Receiver further understands from discussions with CBRE that a formal marketing process for the Real Property and the Purchased Assets could take significant time to complete, with no assurance that an offer equal to or greater than that contemplated by the APS for these particular Lots would be obtained. The Receiver is of the view that, in all the circumstances, further marketing efforts in respect of the Lots subject to the APS would be unlikely to generate a significantly greater return for the Debtor's stakeholders, taking into account, the professional fees associated with marketing efforts and the continued accrual of property tax arrears and interests on amounts owing to the Lender pursuant to the Loan. The property tax arrears across the Real Property subject to the receivership can be reduced through the receipt of sale proceeds from this Transaction.

31. The Receiver has reviewed the terms of the APS, including the purchase price and other material provisions, is satisfied that the Transaction is fair and reasonable in the circumstances, and respectfully seeks this Honourable Court's ratification of the APS.

32. The Receiver will be completing the APS executed by the Debtor solely in its capacity as Receiver and not in its personal capacity, and all obligations under the APS on the part of the vendor remain that of the Debtor.

5.0 SEALING

33. The Receiver respectfully requests that the Court seal Confidential Appendix "1" to this First Report, the CBRE Memorandum. The CBRE Memorandum contains CBRE's analysis, including information relating to the value of the Lots and the methodology used in determining such values. The Receiver believes that this

information should remain confidential pending the completion of its sale efforts with respect to the remaining Lots.

34. The inclusion in the public record of the CBRE Memorandum could be prejudicial to, among other things, any additional marketing efforts that may be needed for the remaining Lots in the process. In particular, public disclosure of CBRE's valuation analysis could provide prospective purchasers with information concerning pricing expectations and valuation parameters for the remaining Lots, thereby impairing the Receiver's ability to obtain the best available price for those Lots.

35. The sealing order sought will terminate upon further order of the Court. This will ensure that the contents of the CBRE Memorandum remain confidential until all sale efforts are completed. This is necessary to reasonably protect the legitimate stakeholder interests in the circumstances.

6.0 RECEIVER'S REQUEST OF THE COURT

36. Based on the foregoing, the Receiver respectfully requests that the Court grant the orders described in paragraph 4(e) above.

All of which is respectfully submitted to this Court as of this 23rd day of June, 2026.

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

Per:

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