



**Second Report to Court of
KSV Kofman Inc. as Proposal
Trustee of 2301132 Ontario Inc. and
2309840 Ontario Inc.**

October 5, 2018

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COURT FILE NO.: 31-2413442

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
2301132 ONTARIO INC. AND 2309840 ONTARIO INC.,
OF THE CITY OF PORT PERRY, IN THE PROVINCE OF ONTARIO

SECOND REPORT OF KSV KOFMAN INC. AS PROPOSAL TRUSTEE OF
2301132 ONTARIO INC. AND 2309840 ONTARIO INC.

OCTOBER 5, 2018

1.0 Introduction

1. This report (the "Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as proposal trustee ("Proposal Trustee") in connection with Notices of Intention to Make a Proposal ("NOI") filed by 2301132 Ontario Inc. ("2301") and 2309840 Ontario Inc. ("2309", and together with 2301, the "Companies") on August 24, 2018 (the "Filing Date") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("BIA").
2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated September 20, 2018 (the "Consolidation Order"), (i) the Companies' NOI proceedings were administratively consolidated, (ii) the time for the Companies to file a Proposal was extended to November 7, 2018, and (iii) a \$450,000 administrative charge was ordered pursuant to section 64.2(1) of the BIA. A copy of the Consolidation Order is attached as Appendix "A".
3. The principal asset owned by 2301 is real property municipally described as 13764 Highway 7, Georgetown ("13764") and 8 Lindsay Court, Georgetown ("8 Lindsay", and together with 13764, the "2301 Properties").
4. The principal asset owned by 2309 is real property municipally described as 13758 Highway 7, Georgetown ("13758"), 10 Lindsay Court, Georgetown ("10 Lindsay") and 22 and 24 Dayfoot Drive, Georgetown ("Dayfoot", and together with 13758 and 10 Lindsay, the "2309 Properties").

5. 8/10 Lindsay and 13758/13764 are four of five properties that comprise one development site (the “Owned Assembly Properties”). The fifth property (the “Purchase Option Property”) is owned by a third party, Credit Temple Corporation (“Credit Temple”). (Together, the Owned Assembly Properties and the Purchase Option Property are collectively referred to herein as the “Assembly”. The Owned Assembly Properties and Dayfoot are collectively referred to herein as the “Real Property”.)
6. 2491324 Ontario Inc. (“2491”), a corporation that is an affiliate of the Companies but is not part of these NOI proceedings, has entered into an Agreement of Purchase and Sale with Credit Temple to acquire the Purchase Option Property for \$4.2 million (the “Temple APS”), with a closing date to occur within 90 days of site plan approval for the Assembly. 2491 is controlled by Brian Tilley (“Mr. Tilley”), the individual who controls the Companies. The Temple APS requires that the buyer thereunder own all the Real Property.
7. The principal purpose of the Companies’ restructuring proceedings is to create a stabilized environment to allow the Companies to enter into a transaction for the Real Property with the concurrent assignment of the Temple APS to the successful party, by implementing a transaction through a “stalking horse” sale and investor solicitation process (“SISP”). The SISP is to be conducted by the Proposal Trustee.
8. E. Manson Investments Limited (“EMIL”), a party represented and advised by Rescom Capital (“Rescom”), and the Companies, with the assistance and oversight of the Proposal Trustee, have negotiated an Agreement of Purchase and Sale (the “Stalking Horse APS”) pursuant to which EMIL has agreed to act as a stalking horse bidder for the Real Property in the SISP and has agreed to purchase the Real Property on the terms set out therein. The closing of the Real Property purchase transaction contemplated by the Stalking Horse APS is conditional on, among other things: (i) EMIL being the successful bidder in the SISP, (ii) Court approval and (iii) the concurrent assignment of the Temple APS by 2491 to EMIL.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Companies;
 - b) summarize the Stalking Horse APS;
 - c) summarize the SISP and seek authority for the Proposal Trustee to engage Colliers Macaulay Nicolls Inc. (the “Realtor”) to sell the Real Property under the SISP; and

- d) recommend that the Court make an order, *inter alia*:
- sealing Confidential Appendix “1” to this Report until completion of the SISP or further order of this Court;
 - approving the SISP procedures, including the Bidding Procedures and Auction Procedures;
 - authorizing the Proposal Trustee to engage the Realtor in connection with the SISP;
 - approving the Stalking Horse APS, attached hereto as Appendix “B”¹, solely for the purposes of standing as the Stalking Horse Bid in the SISP and Bidding Procedures, provided that if EMIL is the successful bidder under the SISP, implementation of the transaction contemplated by the Stalking Horse APS will be subject to the Court’s approval upon further motion by the Companies; and
 - authorizing and directing the Companies to pay the break fee and expense reimbursement set out in Section 14.2 of the Stalking Horse APS (the “Bid Protections”) in the event that a transaction superior to the Stalking Horse APS is accepted as the successful bid in the SISP, and granting a charge in favour of EMIL to secure the Companies’ obligation to pay the Bid Protections (the “Bid Protections Charge”).

1.2 Currency

1. All currency references in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by Mr. Tilley, the Companies’ sole representative, the Companies’ books and records and discussions with Mr. Tilley. The Proposal Trustee has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Proposal Trustee in preparing this Report. Any party wishing to place reliance on the Companies’ financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

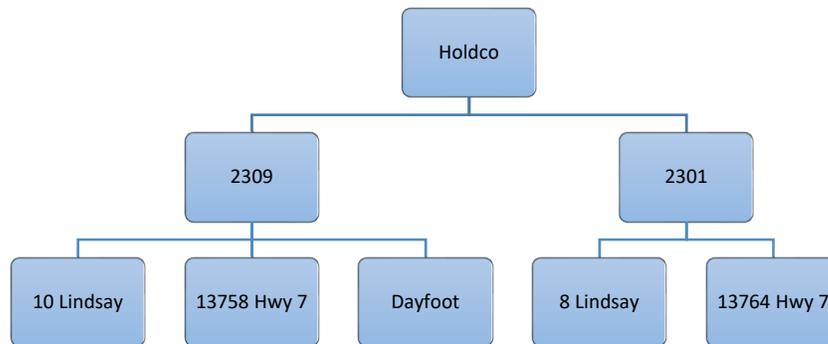
¹ The Bidding Procedures and Auction Procedures are appended to the Stalking Horse APS.

2.0 Insolvency Proceedings

1. The Court materials filed in these proceedings are available on the Proposal Trustee's website at <http://ksvadvisory.com/insolvency-cases/2301132-ontario-inc-and-2309840-ontario-inc/>.

3.0 Background

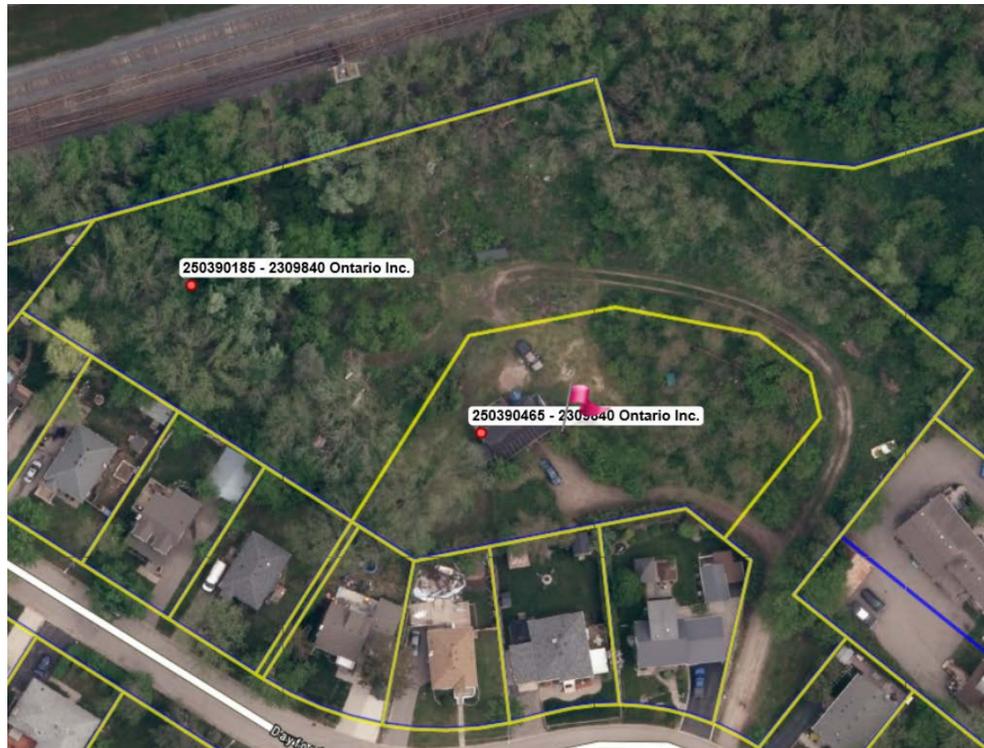
1. The Companies are owned by 2399806 Ontario Inc. ("HoldCo"). Mr. Tilley is Holdco's President and sole shareholder.
2. The Companies' corporate chart is provided below.



3. An aerial shot of the Assembly is provided below. As reflected in the Assembly aerial, 12 Lindsay, being the Purchase Option Property, is situated in the middle of the Owned Assembly Properties. There is a Masonic temple on this property.



4. The development plans for the Assembly contemplate construction of 109 townhomes. It can only be developed with all five Assembly properties in a single comprehensive plan. The development requires site plan approval, which the Proposal Trustee understands will not be achieved for some time. The Companies do not currently have the financial resources to take the Assembly through site plan approval.
5. An aerial shot of Dayfoot is provided below. Dayfoot is not adjacent to the Assembly. It is a separate, stand alone property with a home located on it.



6. Dayfoot is currently zoned for low-density single-family homes. Mr. Tilley has advised the Proposal Trustee that Dayfoot has secondary plan approval for medium density homes. The site has several development issues. An environmental study is required as the site neighbours a creek and there is a designated wood lot. The Companies do not currently have the financial resources to advance Dayfoot's development process.

3.1 Secured Creditors

1. A summary of the first ranking mortgagees registered against each property is provided in the table below (the “First Mortgages”).

First Mortgagee	Mortgage Collateral	Original Mortgage Amount (\$)
Harbouredge Mortgage Investment Corporation (“HMIC”)	13764 Hwy 7 and Dayfoot	1,925,000
Home Trust Company (“Home Trust”)	13758 Hwy 7	412,000
2413349 and Derek Martin (“Martin/2413 ² ”)	8 Lindsay	350,000
Stasis Group Inc. and 2561388 (“Stasis”)	10 Lindsay	2,697,655

2. Certain of the lenders have commenced efforts to enforce their security. In this regard:
 - a) on April 25, 2018, HMIC issued a notice of intention to enforce its security under the BIA (“244 Notice”) and a notice of sale under mortgage; and
 - b) on January 30, 2018, Home Trust issued a notice of sale under mortgage in respect of 8 Lindsay Court. Subsequently, as guarantor of this mortgage, Martin/2413, paid it out and took an assignment of it from Home Trust.
3. To the Proposal Trustee’s knowledge, neither HMIC nor Martin/2413 has commenced a sale process for the properties subject to their mortgages. DLA Piper (Canada) LLP (“DLA”), the Companies’ counsel, has been in communication with representatives of HMIC. Bennett Jones LLP (“Bennett Jones”), the Proposal Trustee’s counsel, has been in communication with Martin/2413’s counsel during these proceedings.
4. In addition to the First Mortgages, the Real Property has the following subsequent ranking mortgages³:
 - a) JYR Real Capital Mortgage Investment Corporation (“JYR”) has a mortgage over all of the Real Property in the amount of approximately \$2,368,000. The Proposal Trustee believes that JYR’s mortgage is subordinate to the First Mortgages;
 - b) Building & Development Mortgages Canada Inc. (“BDMC”) has mortgages in the aggregate amount of approximately \$14,000,000 over all of the Real Property. The Proposal Trustee believes that BDMC’s mortgages are subordinate to the JYR mortgage, subject to a potential circular priority issue that the Proposal Trustee is still working through with its counsel in respect of 8 Lindsay; and
 - c) there are certain other mortgages on the Real Property that appear to be subordinated to JYR and/or BDMC (the “Deeply Subordinated Mortgages”).

² For the purpose of this Report, the Proposal Trustee has not distinguished between the two.

³ Interest and costs continue to accrue on all mortgages.

5. Writs in the amount of \$703,649 have been issued against the 2301 Properties (the "Writs"). The Proposal Trustee believes that, pursuant to the provisions of the BIA, the Writs are subordinate to all mortgages on the Real Property.
6. Bennett Jones is considering the priority of each of the mortgagees' security. The priority discussion in the preceding paragraphs is summarized in the table below, excluding the Deeply Subordinated Mortgages. The table is being provided for information purposes only at this time and remains subject to change based on Bennett Jones' review.

Rank	13764 Hwy 7	8 Lindsay	13758 Hwy 7	10 Lindsay	Dayfoot
1	HMIC	Martin/2413	Home Trust	Stasis	HMIC
2	JYR	JYR	JYR	JYR	JYR
3	BDMC	BDMC	BDMC	BDMC	BDMC
4	Writs	Writs	-	-	-

7. The Proposal Trustee, Bennett Jones and/or DLA have been in contact with representatives of each of the secured lenders and/or their legal counsel concerning these proceedings and the intended SISP.

4.0 Development Issues

1. As discussed in the Proposal Trustee's first report to Court dated September 13, 2018 (the "First Report"), the value of the Owned Assembly Properties can only be maximized if sold as one development site, which requires the Purchase Option to be included in the SISP. The Purchase Option is the lynchpin to maximizing value for the Owned Assembly Properties. Without the Purchase Option, each of the properties comprising the Assembly is only saleable as an individual lot with a residential home located on it. A copy of the First Report is attached as Appendix "C", without appendices.
2. To facilitate a transaction for the entire Assembly, 2491 has agreed to include the Purchase Option in the SISP and to assign the Purchase Option to the Successful Bidder for the Real Property in the SISP for assignment consideration of \$300,000 (the "Assignment Consideration") payable by the successful SISP bidder to 2491. The incremental increase in value of the Owned Assembly Properties as a result of the inclusion of 10 Lindsay in the overall Real Property transaction substantially exceeds the Assignment Consideration.
3. The Proposal Trustee retained Colliers International Valuation & Advisory Services ("Colliers Valuations") to prepare an appraisal under two scenarios (the "Appraisal"). One scenario assumes that each of the Owned Assembly Properties is sold separately on an "as is" basis, while the other assumes an *en bloc* sale of the Assembly (i.e. the four Owned Assembly Properties and the Purchase Option Property) on an "as is" basis. The Appraisal is provided in Confidential Appendix "1".

4. The Proposal Trustee believes that it is appropriate that Confidential Appendix “1” be sealed until completion of the SISP or further order of this Court as it contains confidential information which, if made publicly available, could impair the conduct of the SISP and may adversely impact the ability to maximize recoveries for the Real Property.
5. The Appraisal reflects that the value of the Assembly, if sold *en bloc*, substantially exceeds the value of each of the individual Owned Assembly Properties if sold separately. To avoid sales of the individual properties, the Purchase Option will be included in the SISP.
6. Further reinforcing the need to sell the Assembly as one development to maximize value is access to the site, which is restricted to Lindsay Court under the approved development plan.

5.0 SISP

5.1 Overview

1. The purpose of the SISP is to maximize value for the Real Property. The SISP is designed to solicit purchase and refinancing offers. The Proposal Trustee has engaged the Realtor, subject to Court approval. The Realtor will be tasked with maximizing value through any viable transaction, including sales of the Real Property, refinancing the existing debt, joint ventures or other transactions.
2. The listing agreement contemplates a fee of 1.5% payable to the Realtor and a minimum fee of \$108,750. To the extent that a cooperating fee is payable, it is intended that it will be paid by the successful purchaser. The listing fee will be payable regardless of the Successful Bidder, including if the Stalking Horse APS is approved. Absent this provision, it is unlikely that a Realtor will invest the time and effort required to properly market the Real Property.

5.2 The Stalking Horse Agreement⁴

1. The key terms and conditions of the Stalking Horse APS are provided below.
 - a) **Purchaser:** EMIL
 - b) **Purchased Assets:**
 - (i) the Real Property (Assembly and Dayfoot);
 - (ii) all prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Real Property;
 - (iii) the Plans;

⁴ Capitalized terms in this section have the meaning provided to them in the Stalking Horse APS unless otherwise defined herein.

- (iv) the Contracts;
 - (v) the Permits, to the extent transferable; and
 - (vi) all intellectual property, if any, owned by the Companies with respect to the projects to be developed on the Real Property.
- c) **Purchase Price:** \$6.7 million, plus all applicable Taxes.
- d) **Deposit:** \$700,000, being approximately 10.5% of the purchase price (before any applicable Taxes).
- e) **Excluded Assets:** the right, title and interest of the Companies in any of their assets, other than the Purchased Assets, including: (i) books and records that do not exclusively or primarily relate to the Purchased Assets; and (ii) tax refunds.
- f) **Representations and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties.
- g) **Closing:** first business day which is five business days after receipt of Sale Approval Order.
- h) **Material Conditions:**
- (i) the purchase price is to be allocated to each of the Real Properties so that each of the First Mortgages is repaid in full;
 - (ii) the assignment of the Temple APS to EMIL;
 - (iii) there shall be no order issued by a Governmental Authority against either the Companies or EMIL or involving the Purchased Assets that prevents completion of the Transaction;
 - (iv) there shall be no new work orders or similar orders and no new Encumbrances registered on title to the Real Property or affecting title to the Real Property arising or registered after the Acceptance Date which cannot be foreclosed pursuant to the Sale Approval Order;
 - (v) there shall be no new environmental issue that causes a material adverse effect on the Real Property nor any other material adverse change to the condition or operation of the Assembly; and
 - (vi) the Court shall have issued the Bidding Procedures Order and the Sale Approval Order and those orders shall not have been amended or dismissed at the time of Closing.

i) Termination:

- (i) The Stalking Horse APS can be terminated:
- upon mutual written agreement of the Companies and EMIL;
 - if any of the conditions in favour of EMIL or the Companies are not waived or satisfied; or
 - if prior to closing: (a) the Purchased Assets are substantially damaged or destroyed⁵; or b) all or a material part of the Real Property is expropriated by a Governmental Authority.
- (ii) The Stalking Horse APS will be terminated in the event it is not the Successful Bid.

5.3 Bid Protections

1. The Stalking Horse APS provides EMIL with the following Bid Protections in the event a superior transaction is the Successful Bid:
 - a \$175,000 break fee (approximately 2.6% of the Purchase Price); and
 - an expense reimbursement in an amount up to \$50,000 in respect of all reasonable and documented out of pocket expenses incurred by EMIL in agreeing to act as the initial bidder through the Stalking Horse APS, negotiating the Stalking Horse APS and performing due diligence in connection with the Stalking Horse APS.
2. The Bid Protections are only payable to EMIL upon closing a superior transaction with another party. The granting of the Bidding Protections Charge to secure the Companies' obligation to pay the Bid Protections is commercially reasonable and "market" for a stalking horse transaction, and the granting of the proposed charge will not materially prejudice any secured creditor whose security will be subordinated to the Bidding Protections Charge.
3. The Proposal Trustee is of the view that the Bid Protections are reasonable as break fees in restructuring and insolvency transactions commonly range between 2% and 4%. Appendix "D" provides a summary of break fees in other Canadian restructuring proceedings. The total amount of the Bid Protections (break fee and expense reimbursement) is also within this range.
4. The Proposal Trustee is of the view that the Bid Protections should not discourage other interested parties from submitting offers for the Purchased Assets.
5. The Proposal Trustee is also of the view that the Bid Protections fairly compensate EMIL for being the stalking horse while still facilitating the main purpose of these proceedings, which is to maximize value for the Real Property.

⁵ Substantial damage is deemed to have occurred if the loss or damage to the Purchased Assets exceeds 15% of the Purchase Price.

5.4 SISP Procedures

1. A summary of the SISP is provided below.

Summary of Sale and Investor Solicitation Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Due diligence	➤ Realtor to review all available documents concerning the Real Property.	In process
Finalize marketing materials	➤ Realtor and Proposal Trustee to: <ul style="list-style-type: none"> ○ prepare a marketing brochure; ○ populate an online data room; ○ prepare a Confidentiality Agreement (“CA”); and ○ prepare a Confidential Information Memorandum (“CIM”). 	
<i>Phase 2 – Marketing</i>		
Prospect Identification	<ul style="list-style-type: none"> ➤ Realtor will qualify and prioritize prospects; ➤ Realtor will also have pre-marketing discussions with targeted prospects; ➤ Realtor to advise of purchase and refinancing opportunities. 	Week 1
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ offering summary and marketing materials printed; ○ publication of the acquisition opportunity in a regional newspaper; ○ telephone and email canvass of leading prospects; and ○ meet with and interview bidders. 	Weeks 1 and 2
Stage 2	<ul style="list-style-type: none"> ➤ Realtor to provide detailed information to qualified prospects which sign the CA, including the CIM and access to the data room; ➤ Realtor to facilitate diligence by interested parties. 	Weeks 3 to 6
Stage 3	➤ Bid deadline – in order to submit an offer, a prospective purchaser must submit a “Qualified Bid” (as discussed in section 5.6.1 below).	On or around end of week 6
<i>Phase 3 – Offer Review and Negotiations</i>		
Auction	➤ Qualified Bidders will be invited to the Auction, as detailed below.	Within seven business days of the Bid Deadline
Selection of Successful Bids	➤ Successful bidder and Back-up Bid to be determined at auction.	At Auction
Transaction Approval Motion and Closing	➤ Motion for transaction approval and close transaction.	Within 10 business days of the Auction

5.5 Bidding Procedures⁶

1. The Bidding Procedures are summarized below.

5.6 Qualified Bids

1. To be a “Qualified Bid”, a bid must meet the following requirements:
 - a) a cash purchase price (or transaction value in a refinancing or other proposal) equal to or greater than \$6.975 million, plus HST (to the extent applicable), being the value of the Stalking Horse Bid (\$6.7 million) plus the Break Fee (\$175,000), the Expense Reimbursement (up to \$50,000) and an initial bid increment of \$50,000;
 - b) include a provision stating that the bidder’s offer is irrevocably open for acceptance until the first business day following completion of the transaction for the Purchased Assets;
 - c) be in the form of an executed copy of the proposed purchase agreement with a redline of the bidder’s proposed purchase agreement reflecting variations from the Stalking Horse APS or, in the case of a refinancing proposal, a definitive, unconditional agreement providing sufficient details to allow the Proposal Trustee to assess the probability of closing, the timeframe for closing and all material transaction terms;
 - d) a cash deposit at least equivalent to the deposit in the Stalking Horse APS, being \$700,000;
 - e) the purchase price (or transaction value in a refinancing or other proposal) is required to be allocated between the properties comprising the Real Property such that the first mortgagees of the properties comprising the Real Property are repaid in full (or are otherwise dealt with on terms satisfactory to each mortgagee, which consent is to be obtained in advance of the Auction, as discussed below); and
 - f) the offer is received by the Bid Deadline.
2. EMIL, as the stalking horse bidder, is a Qualified Bidder.
3. If no Qualified Bids are submitted by the Bid Deadline, EMIL will be the Successful Bidder.

⁶ Capitalized terms in sections 5.5, 5.6 and 5.7 have the meaning provided to them in the Bidding Procedures unless otherwise defined herein.

5.7 Auction Procedures

1. If one or more Qualified Bids are received by the Bid Deadline:
 - a) the Proposal Trustee will invite all Qualified Bidders (including EMIL) to attend an Auction to be held within seven Business days of the Bid Deadline and will advise Qualified Bidders at least two Business Days before the Auction of the amount of the best offer (the "Lead Bid") so that they may determine whether they wish to participate in the Auction. Any party who intends to participate in the Auction must advise the Proposal Trustee by noon on the day preceding the Auction;
 - b) the Auction (if any) will be conducted by the Proposal Trustee in accordance with the Auction Procedures appended hereto as Appendix "B". The Proposal Trustee will declare the Successful Bidder at the conclusion of the Auction;
 - c) at the conclusion of the Auction, the next best offer, as determined by the Proposal Trustee, shall be required to keep its offer open and available for acceptance until the closing of the sale to the Successful Bidder and such bidder will be the "Back-up Bidder". If the transaction with the Successful Bidder does not close, the Companies will close the transaction with the Back-up Bidder; and
 - d) if EMIL is not the Successful Bidder, it will be paid the Bid Protections forthwith after closing from the proceeds generated from the transaction with the Successful Bidder.

5.8 SISP Recommendation

1. The Proposal Trustee recommends that this Court issue an order approving the Stalking Horse APS and the SISP for the following reasons:
 - a) the SISP is commercially reasonable;
 - b) the SISP is intended to solicit purchase and refinancing offers for the Real Property;
 - c) stalking horse offers are commonly used to maximize recoveries in restructuring cases in Canada;
 - d) the Stalking Horse APS assists to maximize value and to protect downside risk should a superior offer not be submitted;
 - e) the value of the Stalking Horse APS is supported by the Appraisal;
 - f) the duration of the SISP is sufficient to allow interested parties to perform diligence and submit offers;
 - g) the Bid Protections are reasonable in the circumstances and are consistent with such fees in other Canadian restructuring proceedings. The Proposal Trustee does not believe that the Bid Protections will discourage potential purchasers from participating in the SISP;

- h) Mr. Tilley has agreed, as part of the SISP, to assign the Purchase Option owned by 2491 to the Successful Bidder for the Assignment Consideration on the condition that all First Mortgages are paid in full. Without the Purchase Option, the Assembly cannot be sold for development. The Purchase Option allows value to be maximized for all stakeholders;
- i) absent confirmation that the SISP is designed to repay the first mortgagees in full, the first mortgagees may oppose the SISP, including HMIC, which is in a position to enforce on its security; and
- j) Dayfoot is included in the SISP because it is a condition of the Purchase Option that the option holder owns all the Real Property.

5.9 Considerations Regarding the Stalking Horse Offer

1. The Proposal Trustee believes that use of the Stalking Horse APS as the stalking horse offer in the SISP is appropriate for the following reasons:
 - a) the value of the Stalking Horse APS is supported by the Appraisal;
 - b) the Stalking Horse APS provides a floor price for the Real Property which is sufficient to fully repay all First Mortgages. The SISP provides an opportunity to generate additional value for creditors, either through a sale or refinancing transaction; and
 - c) the Stalking Horse APS is not being approved as the Successful Bidder at this time. Approval of the Successful Bidder is subject to the outcome of the SISP.

6.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(d) of this Report.

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICES OF INTENTION TO MAKE A PROPOSAL OF
2301132 ONTARIO INC. AND 2309840 ONTARIO INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)



THE HONOURABLE MR.)

THURSDAY, THE 20th DAY OF

JUDGE WILTON-SIEGEL)

SEPTEMBER, 2018

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 2301132 ONTARIO INC., OF THE CITY OF PORT
PERRY, IN THE PROVINCE OF ONTARIO**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF 2309840 ONTARIO INC., OF THE CITY OF PORT
PERRY, IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION, made by 2301132 Ontario Inc. ("**2301132**") and 2309840 Ontario Inc. ("**2309840**", and together with 2301132, the "**Companies**"), pursuant to Sections 50.4(9) and 64.2(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), for an order, *inter alia*, extending the time for filing a proposal with the Official Receiver until November 8, 2018, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Companies, the first report of KSV Kofman Inc., in its capacity as proposal trustee of each of the Companies (the "**Proposal Trustee**"), dated September 13, 2018 (the "**First Report**") and the appendices thereto, and on hearing the submissions of counsel for the Companies, counsel for the Proposal Trustee, and those other parties listed on the counsel slip, no one else appearing for any other person although duly served as appears from the Affidavit of Service of Danny M. Nunes sworn September 19, 2018, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

ADMINISTRATIVE CONSOLIDATION

2. **THIS COURT ORDERS** that the proposal proceedings of each of 2309840 (Estate File No. 31-2313442) and 2301132 (Estate File No. 31-2313445) (together, the “**Proposal Proceedings**”) are hereby administratively consolidated and the Proposal Proceedings are hereby authorized and directed to continue under the following joint title of proceedings:

**Court File No. 31-2413442
Estate File No. 31-2413442**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF 2301132 ONTARIO INC. AND 2309840
ONTARIO INC., OF THE CITY OF PORT PERRY, IN THE
PROVINCE OF ONTARIO**

3. **THIS COURT ORDERS** that all further materials in the Proposal Proceedings shall be filed with the Commercial List Office only in the 2309840 court and estate file, under Court File No. 31-2413442 and Estate File No. 31-2413442.

SERVICE AND NOTICE

4. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceedings, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of

documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <<http://ksvadvisory.com/insolvency-cases/2301132-ontario-inc-and-2309840-ontario-inc/>>.

EXTENSION OF TIME TO FILE PROPOSAL

5. **THIS COURT ORDERS** that, pursuant to Section 50.4(9) of the BIA, the time for the Companies to file a proposal with the Official Receiver be and is hereby extended to November 7, 2018.

ACTIVITIES OF THE PROPOSAL TRUSTEE

6. **THIS COURT ORDERS** that the actions and activities of the Proposal Trustee, as described in the First Report, be and are hereby approved.

ADMINISTRATIVE CHARGE

7. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Companies shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the current and future assets, undertakings and properties of each of the Companies of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”), which charge shall not exceed the amount of \$450,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Proposal Trustee and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 8 and 9 hereof.

8. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

9. **THIS COURT ORDERS** that the Administrative Charge shall rank subordinate to the real property mortgages granted by the Companies to and registered in favour of Home Trust Company (Instrument No. HR923507), 2413349 Ontario Inc. and Derek Martin (Instrument No. HR985367) and Harbouredge Mortgage Investment Corporation (Instrument No. HR1071229) (the “**Priority Charges**”). With the exception of the Priority Charges, the Administrative Charge shall rank in priority as against all other valid perfected security interests, trusts, liens, charges and encumbrances, including the real property mortgage granted by 2301132 in favour of Stasis Group Inc. and 2561388 Ontario Inc. (Instrument No. HR1384990), claims of secured creditors, statutory or otherwise, granted by each of the Companies or to which each of the Companies is subject (together, the “**Encumbrances**”) as of the date of this Order.

10. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by further order of this Court, the Companies shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Administration Charge.

11. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (together, the “**Agreements**”) which binds the Companies, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Companies of any Agreement to which either of them is a party;

- (b) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by the Companies pursuant to this Order, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

12. **THIS COURT ORDERS** that the Administration Charge created by this Order over leases of real property in Canada shall only be an Administration Charge in the Companies' interest in such real property leases.

SEALING

13. **THIS COURT ORDERS** that the correspondence between Colliers International Valuation & Advisory Services and the Proposal Trustee, attached as Confidential Appendix "1" to the First Report, is hereby sealed and shall not form part of the public record pending further Order of this Court.

GENERAL

14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and to assist the Companies, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

15. **THIS COURT ORDERS** that each of the Companies and the Proposal Trustee shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 2309840 ONTARIO INC.
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 2301132 ONTARIO INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

PROCEEDINGS COMMENCED AT TORONTO

ORDER

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100 King Street West
Toronto, ON M5X 1E2

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Lawyers for 2309840 Ontario Inc. and 2301132 Ontario Inc.

Sept 20/18

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 2301132 ONTARIO INC.

Sept 20/18

E. Lamek for the Debtor Companies

S. Zurek for the Proposal Trustee

D. Augrino for Pascan Capital and as

agent for Harbour Edge Mortgage Corporation

J. Erickson for FAAN Mortgage Administrators Inc., Trustee of ISDMC.

All parties have been served and no objections received.

The evidence entails the fact that the debtor companies are acting in good faith and with due diligence, that they will likely be able to make a viable proposal and that no creditor will be materially prejudiced by the extension. Other to go in the form attached. The order includes a meeting of creditors that are commencing to the properties and are sensitive regarding to the subject of that are expected to be the subject of one or more transactions. In the M.T.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

PROCEEDINGS COMMENCED AT TORONTO

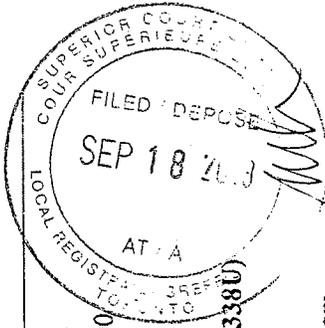
MOTION RECORD
(returnable September 20, 2018)

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Lawyers for 2301132 Ontario Inc. and 2309840 Ontario Inc.



Sept 20/18

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 2309840 ONTARIO INC.

Sept 20/18
see the order issued today in the
company - proceedings under court
file 31-2413445. J. Gordon-Holt.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)
PROCEEDINGS COMMENCED AT TORONTO

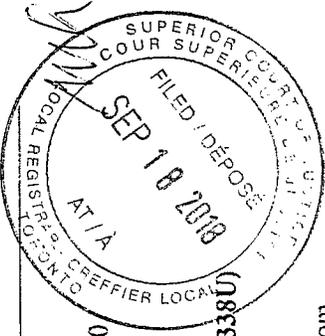
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Lawyers for 2301132 Ontario Inc. and 2309840 Ontario Inc.



Appendix “B”

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this ___ day of October, 2018.

BETWEEN:

2309840 ONTARIO INC. and 2301132 ONTARIO INC.

(in such capacity, the "Vendors")

- and -

E. MANSON INVESTMENTS LIMITED

(the "Purchaser")

RECITALS

- A. **WHEREAS** on August 24, 2018 each of the Vendors filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act* (the "**BIA**") naming KSV Kofman Inc. as Trustee under the NOI (the "**Trustee**");
- B. **AND WHEREAS** pursuant to the Bidding Procedures Order (as defined herein), the Ontario Superior Court of Justice (in Bankruptcy and Insolvency) (the "**Court**") authorized the Vendors to enter into this Agreement and authorized the sale process to be conducted by the Trustee with respect to the Purchased Assets (as defined herein) in accordance with the Bidding Procedures (as defined herein);
- C. **AND WHEREAS** the Purchaser has agreed: (i) to act as a "stalking horse bidder," and (ii) to purchase the Purchased Assets in the absence of a superior bid to the transaction of purchase and sale contemplated in this Agreement pursuant to the Bidding Procedures;

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are each hereby acknowledged by the Parties (as defined hereafter), the Parties agree as follows:

ARTICLE 1 **DEFINED TERMS**

1.1 Definitions

In this Agreement:

"**8 Lindsay Court**" means the real property known municipally as 8 Lindsay Court, Georgetown, Ontario and having the legal description Part of Lot 20, Concession 8 Esquesing, as in instrument no. 111485; Halton Hills/Esquesing;

"10 Lindsay Court" means the real property known municipally as 10 Lindsay Court, Georgetown, Ontario and having the legal description Part of Lot 20, Concession 8 Esquesing, as in instrument no. 686906; Halton Hills/Esquesing;

"13758 Hwy. 7" means the real property known municipally as 13758 Hwy. 7, Georgetown, Ontario and having the legal description Part Lot 20, Concession 8 Esquesing, as in instrument no. 807363; Halton Hills/Esquesing;

"13764 Hwy. 7" means the real property known municipally as 13764 Hwy. 7, Georgetown, Ontario and having the legal description Consolidation of Various Properties: Part Lot 20, Concession 8 Esquesing, Part 1, 20R7368 and as in instrument no. 391973; Halton Hills;

"2301132 Ontario Properties" means 8 Lindsay Court and 13764 Hwy.7;

"2309840 Ontario Properties" means collectively, 10 Lindsay Court, 13758 Hwy.7 and the Dayfoot Lands;

"2413349 Ontario Inc. Mortgage" means the mortgage in the principal amount of approximately \$350,000 registered against 8 Lindsay Court assigned by Home Trust to 2413349 Ontario Inc. on or about July 17, 2018;

"Acceptance Date" means the date that this Agreement is executed by and delivered to all Parties hereunder;

"Administration Charge" means the Court ordered charge pursuant to section 64.2(1) of the BIA securing the fees and disbursements of the Trustee, the Trustee's solicitors and the Vendors' solicitors in respect of the BIA Proceedings, including without limitation the Transaction.

"Agreement" means this agreement of purchase and sale, including all schedules and all amendments or restatements, as permitted, and references to **"article"**, **"section"** or **"schedule"** mean the specified article, section of, or schedule to this Agreement and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement;

"Applicable Law" means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

"Assembly Lands" means collectively 8 Lindsay Court, 10 Lindsay Court, 13758 Hwy. 7 and 13764 Hwy. 7;

"BIA Proceedings" means the NOI proceedings of the Vendors under the BIA;

"Bidding Procedures" means the bidding procedures substantially in the form attached hereto as Schedule "A";

"Bidding Procedures Order" has the meaning set out in Section 14.1;

"Books and Records" means the files, documents, instruments, surveys, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise) pertaining to the Purchased Assets in the possession or control of the Vendors; provided, however, that "Books and Records" shall not include any bank or accounting records;

"Business Day" means a day on which banks are open for business in Ontario but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;

"Claims" means any and all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including solicitor and client costs and disbursements, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing, related to the Vendors or the Real Property, and **"Claim"** means any one of them;

"Closing" means the successful completion of the Transaction;

"Closing Certificate" means the certificate referred to in the Sale Approval Order which, when delivered to the Purchaser, has the effect of invoking the foreclosure and vesting out provisions contained in the Sale Approval Order;

"Closing Date" means the first Business Day which is Five (5) Business Days after receipt of the Sale Approval Order;

"Closing Time" means 4:00 p.m. on the Closing Date or such other time as agreed in writing by the Parties;

"Contracts" means all of the contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which a Vendor is a party and which relate to the Purchased Assets;

"Court" has the meaning set out in the recitals hereof;

"Dayfoot Lands" means the lands known municipally as 22 and 24 Dayfoot Drive in the Town of Georgetown in the Regional Municipality of Halton and having the legal description Part Lot 19, Concession 9 Esquesing, as in instrument no. 837455; Town of Halton Hills and Part Lot 17, Plan 341; Part Lot 19, Concession 9 Esquesing, Parts 1 & 2 20R8477; Part Lot 17 Plan 341, Part 1 20R2842; Town of Halton Hills;

"Deposit" has the meaning given in Section 4.2 herein;

"Encumbrances" means all liens, executions, charges, security interests (whether contractual, statutory or otherwise), pledges, leases, offers to lease, title retention agreements, mortgages, restrictions on use, development or similar agreements, easements, rights-of-way, title defects, options or adverse claims or encumbrances of any kind or character whatsoever;

"ETA" means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;

"**Execution Date**" means the date of execution of this Agreement by all parties;

"**Excluded Assets**" means the Vendors' right, title and interest in and to any asset of the Vendors other than the Purchased Assets, which Excluded Assets include the following:

- (a) original tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of the Vendors that do not relate exclusively or primarily to any of the Purchased Assets; and
- (b) the benefit of any refundable Taxes payable or paid by the Vendors in respect of the Purchased Assets and applicable to the period prior to the Closing Date net of any amounts withheld by any taxing authority, and any claim or right of the Vendors to any refund, rebate, or credit of Taxes for the period prior to the Closing Date.

"**Excluded Liabilities**" has the meaning given in Section 3.3 herein;

"**Full Assembly**" means the Assembly Lands and the Option Property;

"**First Mortgages**" means collectively, the Home Trust Mortgage, the 2413349 Ontario Inc. Mortgage, the HarbourEdge Mortgage and the Stasis Mortgage;

"**Governmental Authority**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and "**Governmental Authority**" means any one of them;

"**HarbourEdge Mortgage**", means the mortgage in the principal amount of approximately \$1,925,000 registered against 13764 Hwy. 7 and the Dayfoot Property;

"**Home Trust Mortgage**", means the mortgage in the principal amount of approximately \$385,000 registered against 13758 Hwy. 7;

"**HST**" means harmonized sales tax imposed under Part IX of the ETA;

"**ITA**" means the *Income Tax Act*, R.S.C. 1985, c.1, as amended;

"**Lands**" means Assembly Lands and the Dayfoot Lands, all as more particularly described in Schedules "B1", "B2", "B3", "B4", "B5" and "B6" hereto, including all rights and benefits appurtenant thereto;

"**LRO**" means the Land Registration Office for the Land Titles Division of Halton (#20);

"**Notice**" has the meaning given in Section 17.3 herein;

"**Option Agreement**" means the agreement of purchase and sale in respect of the Option Property between Credit Temple Corporation as vendor and the Option Holder as purchaser dated June 12, 2018;

"**Option Assignment**" means the assignment by the Option Holder of the Option Agreement to the Purchaser concurrent with, and as a condition of, Closing herein;

"**Option Holder**" means 2491324 Ontario Inc.;

"**Option Property**" means the real property known municipally as 12 Lindsay Court, Georgetown, Ontario and having the legal description Part Lot 20, Concession 8 Equesing, as in instrument no. 316778; Halton Hills/Esquesing;

"**Parties**" means the Vendors and the Purchaser;

"**Permits**" means all the authorizations, registrations, permits, certificates of approval, approvals, consents, commitments, rights or privileges issued, granted or required by any Governmental Authority in respect of the Real Property;

"**Permitted Encumbrances**" means all those Encumbrances described in Schedule "D1", "D2", "D3", "D4", "D5" and "D6" hereto;

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

"**Plans**" means all plans, designs and specification in connection with the Real Property which are in the possession or control of the Vendors (it being acknowledged that the Vendors are under no obligation to incur additional expense to obtain such plans, designs and specifications);

"**Purchase Price**" has the meaning set out in Section 4.1 herein;

"**Purchased Assets**" means all of the Vendors' right, title and interest in and to the following:

- (a) the full benefit of all prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Real Property;
- (b) the Real Property;
- (c) the Plans;
- (d) the Contracts;

- (e) the Permits, but only to the extent transferable to the Purchaser or the Purchaser's permitted assignees; and
- (f) all intellectual property, if any, owned by the Vendors with respect to the development to be completed on the Lands,

provided, however, that the Purchased Assets shall not include the Excluded Assets or the Excluded Liabilities;

"Purchaser" means E. Manson Investments Limited;

"Qualified Bidder" has the meaning set out in the Bidding Procedures;

"Real Property" means the Lands, together with all buildings, improvements and structures thereon, as well as all plans, designs and specifications in connection therewith;

"Rights" has the meaning given in Section 3.1(c) herein, but only has such meaning in such Section;

"Sale Approval Order" means an order of the Court substantially similar to the draft order attached hereto as Schedule "D" or as otherwise, in form and substance satisfactory to the Vendor, the Trustee and the Purchaser acting reasonably, (i) approving this Agreement and the transactions contemplated by this Agreement, (ii) authorizing and directing the Vendors to complete the Transaction to convey to the Purchaser the Purchased Assets, and (iii) vesting the Purchased Assets in the Purchaser on closing, free and clear of all Claims and Encumbrances, including, without limitation, those Claims and Encumbrances, listed in Schedule "C1", "C2", "C3", "C4", "C5" and "C6" hereto, other than Permitted Encumbrances;

"Stalking Horse Bid" has the meaning set out in Section 14.1;

"Stasis Mortgage" means the mortgage in the principal amount of approximately \$2,697,655 registered against 10 Lindsay Court;

"Successful Bid" has the meaning set out in the Bidding Procedures;

"Taxes" means all taxes, HST, land transfer taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, excise, real property and personal property taxes, and any related interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not;

"Transaction" means the transaction of purchase and sale of the Purchased Assets as contemplated by this Agreement;

"Transaction Costs" means the Realtor Commission (as defined in the Bidding Procedures), and the professional fees and disbursements secured by the Administration Charge.

"Vendors" has the meaning set out in the recitals hereof and **"Vendor"** means either of them;

ARTICLE 2
SCHEDULES

2.1 Schedules

The following schedules attached hereto are incorporated in and form part of this Agreement:

<u>Schedule</u>	<u>Description</u>
Schedule "A"	Bidding Procedures
Schedules "B1-B6"	Legal Description of the Real Property
Schedules "C1-C6"	Claims and Encumbrances to be Expunged and Discharged
Schedules "D1-D6"	Permitted Encumbrances
Schedule "E"	Form of Sale Approval Order

ARTICLE 3
AGREEMENT TO PURCHASE

3.1 Purchase and Sale of Purchased Assets

- (a) Relying on the representations and warranties herein, the Vendors hereby agree to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, all right, title and interest of the Vendors in and to the Purchased Assets free and clear of all Encumbrances, other than the Permitted Encumbrances.
- (b) Subject to the Closing, the Vendors hereby remise, release and forever discharge to, and in favour of, the Purchaser, all of their rights, claims and demands whatsoever in the Purchased Assets.
- (c) This Agreement or any document delivered in connection with this Agreement shall not constitute an assignment of any rights, benefits or remedies (in this Section 3.1(c), collectively, the "**Rights**") under any Permits that form part of the Purchased Assets and which are not assignable by the Vendors to the Purchaser without the required consent of the other party or parties thereto (collectively, the "**Third Party**"). To the extent any such consent is required and not obtained by the Vendors prior to the Closing Date, then, to the extent permitted by Applicable Law:
 - (i) the Vendors will, at the request, direction and cost of the Purchaser, acting reasonably, assist the Purchaser, in a timely manner and using commercially reasonable efforts, in applying for and obtaining all consents or approvals required under the Permits in a form satisfactory to the Vendors and the Purchaser, acting reasonably;
 - (ii) the Vendors will only deal with or make use of such Rights in accordance with the directions of the Purchaser;

- (iii) at the Purchaser's cost, the Vendors will use its commercially reasonable efforts to take such actions and do such things as may be reasonably and lawfully designed to provide the benefits of the Permits to the Purchaser, including holding those Permits in trust for the benefit of the Purchaser or acting as agent for the Purchaser pending such assignment; and
- (iv) in the event that the Vendors receive funds with respect to those Permits, the Vendors will promptly pay over to the Purchaser all such funds collected by the Vendors, net of any outstanding costs directly related to the assignment in respect of such Permits.

The provisions of this Section 3.1 shall not merge but shall survive the completion of the Transaction. Notwithstanding the forgoing, the parties hereto hereby acknowledge and agree that the covenants of the Vendors contained in this Section 3.1 shall terminate upon the bankruptcy of the Vendors.

3.2 Excluded Assets

Notwithstanding anything else in this Agreement, the Purchased Assets shall not include the Excluded Assets.

3.3 Excluded Liabilities

The Purchaser is not assuming, and shall not be deemed to have assumed any liabilities, obligations or commitments of the Vendors or of any other Person, whether known or unknown, fixed or contingent or otherwise, including any debts, obligations, sureties, positive or negative covenants or other liabilities directly or indirectly arising out of or resulting from the conduct or operation of the Business or the Vendors' ownership or interest therein, whether pursuant to this Agreement or as a result of the Transaction (collectively, the "**Excluded Liabilities**"). For greater certainty, the Excluded Liabilities shall include, but not be limited to, the following:

- (a) except as otherwise agreed in this Agreement, all Taxes payable by the Vendors arising with respect to any period prior to the Closing Date and all Taxes payable relating to any matters or assets other than the Purchased Assets arising with respect to the period from and after the Closing Date;
- (b) any liability, obligation or commitment resulting from an Encumbrance that is not a Permitted Encumbrance;
- (c) any liability, obligation or commitment associated with any of the Excluded Assets; and
- (d) any liability, obligation or commitment in respect to Claims arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Date.

ARTICLE 4
PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price

The purchase price for the Purchased Assets shall be the aggregate of Six Million, Seven Hundred Thousand Dollars (\$6,700,000) dollars (the "**Purchase Price**"), plus all applicable Taxes payable in respect of the Transaction.

4.2 Deposit

Within two (2) Business Days after the Acceptance Date, the Purchaser shall pay to the Trustee's Solicitors, in trust, a deposit by wire or certified cheque of Seven Hundred Thousand (\$700,000) dollars (the "**Deposit**"), which Deposit shall be held by the Trustee in accordance with the provisions of this Agreement pending completion or other termination of this Agreement. If this Agreement is the Successful Bid, the Deposit shall be credited against payment of the Purchase Price, as provided in Section 4.3. If this Agreement is not the Successful Bid or this Agreement is terminated other than pursuant to Section 16.1(b), the Trustee shall refund the Deposit, without interest, to the Purchaser forthwith upon the closing of the Successful Bid or the termination of this Agreement. If this Agreement is terminated by the Vendors pursuant to Section 16.1(b) because the conditions set out in Section 8.1(a) or 8.1(b) not being satisfied or waived, the Purchaser shall forfeit the Deposit.

4.3 Satisfaction of Purchase Price

The Purchaser shall indefeasibly pay and satisfy the Purchase Price as follows:

- (a) Payment in full by wire transfer or certified cheque on Closing of each of the First Mortgages directly to the applicable mortgagees;
- (b) the Deposit shall be applied against the Purchase Price; and
- (c) the balance of the Purchase Price, subject to adjustments contained in this Agreement, shall be paid by wire or certified cheque on Closing by the Purchaser to the Trustee's Solicitors or as the Trustee's Solicitors may otherwise direct in writing;

4.4 Allocation of Purchase Price

The Trustee, shall allocate the cash portion of the Purchase Price remaining after payment of the Transaction Costs among the Purchased Assets in consultation with the second mortgagee on each of the Lands.

4.5 Adjustment of Purchase Price

- (a) The Purchase Price shall be adjusted as of the Closing Time for any realty taxes and local improvement rates and charges (including interest thereon), utilities and any other items which are usually adjusted in purchase transactions involving

assets similar to the Purchased Assets in the context of a court approved sale under the BIA. The Vendors shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval no later than five (5) Business Days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably, and such estimate shall serve as a final determination. Notwithstanding any other term in this Agreement, in no event shall the Purchaser be responsible for any charges, fees, Taxes, costs or other adjustments in any way relating to the period prior to the Closing Date or relating to the Excluded Liabilities or to any matters or assets other than the Purchased Assets for the period from and after the Closing Date.

- (b) Other than as provided for in this Section 4.5, there shall be no adjustments to the Purchase Price.

ARTICLE 5 **TAXES**

5.1 Taxes

In addition to the Purchase Price, the Purchaser shall be responsible for all federal and provincial sales taxes, land transfer tax, goods and services, HST and other similar taxes and duties and all registration fees payable upon or in connection with the conveyance or transfer of the Purchased Assets to the Purchaser. If the sale of the Purchased Assets is subject to HST, then such tax shall be in addition to the Purchase Price. The Vendor will not collect HST if the Purchaser provides to the Vendor a warranty that it is registered under the ETA, together with a copy of the required ETA registration at least five (5) Business Days prior to Closing, a warranty that the Purchaser shall self-assess and remit the HST payable and file the prescribed form. The foregoing warranties shall not merge but shall survive the completion of the Transaction.

ARTICLE 6 **AUTHORIZATIONS**

6.1 Authorizations

Upon request, the Vendors shall provide the Purchaser with authorizations executed by the Vendors and addressed to the appropriate municipal building department, zoning department and fire department and to any other Governmental Authority, authorizing the release of any and all information on file in respect of the Purchased Assets, but such authorization shall not authorize any inspections by any Governmental Authority.

ARTICLE 7
CLOSING ARRANGEMENTS

7.1 Closing

Closing shall take place at the Closing Time at the offices of the Vendors' lawyers located in Toronto, or at such other time or at such other place as the Parties may agree in writing.

7.2 Tender

Any tender of documents or money under this Agreement may be made upon the Parties or their respective lawyers, and money shall be tendered by wire transfer of immediately available funds to the account specified by the receiving Party.

7.3 Vendors' Closing Deliverables

The Vendors covenant to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date as expressly provided herein:

- (a) a copy of the issued Sale Approval Order with confirmation that same has been submitted for recording at the LRO;
- (b) a statement of adjustments prepared in accordance with Section 4.5 hereof, to be delivered not less than five (5) Business Days prior to Closing;
- (c) to the extent applicable, an assignment and assumption agreement with respect to all Permits and to the extent not assignable, an agreement that the Vendors will hold same in trust for the Purchaser in accordance with the provisions of Section 3.1(c);
- (d) a certificate signed by a senior officer of each Vendor confirming that the Vendor is not a non-resident of Canada within the meaning of section 116 of the ITA;
- (e) a certificate from the Vendors, dated as of the Closing Date, certifying:
 - (i) that, except as disclosed in the certificate, the Vendors have not been served with any notice of appeal with respect to the Sale Approval Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Sale Approval Order or to enjoin, restrict or prohibit the Transaction; and
 - (ii) that all representations, warranties and covenants of the Vendors contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time;
- (f) an acknowledgement, dated as of the Closing Date, that each of the conditions in Section 8.1 hereof have been fulfilled, performed or waived as of the Closing Time; and

- (g) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Purchaser, acting reasonably, or by Applicable Law or any Governmental Authority.

7.4 Purchaser's Closing Deliverables

The Purchaser covenants to execute, where applicable, and deliver the following to the Vendors or, as applicable to the Trustee at Closing or on such other date as expressly provided herein:

- (a) the indefeasible payment and satisfaction in full of the Purchase Price according to Section 4.3 hereof;
- (b) an assignment and assumption agreement with respect to all Permits pertaining to the Real Property (to the extent assignable) and to the extent not assignable, an agreement that the Vendors will hold same in trust for the Purchaser in accordance with the provisions of Section 3.1(c);
- (c) a certificate from the Purchaser, dated as of the Closing Date, certifying that all representations, warranties and covenants of the Purchaser contained in Article 10 are true as of the Closing Time, with the same effect as though made on and as of the Closing Time;
- (d) if necessary, payment or evidence of payment of HST applicable to the Purchased Assets or, if applicable, appropriate tax exemption certificates with respect to HST in accordance with Article 5 hereof;
- (e) if desired, a direction directing the Vendors to convey title to any of the Purchased Assets to an entity other than the Purchaser; and
- (f) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Vendors, acting reasonably, or by Applicable Law or any Governmental Authority.

7.5 Trustee's Certificate

Upon receipt of written confirmation from the Purchaser that all of the conditions contained in Section 8.3 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Vendors of all of the conditions contained in Section 8.1, the Trustee shall forthwith deliver to the Purchaser the Closing Certificate.

ARTICLE 8 **CONDITIONS PRECEDENT TO CLOSING**

8.1 Conditions in Favour of the Vendors

The obligation of the Vendors to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (a) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (b) all the covenants of the Purchaser contained in Article 10 to be performed on or before the Closing Date shall have been duly performed by the Purchaser;
- (c) there shall be no order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets enjoining, preventing or restraining the completion of the Transaction;
- (d) this Agreement shall be the Successful Bid; and
- (e) the Court shall have issued the Bidding Procedures Order and Sale Approval Order, and the operation and effect of such orders shall not have been stayed, amended, modified, reversed or dismissed at the Time of Closing.

8.2 Conditions in Favour of Vendors Not Fulfilled

If any of the conditions contained in Section 8.1 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Vendors, then the Vendors, with the approval of the Trustee, and without limiting any rights or remedies available to it at law or in equity, may:

- (a) terminate this Agreement by notice to the Purchaser, in which event the Vendors shall be released from their obligations under this Agreement to complete the Transaction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

8.3 Conditions in Favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date, which conditions are inserted for the sole benefit of the Purchaser and may be waived in whole or in part at the Purchaser's sole option:

- (a) all the representations and warranties of the Vendors contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (b) all the covenants of the Vendors under this Agreement to be performed on or before the Closing Date shall have been duly performed by the Vendors;
- (c) there shall be no order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets enjoining, preventing or restraining the completion of the Transaction;

- (d) from the Acceptance Date to Closing, there shall have been no new work orders, deficiency notices, notices of violation or non-compliance or similar orders, and no new Encumbrances registered on title to the Lands or matters affecting the title to the Lands arising or registered after the Acceptance Date, in each case which are not otherwise foreclosed and vested out pursuant to the Sale Approval Order;
- (e) this Agreement shall be the Successful Bid; and
- (f) the Court shall have issued the Bidding Procedures Order and Sale Approval Order, substantially in the form attached hereto as Schedule "E", and the operation and effect of such orders shall not have been stayed, amended, modified, reversed or dismissed at the Time of Closing.

8.4 Conditions in Favour of Purchaser Not Fulfilled

If any of the conditions contained in Section 8.3 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Purchaser, then the Purchaser may, in its sole discretion and without limiting its rights or remedies available at law or in equity:

- (a) terminate this Agreement by notice to the Vendors, in which event the Purchaser and the Vendors shall be released from their obligations under this Agreement to complete the Transaction and the Deposit shall be immediately returned to the Purchaser without deduction; or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

8.5 Option Property Condition in Favour of the Purchaser and the Vendors

The obligation of the Purchaser and the Vendors to complete the Transaction is subject to and conditional upon the Option Holder's execution and delivery to the Purchaser of the Option Assignment duly acknowledged by Credit Temple Corporation, which condition may be waived in whole or in part by written agreement of the Vendors and the Purchaser prior to Closing.

ARTICLE 9 REPRESENTATIONS & WARRANTIES OF THE VENDORS

The Vendors represent and warrant to the Purchaser as follows, with the knowledge and expectation that the Purchaser is placing complete reliance thereon and, but for such representations and warranties, the Purchaser would not have entered into this Agreement:

- (a) subject to obtaining the Sale Approval Order and the Bidding Procedures Order, the Vendors have all necessary power and authority to enter into this Agreement and to carry out their obligations hereunder. This Agreement is a valid and binding obligation of the Vendors enforceable in accordance with its terms; and

- (b) the Vendors are not non-residents of Canada for the purposes of the ITA.

ARTICLE 10
REPRESENTATIONS & WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Vendors as follows, with the knowledge and expectation that the Vendors are placing complete reliance thereon and, but for such representations and warranties, the Vendors would not have entered into this Agreement:

- (a) the Purchaser is a corporation duly formed and validly subsisting under the laws of the Province of Ontario;
- (b) the Purchaser has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. Neither the execution of this Agreement nor the performance by the Purchaser of the Transaction will violate the Purchaser's constating documents, any agreement to which the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Governmental Authority, or any Applicable Law. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms;
- (c) the Purchaser is or will be a registrant under Part IX of the ETA on the Closing Date; and
- (d) the Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

ARTICLE 11
COVENANTS

11.1 Mutual Covenants

Each of the Vendors and the Purchaser hereby covenants and agrees that, from the date hereof until Closing, each shall take all such actions as are necessary to have the Transaction approved in the Sale Approval Order on substantially the same terms and conditions as are contained in this Agreement, and to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions set forth in Article 8 hereof.

11.2 Vendors Covenants

The Vendors hereby covenant and agree that, from the date hereof until Closing, they shall use commercially reasonable efforts to provide to the Purchaser all necessary information in respect of the Vendors and the Purchased Assets reasonably required to complete the applicable tax elections in accordance with Article 5 hereof and to execute all necessary forms related thereto.

ARTICLE 12 POSSESSION AND ACCESS PRIOR TO CLOSING

12.1 Possession of Purchased Assets

The Vendors shall remain in possession of the Purchased Assets until the Closing Time, at which time the Purchaser shall take possession of the Purchased Assets where situated. In no event shall the Purchased Assets be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in this Agreement and the Sale Approval Order have been satisfied or waived and the Purchaser has satisfied or the Vendors, with the consent of the Trustee, have waived all the delivery requirements outlined in Section 8.1 hereof.

12.2 Risk

- (a) The Purchased Assets shall be and remain at the risk of the Vendors until Closing and at the risk of the Purchaser from and after Closing.
- (b) If, prior to the Closing Date, all or a material part of either the Assembly Lands or the Option Property is expropriated or a notice of expropriation or intent to expropriate all or a material part of either the Assembly Lands or the Option Property is issued by any Governmental Authority, the Vendors shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within three (3) Business Days after the Purchaser receives Notice in writing from the Vendors of such expropriation, elect to either: (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation of any Assembly Lands shall be payable to the Purchaser and all right, title and interest of the Vendors to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis; or (ii) terminate this Agreement and not complete the Transaction, in which case all rights and obligations of the Vendors and the Purchaser (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and the Deposit shall be returned to the Purchaser forthwith.

ARTICLE 13 AS IS, WHERE IS

13.1 Condition of the Purchased Assets

The Purchaser acknowledges that the Vendors are selling and the Purchaser is purchasing the Purchased Assets on an "*as is, where is*" and "*without recourse*" basis as the Purchased Assets

shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent. The Purchaser further acknowledges and agrees that it has entered into this Agreement on the basis that the Vendors have not guaranteed or will guarantee title to or marketability, use or quality of the Purchased Assets, that the Purchaser will conduct such inspections of the condition and title to the Purchased Assets as it deems appropriate and will satisfy itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose, environmental compliance, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Vendors to sell, assign, convey or transfer same, save and except as expressly provided in this Agreement. The description of the Purchased Assets contained in this Agreement is for the purpose of identification only and no representation, warranty or condition has or will be given concerning the accuracy of such description.

ARTICLE 14 **Bidding Procedures**

14.1 Bidding Procedures

- (a) The Vendors and the Purchaser acknowledge that this Agreement and the transactions contemplated hereby are subject to Court approval.
- (b) The Vendors and the Purchaser acknowledge and agree that the Vendors shall apply to the Court by no later than October 15, 2018, or such other date as they may agree, for an order (the “**Bidding Procedures Order**”), *inter alia*, recognizing this Agreement, and in particular the Purchase Price, as a baseline or “stalking horse bid” (the “**Stalking Horse Bid**”) and approving the Bidding Procedures, the payment of the break fee and expense reimbursement in the circumstances set out in Section 14.2, and the parties will use commercially reasonable efforts to have the Bidding Procedures Order issued. The Purchaser acknowledges and agrees that the Bidding Procedures are in contemplation of determining whether a superior bid can be obtained for the Purchased Assets.

14.2 Break Fee and Expense Reimbursement

In consideration for the Purchaser’s expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and in performing due diligence pursuant to this Agreement, and subject to Court approval, the Purchaser shall be entitled to: (i) a break fee in the amount of \$175,000 (inclusive of HST, if any); and (ii) an expense reimbursement amount not to exceed \$50,000 (inclusive of HST), in each case payable by the Vendors to the Purchaser only in the event that a Successful Bid other than the Stalking Horse Bid is accepted by the Seller, approved by the Court and completed. The payment of the foregoing amounts shall be approved in the Bidding Procedures Order and shall be payable to the Purchaser out of the sale proceeds derived from and upon completion of the Successful Bid. Each of the parties hereto acknowledges and agrees that the foregoing amounts represent a fair and reasonable estimate of the costs and damages that will be incurred by the Purchaser as a result of non-completion of this Agreement, and is not intended to be punitive in

nature nor to discourage competitive bidding for the Purchased Assets, Business and Assumed Liabilities. The Purchaser agrees to indemnify and hold harmless the Vendors (and their shareholders, directors, officers and employees) from and against any Tax, interest and penalties assessed, reassessed or imposed upon the Vendors as a result of or in connection with the failure to withhold or remit any amount required to be withheld and remitted under Part XIII of the ITA in respect the break fee or expense reimbursement payable pursuant to this Section 14.2.

ARTICLE 15 **POST-CLOSING MATTERS**

15.1 Books and Records

The Purchaser shall keep and maintain the Books and Records for a period of Two (2) years from the Closing Date, or for any longer period as may be required by Applicable Law or Governmental Authority or as requested by the Vendors or the Vendors' trustee in bankruptcy (the "**Retention Period**"). Upon reasonable advance notice, during such Two (2) year period after the Closing Date, the Purchaser will grant the Vendors and, in the event the Vendors are adjudged bankrupt, any trustee of the estate of the Vendors and their respective representatives, reasonable access during normal business hours to use and copy the Books and Records at the sole cost of the Vendors or bankruptcy trustee of the estate of the Vendors, as the case may be, and at no cost to the Purchaser. After the Retention Period, the Purchaser shall give the Vendors or bankruptcy trustee of the estate of the Vendors 30 days' prior written notice of its intent to destroy the Books and Records. The parties agree that the covenants of the Purchaser in this Section 15.1 shall survive the closing of the Transaction.

ARTICLE 16 **TERMINATION**

16.1 Termination of this Agreement

This Agreement may be validly terminated:

- (a) upon the mutual written agreement of the Parties;
- (b) pursuant to Section 8.2 hereof by the Vendors;
- (c) pursuant to Section (e) hereof by the Purchaser; or
- (d) pursuant to Section 12.2 hereof.

16.2 Remedies for Breach of Agreement

If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Vendors, the Purchaser shall be entitled to the return of the Deposit without deduction, which shall be returned to the Purchaser forthwith, and this shall be the Purchaser's sole right and remedy pursuant to this Agreement or at law as a result of the Vendors' breach. If this Agreement is terminated as a result of a breach of a representation, warranty, covenant or obligation of the Purchaser, the Deposit shall be forfeited to the Vendors as liquidated damages

and not as a penalty, which Deposit the Parties agree is a genuine estimate of the liquidated damages that the Vendors would suffer in such circumstances, and this shall be the Vendors' sole right and remedy pursuant to this Agreement or at law as a result of the Purchaser's breach.

16.3 Termination If No Breach of Agreement

If this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of a Party, then the parties hereto shall be released from all obligations and liabilities hereunder, other than their obligations under Article 6, and the Deposit shall be forthwith returned to the Purchaser without deduction.

ARTICLE 17 **GENERAL CONTRACT PROVISIONS**

17.1 Further Assurances

From time to time after Closing, each of the Parties shall execute and deliver such further documents and instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and which are not inconsistent with the terms hereof, including, at the Purchaser's request and expense, the Vendors shall execute and deliver such additional conveyances, transfers and other assurances as may, in the opinion of the Parties or their counsel, acting reasonably, be reasonably required to effectually carry out the intent of this Agreement and transfer the Purchased Assets to the Purchaser.

17.2 Survival Following Completion

Notwithstanding any other provision of this Agreement, Article 9, Article 10, Section 16.2 and Section 16.3 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the bankruptcy of the Vendors, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof.

17.3 Notice

All notices, requests, demands, waivers, consents, agreements, approvals, communications or other writings required or permitted to be given hereunder or for the purposes hereof (each, a "Notice") shall be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by email, addressed to the Party to whom it is given, as follows:

- (a) to the Vendors:

c/o DLA Piper (Canada) LLP
100 King Street West, Suite 6000
Toronto, ON M5X 1E2

Attention: Edmond Lamek
Tel: (416) 365-3444
Email: edmond.lamek@dlapiper.com

(b) to the Purchaser:

c/o Dickinson Wright LLP
199 Bay Street, Suite 2200
Toronto, ON M5L 1G4

Attention: David Preger
Tel: (416) 646-4606
Email: dpreger@dickinsonwright.com

- and -

c/o Garfinkle Biderman LLP
Suite 801, 1 Adelaide Street East
Toronto, ON M5C 2V9

Attention: Kimberly Gabriel
Tel: (416) 869-1234
Email: kgabriel@garfinkle.com

or such other address of which Notice has been given. Any Notice mailed as aforesaid will be deemed to have been given and received on the third (3rd) Business Day following the date of its mailing. Any Notice personally delivered will be deemed to have been given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by email will be deemed given and received on the first (1st) Business Day after its transmission.

If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the fourth (4th) Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by email.

17.4 Waiver

No Party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstance set forth in such written waiver.

17.5 Consent

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit or the requirement for such consent is not required pursuant to the terms of the Sale Approval Order, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

17.6 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The Parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario. The Parties consent to the exclusive jurisdiction and venue of the Court for the resolution of any disputes among them, regardless of whether or not such disputes arose under this Agreement.

17.7 Entire Agreement

This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings between the Parties. There are not and will not be any verbal statements, representations, warranties, undertakings or agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. The recitals herein are true and accurate, both in substance and in fact.

17.8 Time of the Essence

Time will be of the essence, provided that if the Parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

17.9 Time Periods

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

17.10 Assignment

This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Purchaser may not assign this Agreement without the Trustee's prior written approval. Notwithstanding the foregoing, up until five Business Days before the hearing of motion for the Sale Approval Order, the Purchaser shall have the right to direct that title to the Lands be taken in the name of another person, entity, joint venture, partnership or corporation (presently in existence or to be incorporated) that is an affiliate of the Purchaser, provided that the Purchaser shall not be released from any and all obligations and liabilities hereunder until after the Closing of the transaction. The forgoing right may only be exercised once by the Purchaser. Any other requested direction of title shall require the Trustee's prior written approval, which approval shall be in the Trustee's sole, absolute and unfettered discretion.

17.11 Expenses

Except as otherwise set out in this Agreement, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.

17.12 Severability

If any portion of this Agreement is prohibited in whole or in part in any jurisdiction, such portion shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining portions of this Agreement and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition.

17.13 No Strict Construction

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

17.14 Cumulative Remedies

Unless otherwise expressly stated in this Agreement, no remedy conferred upon or reserved to one or both of the Parties is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

17.15 Currency

All references to dollar amounts contained in this Agreement shall be deemed to refer to lawful currency of Canada.

17.16 No Third Party Beneficiaries

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. No other person or entity shall be regarded as a third party beneficiary of this Agreement.

17.17 Number and Gender

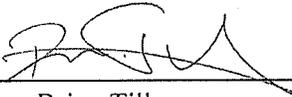
Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

17.18 Counterparts

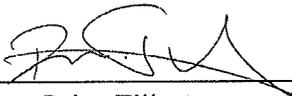
This Agreement may be executed in counterparts and by facsimile or PDF, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first above written.

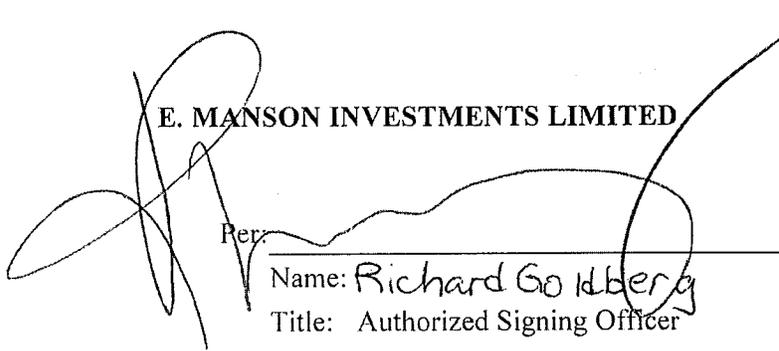
2301132 ONTARIO INC.

Per: 
Name: Brian Tilley
Title: President

2309840 ONTARIO INC.

Per: 
Name: Brian Tilley
Title: President

E. MANSON INVESTMENTS LIMITED

Per: 
Name: Richard Goldberg
Title: Authorized Signing Officer

Schedule A

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF 2309840 ONTARIO INC. and 2301132 ONTARIO INC. (the “Debtor Companies”) under the *BANKRUPTCY AND INSOLVENCY ACT*, R. S. C. 1985 c B-3 as amended. (the “BIA”)

Bidding Procedures

Set forth below are the bidding procedures (the “**Bidding Procedures**”) to be employed with respect to the sale (the “**Sale**”) or Refinancing (a “**Refinancing**”) of the real property owned by the Debtor Companies known municipally as 8 Lindsay Court, 10 Lindsay Court, 13758 Highway 7, 13764 Highway 7 (the “**Owned Assembly Lands**”) and 22 and 24 Dayfoot Drive (the “**Dayfoot Lands**”) and together with the Owned Assembly Lands, the “**Real Property**”) all in the city of Halton Hills, Ontario, together with associated, plans, approvals, studies, etc. (collectively, the “**Debtors’ Assets**”) by the Debtor Companies pursuant to a court approved solicitation process in the matter of the Notices of Intention to make a Proposal of the Debtor Companies under the BIA.

On October __, 2018, the Court issued an order (the “**Bidding Procedures Order**”) approving and accepting for the purpose of conducting a “stalking horse” solicitation process (the “**Stalking Horse Process**”) in accordance with these Bidding Procedures that certain asset purchase agreement dated October __, 2018 (the “**Stalking Horse Bid**”) between the Debtor Companies and Rescom Group (the “**Stalking Horse Bidder**”), including, without limitation, the payment of a break fee and expense reimbursement (the “**Break Fee and Expense Reimbursement**”) by the Debtor Companies to the Stalking Horse Bidder in accordance with the provisions of the Stalking Horse Bid, and approving these Bidding Procedures. All amounts specified herein are in Canadian dollars.

Subject to Court availability, within ten (10) business days following the Auction (defined below) the Debtor Companies shall bring a motion (the “**Approval Motion**”) seeking the granting of an order by the Court either authorizing the Debtor Companies to proceed with a Refinancing or authorizing and approving the Sale of the Debtors’ Assets to the Qualified Bidder making the Successful Bid (each as defined below) (the “**Successful Bidder**”) (such order, as approved, the “**Approval Order**”).

Assets to Be Sold or Refinanced En Bloc

The Debtor Companies are offering for Sale or Refinancing all of the Debtor Companies’ right, title and interest in and to all of the Real Property comprising the Debtors’ Assets en bloc and only a bid for all the Debtors’ Assets, in whole and not in part can be eligible to be a Qualified Bid (as defined below). KSV Kofman Inc. in its capacity as Trustee under the Notices of Intention to Make a Proposal of the Debtor Companies (the “**Trustee**”) will be responsible for conducting the solicitation process and Auction (if any) on behalf of the Debtor Companies.

The Bidding Process

The Trustee has retained Colliers Macaulay Nicolls Inc. (the “**Realtor**”) to act as listing agent for the Debtors’ Assets. The Bidding Procedures Order approved the appointment of the Realtor and the process described by the Trustee’s Second Report to Court dated October 9, 2018 (the “**Bidding Process**”), which is set out below. The Trustee shall have the right to adopt such other rules for the Bidding Process (including rules that may depart from those set forth herein) that in its reasonable business judgment will better promote the goals of the Bidding Process, including to accommodate a refinancing of the Debtors’ Assets, *provided, however*, that the adoption of any rule that materially deviates from these Bidding Procedures shall require the consent of the Option Holder and the Stalking Horse Bidder.

Participation Requirements

“**Qualified Bidder**” is; (i) a bidder who submits a Sale bid in substantially the same form as the Stalking Horse Bid, for a Purchase Price of at least \$6,975,000 and includes the Required Bid Terms and Materials (as defined below), or (ii) a bidder submitting a Refinancing proposal in an amount of not less than \$6,975,000, as determined by the Proposal Trustee in its sole discretion, that includes all material business terms, and includes Required Bid Terms and Materials (as defined below) other than (iv) below. Any bid meeting these criteria that is received by the Realtor before the Bid Deadline is a qualified bid (“**Qualified Bid**”).

Bid Deadline

A Qualified Bidder that desires to make a bid shall deliver written copies of its bid and the Required Bid Terms and Materials to the Realtor not later than 5:00 p.m. (prevailing Eastern time) on November 28, 2018 (the “**Bid Deadline**”).

Bid Requirements

All bids (other than the Stalking Horse Bid) must include, unless such requirement is waived by the Trustee, the following (collectively, the “**Required Bid Terms and Materials**”):

- (i) Subject to the “Credit Bidding” provisions below, a base cash purchase price or transaction value equal to or greater than \$6,975,000, being the Stalking Horse Bid (\$6,700,000) plus the break fee (\$175,000), expense reimbursement (\$50,000) and \$50,000 bid increment (the “**Base Purchase Price**”);
- (ii) A provision stating that the bidder’s offer is irrevocably open for acceptance until the Debtors’ Assets have been sold pursuant to the closing of the sale approved by the Court;
- (iii) A provision stating that the bidder’s offer requires that all first mortgages on the parcels comprising the Real Property are to be paid in full from the transaction proceeds concurrent on closing of the transaction, or that any first mortgage being assumed in lieu of cash is being done with the prior written consent of the relevant mortgagee (a copy of which consent shall be provided with the bid) (a “**Consented Assumption**”);
- (iv) In the case of a proposed Sale transaction, an executed copy of a proposed purchase agreement and a redline of the bidder’s proposed purchase agreement reflecting variations from the Stalking Horse Bid (the “**Marked Agreement**”);

- (v) In the case of a Refinancing transaction, a duly authorized and executed term sheet describing the detailed terms and conditions of the proposed transaction (which must include repayment in full or Consented Assumptions of each of the First Mortgages) including details regarding the proposed equity and debt structure of the Debtor Companies following completion of the proposed transaction and the aggregate amount of equity and debt investment (including the sources of such capital, the underlying assumptions regarding the pro forma capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Debtor Companies, and the debt, equity or other instruments or securities, if any, proposed to be allocated to creditors of the Debtor Companies;
- (vi) A cash deposit in the amount of not less than \$700,000 in the form of a wire transfer, certified cheque or such other form acceptable to the Trustee (the “**Bid Deposit**”), which shall be held in the trust account of the Trustee’s solicitors (the “**Escrow Account**”). Funds shall be disbursed from the Escrow Account only as follows: (i) if the Qualified Bidder is the Successful Bidder, its Bid Deposit will be applied without interest to the purchase price payable by it under its bid on the closing thereof; and (ii) if the Qualified Bidder is not the Successful Bidder, then its Bid Deposit shall be returned without interest to it forthwith following the expiration of its offer (which in the case of the Back-Up Bidder shall be following closing of the sale to the Successful Bidder).
- (vii) An executed copy of a proposed Assignment and Assumption of Purchase Agreement in respect of the 12 Lindsay Court Agreement of Purchase and Sale, by 2491324 Ontario Inc. (the “**Option Holder**”) on substantially the same terms entered into by the Stalking Horse Bidder (including assignment consideration of \$300,000 payable to the Option Holder thereunder), save and except the name of the Assignee (the “**Option Agreement**”), or amended in a manner acceptable to the Option Holder. In the case of a Refinancing proposal the assignee shall be determined in consultation with the Proposal Trustee and the Debtor Companies.

A Sale or Refinancing bid received from a Qualified Bidder that includes all of the Required Bid Terms and Materials and is received by the Bid Deadline is a “**Qualified Bid**”. The Trustee reserves the right to determine the value of any Qualified Bid, and which Qualified Bid constitutes the best offer (the “**Lead Bid**”). Details of the Lead Bid will be provided by the Trustee to all Qualified Bidders after the Bid Deadline and no later than 5:00p.m. (Eastern Time) two Business Days before the date scheduled for the Auction.

Notwithstanding the bid requirements detailed above, the Stalking Horse Bid shall be deemed to be a Qualified Bid.

Credit Bidding

Any mortgagee having a valid mortgage over all of the Real Property, may, alone or in concert with other mortgagees having a mortgage over all of the Real Property, credit bid the indebtedness owed to them by the Debtor Companies in connection with the making of a Qualified Bid (or in the conduct of the Auction) and may assume any first mortgage over any individual parcel or parcels comprising the Real Property by way of Consented Assumption,

provided that the bid includes a minimum cash payment of \$4.0 million as part of the Base Purchase Price.

“As Is, Where Is, With All Faults”

The Sale or Refinancing of the Debtors’ Assets shall be on an “as is, where is” and “with all faults” basis and without representations, warranties, or guarantees, express, implied or statutory, written or oral, of any kind, nature, or description by the Trustee or the Debtor Companies or their agents, representatives, partners or employees, or any of the other parties participating in the sales process pursuant to these Bid Procedures, except as may otherwise be provided in a definitive purchase agreement with the Debtor Companies. By submitting a bid, each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Debtors’ Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Debtors’ Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Debtors’ Assets, the financial performance of the Debtors’ Assets or the physical condition or location of the Debtors’ Assets, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bidding Procedures or as set forth in a definitive purchase agreement with the Debtor Companies.

Free of Any and All Liens

Except as otherwise provided in the Stalking Horse Bid or another Successful Bidder’s purchase agreement, including any Consented Assumptions, and subject to any permitted encumbrances therein, all of the Debtor Companies’ right, title and interest in and to the Debtors’ Assets shall be sold free and clear of all liens and encumbrances pursuant to the Sale Approval Order except for Permitted Encumbrances (as defined in the Stalking Horse Bid).

The Sale and Auction Process

If one or more Qualified Bids (other than that submitted by the Stalking Horse Bidder) have been received by the Trustee on or before the Bid Deadline, the Trustee shall advise all Qualified Bidders of the Lead Bid and invite all Qualified Bidders (including the Stalking Horse Bidder) to attend the Auction to be conducted by the Trustee in accordance with the **Auction Procedures** attached hereto as Appendix 1.

If no Qualified Bid is submitted by the Bid Deadline, then the Stalking Horse Bid shall be the Successful Bid, and the Stalking Horse Bidder shall be the Successful Bidder.

Trustee To Determine Highest and/or Best Bid: The Trustee shall determine, in its reasonable business judgment, which Qualified Bid is the Lead Bid and which bid after each round of offers is the then-prevailing highest and/or best bid. In making such determination, the Trustee may consider, without limitation: (i) the amount and nature of the consideration; (ii) the proposed assumption of liabilities, if any, and the related implied impact on recoveries for creditors; (iii) the ability of the Qualified Bidder in question to close the proposed transaction; (iv) the proposed closing date and the likelihood, extent and impact of any potential delays in closing; (v) any purchase price adjustment; (vi) the net economic effect of any changes made to the Stalking Horse Bid; and (vii) such other considerations as the Trustee deems relevant in its

reasonable business judgment. At the end of each round of offers, the Trustee shall advise the Qualified Bidders of the material terms of the then highest and/or best bid, and the basis for calculating the total consideration offered in such offer. If at the end of any round of bidding a Qualified Bidder has elected not to submit a further bid meeting the criteria set out herein (including the Minimum Bid Increment), then such Qualified Bidder shall not be entitled to continue to participate in the next round of offers or in any subsequent round.

If only one Qualified Bid is submitted after a round of offers then that Qualified Bid shall be the Successful Bidder. The next highest offer, as determined by the Trustee (the "**Back-up Bid**"), shall be required to keep its offer open and available for acceptance until the closing of the Court Approved Refinancing or Sale of the Debtors' Assets to the Successful Bidder.

Highest versus Best Offer

In determining the Lead Bid, the highest and/or best Sale or Refinancing offer during each round of offers, and the Successful Bid, the Trustee is not required to select the offer with the highest purchase price or refinancing amount and may, exercising its reasonable business judgment, select another offer on the basis that it is the best offer even though not the highest purchase price. Without limiting the foregoing, the Trustee may give such weight to the non-monetary considerations as it determines, exercising its reasonable business judgment, is appropriate and reasonable, including those considerations described above under "Trustee To Determine Highest and/or Best Bid".

Break Fee and Expense Reimbursement

To provide an incentive and to compensate the Stalking Horse Bidder for performing the substantial due diligence and incurring the expenses necessary in entering into the Stalking Horse Bid with the knowledge and risk that arises from participating in the sale and subsequent bidding process, the Debtor Companies have agreed to pay the Stalking Horse Bidder, under the conditions outlined herein and in the Stalking Horse Bid, the Break Fee in the amount of \$175,000 and an Expense Reimbursement on account of its reasonable and documented out of pocket fees and expenses, up to a maximum of \$50,000 inclusive of HST, in the event that the Stalking Horse Bidder is not the Successful Bidder.

The Break Fee and Expense Reimbursement were material inducements for, and a condition of, the Stalking Horse Bidder's entry into the Stalking Horse Bid. The Break Fee and Expense Reimbursement, if payable in accordance with the Stalking Horse Bid, shall be paid in accordance with the Stalking Horse Bid and the Bidding Procedures Order.

Acceptance of Qualified Bids

The sale of the Debtors' Assets to any Successful Bidder by the Debtor Companies is expressly conditional upon the approval of the Successful Bid by the Court at the hearing of the Sale Approval Motion. The presentation of the Successful Bid to the Court for approval does not obligate the Debtor Companies to close the transaction contemplated by such Successful Bid unless and until the Court approves the Successful Bid. The Debtor Companies will be deemed to have accepted a bid only when the bid has been approved by the Court at the hearing on the Sale Approval Motion.

Sale Approval Motion Hearing

The Sale Approval Motion shall, subject to court availability, be made returnable on or before December 14 , 2018. The Trustee, in the exercise of its business judgement, reserves its right to the extent consistent with the Stalking Horse Bid to change the date of the hearing of Sale Approval Motion in order to achieve the maximum value for the Debtors' Assets.

Miscellaneous

The solicitation process and these Bidding Procedures are solely for the benefit of the Debtor Companies and nothing contained in the Bidding Procedures Order or these Bidding Procedures shall create any rights in any other person (including, without limitation, any bidder or Qualified Bidder, and any rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Bidding Procedures Order. The bid protections incorporated in these Bidding Procedures are solely for the benefit of the Stalking Horse Bidder.

Except as provided in the Bidding Procedures Order and Bidding Procedures, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Bidding Procedures Order, the Stalking Horse Process and the Bidding Procedure.

APPENDIX I

AUCTION PROCEDURES

Auction

- 1 If the Trustee determines to conduct an Auction pursuant to the Stalking Horse Bid Procedures, the Trustee will notify the Qualified Bidders who made a Qualified Bid that the Auction will be held at the offices of Bennett Jones LLP at 10:00 a.m. (Eastern Time) on date that is determined by the Trustee, provided that that is not later than seven Business Days after the Bid Deadline, or such other place and time as the Trustee may advise. Capitalized terms used but not defined have the meaning given to them in the Stalking Horse Bid Procedures. The Auction shall be conducted in accordance with the following procedures:
 - (a) Participation At The Auction. Only a Qualified Bidder is eligible to participate in the Auction. The Trustee shall provide all Qualified Bidders with the amount of the Leading Bid by 5:00pm (Eastern Time) two Business Days before the date scheduled for the Auction. Each Qualified Bidder must inform the Trustee whether it intends to participate in the Auction no later than 12:00 p.m. (Eastern Time) on the Business Day prior to the Auction. Only the authorized representatives of each of the Qualified Bidders, the Trustee, the Debtor Companies and their respective counsel and other advisors shall be permitted to attend the Auction.

- (b) Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. The Leading Bid shall constitute the "**Opening Bid**" for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the "**Opening Bid**" for the following round. In each round, a Qualified Bidder may submit no more than one Overbid. Any Qualified Bidder who bids in a round (including the Qualified Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.

- (c) Amendment of bid structures during Auction. Qualified Bidders eligible to participate in the Auction, including without limitation the Stalking Horse Bidder, may, when making a bid in a round of bidding, amend the structure of its previous bid from a Sale bid to a Refinancing bid, or from a Refinancing bid to a Sale bid, subject at all times to continued compliance with the Overbid requirements and all other Auction Procedures.

- (d) Trustee Shall Conduct The Auction. The Trustee and its advisors shall direct and preside over the Auction. At the start of each round of the Auction, the Trustee shall provide the terms of the Opening Bid to all participating Qualified Bidders at the Auction. The determination of which Qualified Bid constitutes the Opening Bid for each round shall take into account any factors that the Trustee reasonably deems relevant to the value of the Qualified Bid, including, among other things, the following:
 - (i) the amount and nature of the consideration;
 - (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors;
 - (iii) the Trustee's assessment of the certainty of the Qualified Bidder to close the proposed transaction on or before the Outside Date;
 - (iv) the likelihood, extent and impact of any potential delays in closing;
 - (v) the net economic effect of any changes from the Opening Bid of the previous round, and
 - (vi) such other considerations as the Trustee deems relevant in its reasonable business judgment (collectively, the "**Bid Assessment Criteria**").All Bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and best Overbid shall be fully disclosed to all other Qualified Bidders that are participating in the Auction. The Trustee shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction.

- (e) Terms of Overbids. An "**Overbid**" is any Bid made at the Auction subsequent to the Trustee's announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Bidder must comply with the following conditions:
 - (i) *Minimum Overbid Increment:* Any Overbid shall be made in minimum increments of \$50,000 above the Opening Bid, or such increments as the Trustee may determine in order to facilitate the Auction (the "**Minimum Overbid Increment**"). The amount of

the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment(s) at that time, plus any additional Minimum Overbid Increments.

- (ii) *The Bid Requirements same as for Qualified Bids:* Except as modified herein, an Overbid must comply with the Bid Requirements, provided, however, that the Bid Deadline shall not apply. Any Overbid made by a Qualified Bidder must provide that it remains irrevocable and binding on the Qualified Bidder and open for acceptance as a Back-Up Bid until the closing of the Successful Bid.
- (iii) *Announcing Overbids:* At the end of each round of bidding, the Trustee shall announce the identity of the Qualified Bidder and the material terms of the then highest and/or best Overbid, including the nature of the transaction, the assets proposed to be acquired and the obligations proposed to be assumed, the basis for calculating the total consideration offered in such Overbid based on, among other things, the Bid Assessment Criteria.
- (iv) *Consideration of Overbids:* The Trustee reserves the right to make one or more adjournments in the Auction to, among other things: (A) allow individual Qualified Bidders to consider how they wish to proceed; (B) consider and determine the current highest and/or best Overbid at any given time during the Auction; and, (D) give Qualified Bidders the opportunity to provide the Trustee with such additional evidence as it, may require, that the Qualified Bidder has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Trustee may have clarifying discussions with a Qualified Bidder, and the Trustee may allow a Qualified Bidder to make technical clarifying changes to its Overbid following such discussions.
- (v) *Failure to Bid:* If at the end of any round of bidding a Qualified Bidder (other than the Qualified Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction.
- (f) Additional Procedures. The Trustee may adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction, the order of bidding provided they are not inconsistent with any of the provisions of

the Stalking Horse Bid Procedures and provided further that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Qualified Bidders.

- (g) Closing the Auction. The Auction shall be closed after the Trustee has (i) reviewed the final Overbid of each Qualified Bidder on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale, and (ii) identified the Successful Bid and the Back-Up Bid and advised the Qualified Bidders participating in the Auction of such determination

- (h) Finalizing Documentation. Promptly following a Bid of a Qualified Bidder being declared the Successful Bid or the Back-Up Bid, the Qualified Bidder shall execute and deliver such revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Bid or Back-Up Bid.

SCHEDULE "B1"

LEGAL DESCRIPTION OF REAL PROPERTY

PART LOT 20, CONCESSION 8 ESQUESING, AS IN INSTRUMENT NO. 111485; HALTON HILLS/ESQUESING, BEING ALL OF PIN 250035-0005 (LT)

Municipally described as: 8 Lindsay Court, Georgetown, Ontario

SCHEDULE "B2"

LEGAL DESCRIPTION OF REAL PROPERTY

PART LOT 20, CONCESSION 8 ESQUESING, AS IN INSTRUMENT NO. 686906; HALTON HILLS/ESQUESING, BEING ALL OF PIN 250035-0006 (LT)

Municipally described as: 10 Lindsay Court, Georgetown, Ontario

SCHEDULE "B3"

LEGAL DESCRIPTION OF REAL PROPERTY

PART LOT 20, CONCESSION 8 ESQUESING, AS IN INSTRUMENT NO. 807363; HALTON HILLS/ESQUESING, BEING ALL OF PIN 250035-0008 (LT)

Municipally described as: 13758 Highway 7, Georgetown, Ontario

SCHEDULE "B4"

LEGAL DESCRIPTION OF REAL PROPERTY

CONSOLIDATION OF VARIOUS PROPERTIES: PART LOT 20, CONCESSION 8
ESQUESING, 20R7368 AND AS IN INSTRUMENT NO. 391973; HALTON
HILLS/ESQUESING, BEING ALL OF PIN 250035-0272 (LT)

Municipally described as: 13764 Highway 7, Georgetown, Ontario

SCHEDULE "B5"

LEGAL DESCRIPTION OF REAL PROPERTY

PART LOT 19, CONCESSION 9 ESQUESING, AS IN INSTRUMENT NO. 837455; HALTON HILLS/ESQUESING, BEING ALL OF PIN 25039-0465 (LT)

Municipally described as: 22 Dayfoot Drive, Georgetown, Ontario

SCHEDULE "B6"

LEGAL DESCRIPTION OF REAL PROPERTY

PART LOT 17, PLAN 341; PART LOT 19, CONCESSION 9 ESQUESING, PARTS 1 & 2 AS IN INSTRUMENT NO. 20R8477; PART LOT 17, PLAN 341, PART 1 AS IN INSTRUMENT NO. 20R2842; TOWN OF HALTON HILLS/ESQUESING, BEING ALL OF PIN 25039-0185 (LT)

Municipally described as: 24 Dayfoot Drive, Georgetown, Ontario

SCHEDULE "C1"

**INSTRUMENTS/ENCUMBRANCES TO BE DELETED
FROM PIN 25035-0005 (LT)**

1. Instrument No. HR985367 registered 2011/12/23 being a Charge in favour of Home Trust Company;
2. Instrument No. HR1077542 registered 2013/01/22 being a Charge in favour of Derek Sorrenti;
3. Instrument No. HR1077554 registered 2013/01/22 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
4. Instrument No. HR1080390 registered 2013/02/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
5. Instrument No. HR1084273 registered 2013/02/28 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
6. Instrument No. HR1091133 registered 2013/04/02 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
7. Instrument No. HR1103585 registered 2013/05/30 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
8. Instrument No. HR1103659 registered 2013/05/30 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
9. Instrument No. HR1154301 registered 2013/12/16 being a Notice in favour of the Derek Sorrenti and Olympia Trust Company;
10. Instrument No. HR1154398 registered 2013/12/16 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
11. Instrument No. HR1158774 registered 2014/01/14 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
12. Instrument No. HR1163007 registered 2014/02/03 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
13. Instrument No. HR1164749 registered 2014/02/13 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
14. Instrument No. HR1169883 registered 2014/03/17 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;

15. Instrument No. HR1174819 registered 2014/04/14 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
16. Instrument No. HR1177780 registered 2014/04/29 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
17. Instrument No. HR1192493 registered 2014/06/27 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
18. Instrument No. HR1208704 registered 2014/08/27 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
19. Instrument No. HR1211249 registered 2014/09/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
20. Instrument No. HR1212577 registered 2014/09/11 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
21. Instrument No. HR1223688 registered 2014/10/29 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
22. Instrument No. HR1224153 registered 2014/10/30 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
23. Instrument No. HR1224406 registered 2014/10/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
24. Instrument No. HR1241411 registered 2015/01/15 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
25. Instrument No. HR1255254 registered 2015/03/25 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
26. Instrument No. HR1271200 registered 2015/06/04 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
27. Instrument No. HR1280481 registered 2015/07/09 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
28. Instrument No. HR1287375 registered 2015/07/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
29. Instrument No. HR1330352 registered 2016/01/19 being a Charge in favour of Centro Mortgage Inc.;
30. Instrument No. HR1330357 registered 2016/01/19 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
31. Instrument No. HR1332414 registered 2016/01/27 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
32. Instrument No. HR1339335 registered 2016/02/26 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
33. Instrument No. HR1347052 registered 2016/04/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

34. Instrument No. HR1362983 registered 2016/06/07 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
35. Instrument No. HR1370750 registered 2016/07/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
36. Instrument No. HR1373318 registered 2016/07/12 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
37. Instrument No. HR1389471 registered 2016/09/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
38. Instrument No. HR1391261 registered 2016/09/08 being a Transfer of Charge in favour of in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
39. Instrument No. HR1400743 registered 2016/10/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
40. Instrument No. HR1407583 registered 2016/11/03 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
41. Instrument No. HR1418030 registered 2016/12/14 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
42. Instrument No. HR1422709 registered 2017/01/06 being a being a Notice in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
43. Instrument No. HR1423523 registered 2017/01/11 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
44. Instrument No. HR1424377 registered 2017/01/13 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
45. Instrument No. HR1430681 registered 2017/02/07 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
46. Instrument No. HR1435135 registered 2017/02/27 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
47. Instrument No. HR1441600 registered 2017/03/23 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
48. Instrument No. HR1447439 registered 2017/04/19 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
49. Instrument No. HR1451684 registered 2017/05/03 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
50. Instrument No. HR1460232 registered 2017/06/05 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
51. Instrument No. HR1462808 registered 2017/06/14 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
52. Instrument No. HR1465025 registered 2017/06/21 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

53. Instrument No. HR1473710 registered 2017/07/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
54. Instrument No. HR1480945 registered 2017/08/15 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
55. Instrument No. HR1494814 registered 2017/10/04 being a Charge in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
56. Instrument No. HR1494815 registered 2017/10/04 being an Assignment in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
57. Instrument No. HR1513969 registered 2017/12/20 being a Charge in favour of Building & Development Mortgages Canada Inc.;
58. Instrument No. HR1513970 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
59. Instrument No. HR1513971 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
60. Instrument No. HR1513981 registered 2017/12/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
61. Instrument No. HR1516316 registered 2018/01/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company of Canada;
62. Instrument No. HR1517505 registered 2018/01/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
63. Instrument No. HR1520739 registered 2018/01/25 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
64. Instrument No. HR1522156 registered 2018/01/31 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
65. Instrument No. HR1556834 registered 2018/07/17 being a Transfer of Charge in favour of 2413349 Ontario Inc.

SCHEDULE "C2"

**INSTRUMENTS/ENCUMBRANCES TO BE DELETED
FROM PIN 25035-0006 (LT)**

1. Instrument No. 856508 registered 1996/11/06 being an Agreement;
2. Instrument No. HR1384990 registered 2016/08/18 being a Charge in favour of 903287 Ontario Limited;
3. Instrument No. HR1434674 registered 2017/02/23 being a Transfer of Charge in favour of Stasis Group Inc. and 2561388 Ontario Inc.;
4. Instrument No. HR1448595 registered 2017/04/21 being a Notice in favour of 2309840 Ontario Inc.;
5. Instrument No. HR1471381 registered 2017/07/12 being a Charge in favour of Brian Tilley;
6. Instrument No. HR1494814 registered 2017/10/04 being a Charge in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
7. Instrument No. HR1494815 registered 2017/10/04 being an Assignment in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
8. Instrument No. HR1494820 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
9. Instrument No. HR1513969 registered 2017/12/20 being a Charge in favour of Building & Development Mortgages Canada Inc.;
10. Instrument No. HR1513972 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
11. Instrument No. HR1513981 registered 2017/12/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
12. Instrument No. HR1517505 registered 2018/01/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
13. Instrument No. HR1520739 registered 2018/01/25 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;

14. Instrument No. HR1522156 registered 2018/01/31 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada.

SCHEDULE "C3"

INSTRUMENTS/ENCUMBRANCES TO BE DELETED FROM PIN 25035-0008 (LT)

1. Instrument No. HR923507 registered 2011/04/28 being a Charge in favour of Home Trust Company;
2. Instrument No. HR1077542 registered 2013/01/22 being a Charge in favour of Derek Sorrenti;
3. Instrument No. HR1077554 registered 2013/01/22 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
4. Instrument No. HR1078260 registered 2013/01/25 being a Notice in favour of Brian Tilley
5. Instrument No. HR1080390 registered 2013/02/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
6. Instrument No. HR1084273 registered 2013/02/28 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
7. Instrument No. HR1091133 registered 2013/04/02 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
8. Instrument No. HR1103585 registered 2013/05/30 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
9. Instrument No. HR1103659 registered 2013/05/30 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
10. Instrument No. HR1154301 registered 2013/12/16 being a Notice in favour of the Derek Sorrenti and Olympia Trust Company;
11. Instrument No. HR1154398 registered 2013/12/16 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
12. Instrument No. HR1158774 registered 2014/01/14 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
13. Instrument No. HR1163007 registered 2014/02/03 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
14. Instrument No. HR1164749 registered 2014/02/13 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;

15. Instrument No. HR1169883 registered 2014/03/17 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
16. Instrument No. HR1174819 registered 2014/04/14 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
17. Instrument No. HR1177780 registered 2014/04/29 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
18. Instrument No. HR1192493 registered 2014/06/27 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
19. Instrument No. HR1208704 registered 2014/08/27 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
20. Instrument No. HR1211249 registered 2014/09/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
21. Instrument No. HR1212577 registered 2014/09/11 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
22. Instrument No. HR1223688 registered 2014/10/29 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
23. Instrument No. HR1224153 registered 2014/10/30 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
24. Instrument No. HR1224406 registered 2014/10/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
25. Instrument No. HR1241411 registered 2015/01/15 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
26. Instrument No. HR1255254 registered 2015/03/25 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
27. Instrument No. HR1271200 registered 2015/06/04 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
28. Instrument No. HR1280481 registered 2015/07/09 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
29. Instrument No. HR1287375 registered 2015/07/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
30. Instrument No. HR1330352 registered 2016/01/19 being a Charge in favour of Centro Mortgage Inc.;
31. Instrument No. HR1330357 registered 2016/01/19 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
32. Instrument No. HR1332414 registered 2016/01/27 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
33. Instrument No. HR1339335 registered 2016/02/26 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

34. Instrument No. HR1347052 registered 2016/04/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
35. Instrument No. HR1362983 registered 2016/06/07 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
36. Instrument No. HR1370750 registered 2016/07/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
37. Instrument No. HR1373318 registered 2016/07/12 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
38. Instrument No. HR1389471 registered 2016/09/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
39. Instrument No. HR1391261 registered 2016/09/08 being a Transfer of Charge in favour of in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
40. Instrument No. HR1400743 registered 2016/10/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
41. Instrument No. HR1407583 registered 2016/11/03 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
42. Instrument No. HR1418030 registered 2016/12/14 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
43. Instrument No. HR1422709 registered 2017/01/06 being a being a Notice in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
44. Instrument No. HR1423523 registered 2017/01/11 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
45. Instrument No. HR1424377 registered 2017/01/13 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
46. Instrument No. HR1430681 registered 2017/02/07 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
47. Instrument No. HR1435135 registered 2017/02/27 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
48. Instrument No. HR1441600 registered 2017/03/23 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
49. Instrument No. HR1447439 registered 2017/04/19 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
50. Instrument No. HR1451684 registered 2017/05/03 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
51. Instrument No. HR1460232 registered 2017/06/05 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
52. Instrument No. HR1462808 registered 2017/06/14 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

53. Instrument No. HR1465025 registered 2017/06/21 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
54. Instrument No. HR1473710 registered 2017/07/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
55. Instrument No. HR1480945 registered 2017/08/15 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
56. Instrument No. HR1494814 registered 2017/10/04 being a Charge in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
57. Instrument No. HR1494815 registered 2017/10/04 being an Assignment in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
58. Instrument No. HR1494818 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
59. Instrument No. HR1494819 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
60. Instrument No. HR1494821 registered 2017/10/04 being Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
61. Instrument No. HR1513969 registered 2017/12/20 being a Charge in favour of Building & Development Mortgages Canada Inc.;
62. Instrument No. HR1513970 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
63. Instrument No. HR1513971 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
64. Instrument No. HR1513981 registered 2017/12/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
65. Instrument No. HR1516316 registered 2018/01/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company of Canada;
66. Instrument No. HR1517505 registered 2018/01/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
67. Instrument No. HR1520739 registered 2018/01/25 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
68. Instrument No. HR1522156 registered 2018/01/31 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada.

SCHEDULE "C4"

**INSTRUMENTS/ENCUMBRANCES TO BE DELETED
FROM PIN 25035-0272 (LT)**

1. Instrument No. HR1071229 registered 2012/12/14 being a Charge in favour of Harbouredge Mortgage Investment Corporation;
2. Instrument No. HR1071238 registered 2012/12/14 being an Assignment in favour of Harbouredge Mortgage Investment Corporation;
3. Instrument No. HR1077542 registered 2013/01/22 being a Charge in favour of Derek Sorrenti;
4. Instrument No. HR1077554 registered 2013/01/22 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
5. Instrument No. HR1080390 registered 2013/02/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
6. Instrument No. HR1084273 registered 2013/02/28 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
7. Instrument No. HR1091133 registered 2013/04/02 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
8. Instrument No. HR1103585 registered 2013/05/30 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
9. Instrument No. HR1103659 registered 2013/05/30 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
10. Instrument No. HR1154301 registered 2013/12/16 being a Notice in favour of the Derek Sorrenti and Olympia Trust Company;
11. Instrument No. HR1154398 registered 2013/12/16 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
12. Instrument No. HR1158774 registered 2014/01/14 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
13. Instrument No. HR1163007 registered 2014/02/03 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
14. Instrument No. HR1164749 registered 2014/02/13 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
15. Instrument No. HR1169883 registered 2014/03/17 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
16. Instrument No. HR1174819 registered 2014/04/14 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
17. Instrument No. HR1177780 registered 2014/04/29 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;

18. Instrument No. HR1192493 registered 2014/06/27 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
19. Instrument No. HR1208704 registered 2014/08/27 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
20. Instrument No. HR1211249 registered 2014/09/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
21. Instrument No. HR1212577 registered 2014/09/11 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
22. Instrument No. HR1223688 registered 2014/10/29 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
23. Instrument No. HR1224153 registered 2014/10/30 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
24. Instrument No. HR1224406 registered 2014/10/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
25. Instrument No. HR1241411 registered 2015/01/15 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
26. Instrument No. HR1255254 registered 2015/03/25 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
27. Instrument No. HR1271200 registered 2015/06/04 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
28. Instrument No. HR1280481 registered 2015/07/09 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
29. Instrument No. HR1287375 registered 2015/07/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
30. Instrument No. HR1330352 registered 2016/01/19 being a Charge in favour of Centro Mortgage Inc.;
31. Instrument No. HR1330357 registered 2016/01/19 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
32. Instrument No. HR1332414 registered 2016/01/27 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
33. Instrument No. HR1339335 registered 2016/02/26 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
34. Instrument No. HR1347052 registered 2016/04/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
35. Instrument No. HR1362983 registered 2016/06/07 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
36. Instrument No. HR1370750 registered 2016/07/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

37. Instrument No. HR1373318 registered 2016/07/12 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
38. Instrument No. HR1389471 registered 2016/09/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
39. Instrument No. HR1391261 registered 2016/09/08 being a Transfer of Charge in favour of in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
40. Instrument No. HR1400743 registered 2016/10/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
41. Instrument No. HR1407583 registered 2016/11/03 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
42. Instrument No. HR1418030 registered 2016/12/14 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
43. Instrument No. HR1422709 registered 2017/01/06 being a being a Notice in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
44. Instrument No. HR1423523 registered 2017/01/11 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
45. Instrument No. HR1424377 registered 2017/01/13 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
46. Instrument No. HR1430681 registered 2017/02/07 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
47. Instrument No. HR1435135 registered 2017/02/27 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
48. Instrument No. HR1441600 registered 2017/03/23 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
49. Instrument No. HR1447439 registered 2017/04/19 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
50. Instrument No. HR1451684 registered 2017/05/03 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
51. Instrument No. HR1460232 registered 2017/06/05 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
52. Instrument No. HR1462808 registered 2017/06/14 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
53. Instrument No. HR1465025 registered 2017/06/21 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
54. Instrument No. HR1473710 registered 2017/07/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
55. Instrument No. HR1480945 registered 2017/08/15 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

56. Instrument No. HR1494814 registered 2017/10/04 being a Charge in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
57. Instrument No. HR1494815 registered 2017/10/04 being an Assignment in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
58. Instrument No. HR1494818 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
59. Instrument No. HR1494821 registered 2017/10/04 being Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
60. Instrument No. HR1513969 registered 2017/12/20 being a Charge in favour of Building & Development Mortgages Canada Inc.;
61. Instrument No. HR1513970 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
62. Instrument No. HR1513971 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
63. Instrument No. HR1513981 registered 2017/12/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
64. Instrument No. HR1516316 registered 2018/01/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company of Canada;
65. Instrument No. HR1517505 registered 2018/01/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
66. Instrument No. HR1520739 registered 2018/01/25 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
67. Instrument No. HR1522156 registered 2018/01/31 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada.

SCHEDULE "C5"

**INSTRUMENTS/ENCUMBRANCES TO BE DELETED
FROM PIN 25039-0465 (LT)**

1. Instrument No. HR1071229 registered 2012/12/14 being a Charge in favour of Harbouredge Mortgage Investment Corporation;
2. Instrument No. HR1071238 registered 2012/12/14 being an Assignment in favour of Harbouredge Mortgage Investment Corporation;
3. Instrument No. HR1077542 registered 2013/01/22 being a Charge in favour of Derek Sorrenti;
4. Instrument No. HR1077554 registered 2013/01/22 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
5. Instrument No. HR1080390 registered 2013/02/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
6. Instrument No. HR1084273 registered 2013/02/28 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
7. Instrument No. HR1091133 registered 2013/04/02 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
8. Instrument No. HR1103585 registered 2013/05/30 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
9. Instrument No. HR1103659 registered 2013/05/30 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
10. Instrument No. HR1154301 registered 2013/12/16 being a Notice in favour of the Derek Sorrenti and Olympia Trust Company;
11. Instrument No. HR1154398 registered 2013/12/16 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
12. Instrument No. HR1158774 registered 2014/01/14 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
13. Instrument No. HR1163007 registered 2014/02/03 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
14. Instrument No. HR1164749 registered 2014/02/13 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
15. Instrument No. HR1169883 registered 2014/03/17 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
16. Instrument No. HR1174819 registered 2014/04/14 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;

17. Instrument No. HR1177780 registered 2014/04/29 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
18. Instrument No. HR1192493 registered 2014/06/27 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
19. Instrument No. HR1208704 registered 2014/08/27 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
20. Instrument No. HR1211249 registered 2014/09/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
21. Instrument No. HR1212577 registered 2014/09/11 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
22. Instrument No. HR1223688 registered 2014/10/29 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
23. Instrument No. HR1224153 registered 2014/10/30 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
24. Instrument No. HR1224406 registered 2014/10/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
25. Instrument No. HR1241411 registered 2015/01/15 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
26. Instrument No. HR1255254 registered 2015/03/25 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
27. Instrument No. HR1271200 registered 2015/06/04 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
28. Instrument No. HR1280481 registered 2015/07/09 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
29. Instrument No. HR1287375 registered 2015/07/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
30. Instrument No. HR1330352 registered 2016/01/19 being a Charge in favour of Centro Mortgage Inc.;
31. Instrument No. HR1330357 registered 2016/01/19 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
32. Instrument No. HR1332414 registered 2016/01/27 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
33. Instrument No. HR1339335 registered 2016/02/26 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
34. Instrument No. HR1347052 registered 2016/04/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
35. Instrument No. HR1362983 registered 2016/06/07 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

36. Instrument No. HR1370750 registered 2016/07/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
37. Instrument No. HR1373318 registered 2016/07/12 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
38. Instrument No. HR1389471 registered 2016/09/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
39. Instrument No. HR1391261 registered 2016/09/08 being a Transfer of Charge in favour of in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
40. Instrument No. HR1400743 registered 2016/10/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
41. Instrument No. HR1407583 registered 2016/11/03 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
42. Instrument No. HR1418030 registered 2016/12/14 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
43. Instrument No. HR1422709 registered 2017/01/06 being a being a Notice in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
44. Instrument No. HR1423523 registered 2017/01/11 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
45. Instrument No. HR1424377 registered 2017/01/13 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
46. Instrument No. HR1430681 registered 2017/02/07 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
47. Instrument No. HR1435135 registered 2017/02/27 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
48. Instrument No. HR1441600 registered 2017/03/23 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
49. Instrument No. HR1447439 registered 2017/04/19 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
50. Instrument No. HR1451684 registered 2017/05/03 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
51. Instrument No. HR1460232 registered 2017/06/05 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
52. Instrument No. HR1462808 registered 2017/06/14 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
53. Instrument No. HR1465025 registered 2017/06/21 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
54. Instrument No. HR1473710 registered 2017/07/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

55. Instrument No. HR1480945 registered 2017/08/15 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
56. Instrument No. HR1494814 registered 2017/10/04 being a Charge in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
57. Instrument No. HR1494815 registered 2017/10/04 being an Assignment in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
58. Instrument No. HR1494818 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
59. Instrument No. HR1494821 registered 2017/10/04 being Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
60. Instrument No. HR1513969 registered 2017/12/20 being a Charge in favour of Building & Development Mortgages Canada Inc.;
61. Instrument No. HR1513970 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
62. Instrument No. HR1513971 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
63. Instrument No. HR1513981 registered 2017/12/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
64. Instrument No. HR1516316 registered 2018/01/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company of Canada;
65. Instrument No. HR1517505 registered 2018/01/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
66. Instrument No. HR1520739 registered 2018/01/25 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
67. Instrument No. HR1522156 registered 2018/01/31 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada.

SCHEDULE "C6"

**INSTRUMENTS/ENCUMBRANCES TO BE DELETED
FROM PIN 25039-0185 (LT)**

1. Instrument No. HR1071229 registered 2012/12/14 being a Charge in favour of Harbouredge Mortgage Investment Corporation;
2. Instrument No. HR1071238 registered 2012/12/14 being an Assignment in favour of Harbouredge Mortgage Investment Corporation;
3. Instrument No. HR1077542 registered 2013/01/22 being a Charge in favour of Derek Sorrenti;
4. Instrument No. HR1077554 registered 2013/01/22 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
5. Instrument No. HR1080390 registered 2013/02/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
6. Instrument No. HR1084273 registered 2013/02/28 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
7. Instrument No. HR1091133 registered 2013/04/02 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
8. Instrument No. HR1103585 registered 2013/05/30 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
9. Instrument No. HR1103659 registered 2013/05/30 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
10. Instrument No. HR1154301 registered 2013/12/16 being a Notice in favour of the Derek Sorrenti and Olympia Trust Company;
11. Instrument No. HR1154398 registered 2013/12/16 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
12. Instrument No. HR1158774 registered 2014/01/14 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
13. Instrument No. HR1163007 registered 2014/02/03 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
14. Instrument No. HR1164749 registered 2014/02/13 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
15. Instrument No. HR1169883 registered 2014/03/17 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;

16. Instrument No. HR1174819 registered 2014/04/14 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
17. Instrument No. HR1177780 registered 2014/04/29 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
18. Instrument No. HR1192493 registered 2014/06/27 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
19. Instrument No. HR1208704 registered 2014/08/27 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
20. Instrument No. HR1211249 registered 2014/09/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
21. Instrument No. HR1212577 registered 2014/09/11 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
22. Instrument No. HR1223688 registered 2014/10/29 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
23. Instrument No. HR1224153 registered 2014/10/30 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
24. Instrument No. HR1224406 registered 2014/10/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
25. Instrument No. HR1241411 registered 2015/01/15 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
26. Instrument No. HR1255254 registered 2015/03/25 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
27. Instrument No. HR1271200 registered 2015/06/04 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
28. Instrument No. HR1280481 registered 2015/07/09 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
29. Instrument No. HR1287375 registered 2015/07/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
30. Instrument No. HR1330352 registered 2016/01/19 being a Charge in favour of Centro Mortgage Inc.;
31. Instrument No. HR1330357 registered 2016/01/19 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
32. Instrument No. HR1332414 registered 2016/01/27 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
33. Instrument No. HR1339335 registered 2016/02/26 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
34. Instrument No. HR1347052 registered 2016/04/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

35. Instrument No. HR1362983 registered 2016/06/07 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
36. Instrument No. HR1370750 registered 2016/07/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
37. Instrument No. HR1373318 registered 2016/07/12 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
38. Instrument No. HR1389471 registered 2016/09/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
39. Instrument No. HR1391261 registered 2016/09/08 being a Transfer of Charge in favour of in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
40. Instrument No. HR1400743 registered 2016/10/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
41. Instrument No. HR1407583 registered 2016/11/03 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
42. Instrument No. HR1418030 registered 2016/12/14 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
43. Instrument No. HR1422709 registered 2017/01/06 being a being a Notice in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
44. Instrument No. HR1423523 registered 2017/01/11 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
45. Instrument No. HR1424377 registered 2017/01/13 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
46. Instrument No. HR1430681 registered 2017/02/07 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
47. Instrument No. HR1435135 registered 2017/02/27 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
48. Instrument No. HR1494818 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
49. Instrument No. HR1494819 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
50. Instrument No. HR1494821 registered 2017/10/04 being Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
51. Instrument No. HR1513969 registered 2017/12/20 being a Charge in favour of Building & Development Mortgages Canada Inc.;
52. Instrument No. HR1513970 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
53. Instrument No. HR1513971 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;

54. Instrument No. HR1513981 registered 2017/12/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
55. Instrument No. HR1516316 registered 2018/01/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company of Canada;
56. Instrument No. HR1517505 registered 2018/01/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
57. Instrument No. HR1520739 registered 2018/01/25 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
58. Instrument No. HR1522156 registered 2018/01/31 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada.

SCHEDULE "D1"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN
ON PIN 25035-0005 (LT)**

1. Instrument No. 251421 registered 1968/07/17 being a Bylaw;
2. Instrument No. HR978176 registered 2011/11/24 being a APL of Surv-Land in favour of Evelyn Allen;
3. Instrument No. HR978231 registered 2011/11/24 being a Transfer in favour of 2301132 Ontario Inc.

SCHEDULE "D2"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN
ON PIN 25035-0006 (LT)**

1. Instrument No. 251421 registered 1968/07/17 being a Bylaw;
2. Instrument No. HR1448578 registered 2017/04/21 being a Transfer in favour of 2309840 Ontario Inc.

SCHEDULE "D3"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN
ON PIN 25035-0008 (LT)**

1. Instrument No. 251421 registered 1968/07/17 being a Bylaw;
2. Instrument No. HR1077398 registered 2013/01/21 being a Transfer in favour of 2309840 Ontario Inc.

SCHEDULE "D4"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN
ON PIN 25035-0272 (LT)**

1. Instrument No. 251421 registered 1968/07/17 being a Bylaw;
2. Instrument No. 20R7368 registered 1986/01/17 being a Plan Reference;
3. Instrument No. 20R14446 registered 2001/12/17 being a Plan Reference;
4. Instrument No. HR557167 registered 2007/04/04 being a APL Consolidate;
5. Instrument No. HR1050603 registered 2012/09/14 being a Transfer in favour of 2301132 Ontario Inc.

SCHEDULE "D5"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN
ON PIN 25039-0465 (LT)**

1. Instrument No. HR1071054 registered 2012/12/14 being a Transfer in favour of 2309840 Ontario Inc.

SCHEDULE "D6"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN
ON PIN 25039-0185 (LT)**

2. Instrument No. 20R2842 registered 1976/10/22 being a Plan Reference;
3. Instrument No. 20R8477 registered 1988/01/07 being a Plan Reference;
4. Instrument No. HR1071054 registered 2012/12/14 being a Transfer in favour of 2309840 Ontario Inc.

SCHEDULE E
FORM OF APPROVAL AND VESTING ORDER

TORONTO 50364-25 1480850v8

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE) **•, THE •**
)
JUSTICE) **DAY OF DECEMBER, 2018**

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A
PROPOSAL OF 2301132 ONTARIO INC. AND 2309840 ONTARIO INC.,
OF THE CITY OF PORT PERRY, IN THE PROVINCE OF ONTARIO

APPROVAL AND VESTING ORDER

THIS MOTION, made by 2301132 Ontario Inc. and 2309840 Ontario Inc (together, the “**Debtor Companies**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Debtor Companies and E. Manson Investments Limited (the “**Purchaser**”) dated October XX, 2018 and appended as Confidential Appendix “1” to the Third Report of KSV Kofman Inc., the Debtor Companies’ trustee under their Notices of Intention to Make a Proposal (“**KSV**” or the “**Proposal Trustee**”) dated November XX, 2018 (the “**Third Report**”) and vesting in the Purchaser the Debtor Companies’ right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report and on hearing the submissions of counsel for the Debtor Companies, counsel for the Proposal Trustee, and those other parties listed on the counsel slip, no one else appearing for any other person although duly served as appears from the affidavit of service of ● sworn ●, 2018, filed.

1. **THIS COURT ORDERS** that the time for service of the Debtor Companies' Notice of Motion and Motion Record in respect of this motion be and it is hereby abridged and that the motion is properly returnable today and that the service of the Notice of Motion and Motion Record herein as effected by the Debtor Companies is hereby validated in all respects and this Court hereby dispenses with further service thereof.

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by each of the Debtor Companies is hereby authorized and approved, with such minor amendments as the Debtor Companies with the prior approval of the Proposal Trustee may deem necessary. The Debtor Companies are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Trustee's Certificate**") all of the Debtor Companies' right, title and interest in and to the Purchased Assets described in the Sale Agreement, including without limitation the real properties listed on Schedules "**B1**", "**B2**", "**B3**", "**B4**", "**B5**" and "**B6**" hereto, shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Wilton-Siegel dated September 20, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those claims listed on Schedules "**C1**", "**C2**", "**C3**", "**C4**", "**C5**" and "**C6**" hereto

(all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedules “**D1**”, “**D2**”, “**D3**”, “**D4**”, “**D5**” and “**D6**” hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Halton Hills of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedules “**B1**”, “**B2**”, “**B3**”, “**B4**”, “**B5**” and “**B6**” hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedules “**C1**”, “**C2**”, “**C3**”, “**C4**”, “**C5**” and “**C6**” hereto.

5. **THIS COURT ORDERS** that the Debtor Companies and/or the Proposal Trustee be and are hereby authorized to pay (either directly or by payment direction addressed to the Purchaser on Closing) from the proceeds of the Transaction, (i) the amounts owing by the Debtor Companies to the mortgagees under the first-ranking mortgages listed in Schedules “**C1**”, “**C2**”, “**C3**”, “**C4**”, “**C5**” and “**C6**” hereto (the “**First Mortgages**”); (ii) all outstanding property taxes payable in respect of the Purchased Assets up to the closing date of the Transaction (“**Property Taxes**”); and (iii) all outstanding professional fees and disbursements secured by the administration charge set out in paragraph 7 of the Order of the Honourable Mr. Justice Wilton-Siegel dated September 20, 2018 (the “**Administration Charge**”).

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims other than the First Mortgages and Property Taxes, the net proceeds after the payment of the amounts set out in paragraph 5 above, from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Proposal Trustee’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Trustee's Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *BIA* in respect of the Debtor Companies and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy or deemed assignment in bankruptcy made in respect of the Debtor Companies;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor Companies and shall not be void or voidable by creditors of the Debtor Companies, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *BIA* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT ORDERS** that the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

10. **THIS COURT ORDERS** that Confidential Appendix 1 of the Third Report be kept confidential and under seal until the earlier of (a) closing of the Transaction; or (b) further Order of this Court.

11. **THIS COURT ORDERS** that the Third Report of KSV and the activities of KSV described therein are hereby approved.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, or elsewhere to give effect to this Order and to assist the Debtor Companies, the Proposal Trustee and their respective agents in

carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Debtor Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that each of the Proposal Trustee and the Debtor Companies shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

SCHEDULE A

FORM OF TRUSTEE'S CERTIFICATE

Court File No.: 31-2413442/Estate File No.: 31-2413442

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A
PROPOSAL OF 2301132 ONTARIO INC. AND 2309840 ONTARIO INC.,
OF THE CITY OF PORT PERRY, IN THE PROVINCE OF ONTARIO**

PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

A. On August 24, 2018 2301132 Ontario Inc. and 2309840 Ontario Inc. (together the "**Debtor Companies**") each filed a Notice of Intention to Make a Proposal ("**NOIs**") under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") naming KSV Kofman Inc. as trustee under the NOIs (in that capacity, the "**Proposal Trustee**").

B. Pursuant to an Order of the Court dated December XX 2018, the Court approved the agreement of purchase and sale made as of October XX, 2018 (the "**Sale Agreement**") between the Debtor Companies and E. Manson Developments Limited (the "**Purchaser**"), and provided for the vesting in the Purchaser of the Debtor Companies' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Debtor

Companies and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Debtor Companies and the Proposal Trustee.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Debtor Companies have received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement.
2. The conditions to Closing as set out in Article 3 of the Sale Agreement have been satisfied or waived by the Debtor Companies and the Purchaser.
3. The Transaction has been completed to the satisfaction of the Debtor Companies and the Proposal Trustee.
4. This Certificate was delivered by the Proposal Trustee at _____ on • _____, 2018.

KSV KOFMAN INC., in its capacity as
Proposal Trustee in respect of 2301132 Ontario
Inc. and 2309840 Ontario Inc.

Per: _____
Name:
Title:

SCHEDULE "B1"

LEGAL DESCRIPTION OF REAL PROPERTY

PART LOT 20, CONCESSION 8 ESQUESING, AS IN INSTRUMENT NO. 111485; HALTON HILLS/ESQUESING, BEING ALL OF PIN 250035-0005 (LT)

Municipally described as: 8 Lindsay Court, Georgetown, Ontario

SCHEDULE "B2"

LEGAL DESCRIPTION OF REAL PROPERTY

PART LOT 20, CONCESSION 8 ESQUESING, AS IN INSTRUMENT NO. 686906; HALTON HILLS/ESQUESING, BEING ALL OF PIN 250035-0006 (LT)

Municipally described as: 10 Lindsay Court, Georgetown, Ontario

SCHEDULE "B3"

LEGAL DESCRIPTION OF REAL PROPERTY

PART LOT 20, CONCESSION 8 ESQUESING, AS IN INSTRUMENT NO. 807363; HALTON HILLS/ESQUESING, BEING ALL OF PIN 250035-0008 (LT)

Municipally described as: 13758 Highway 7, Georgetown, Ontario

SCHEDULE "B4"

LEGAL DESCRIPTION OF REAL PROPERTY

CONSOLIDATION OF VARIOUS PROPERTIES: PART LOT 20, CONCESSION 8
ESQUESING, 20R7368 AND AS IN INSTRUMENT NO. 391973; HALTON
HILLS/ESQUESING, BEING ALL OF PIN 250035-0272 (LT)

Municipally described as: 13764 Highway 7, Georgetown, Ontario

SCHEDULE "B5"

LEGAL DESCRIPTION OF REAL PROPERTY

PART LOT 19, CONCESSION 9 ESQUESING, AS IN INSTRUMENT NO. 837455; HALTON HILLS/ESQUESING, BEING ALL OF PIN 25039-0465 (LT)

Municipally described as: 22 Dayfoot Drive, Georgetown, Ontario

SCHEDULE "B6"

LEGAL DESCRIPTION OF REAL PROPERTY

PART LOT 17, PLAN 341; PART LOT 19, CONCESSION 9 ESQUESING, PARTS 1 & 2 AS IN INSTRUMENT NO. 20R8477; PART LOT 17, PLAN 341, PART 1 AS IN INSTRUMENT NO. 20R2842; TOWN OF HALTON HILLS/ESQUESING, BEING ALL OF PIN 25039-0185 (LT)

Municipally described as: 24 Dayfoot Drive, Georgetown, Ontario

SCHEDULE "C1"

**INSTRUMENTS/ENCUMBRANCES TO BE DELETED
FROM PIN 25035-0005 (LT)**

1. Instrument No. HR985367 registered 2011/12/23 being a Charge in favour of Home Trust Company;
2. Instrument No. HR1077542 registered 2013/01/22 being a Charge in favour of Derek Sorrenti;
3. Instrument No. HR1077554 registered 2013/01/22 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
4. Instrument No. HR1080390 registered 2013/02/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
5. Instrument No. HR1084273 registered 2013/02/28 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
6. Instrument No. HR1091133 registered 2013/04/02 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
7. Instrument No. HR1103585 registered 2013/05/30 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
8. Instrument No. HR1103659 registered 2013/05/30 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
9. Instrument No. HR1154301 registered 2013/12/16 being a Notice in favour of the Derek Sorrenti and Olympia Trust Company;
10. Instrument No. HR1154398 registered 2013/12/16 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
11. Instrument No. HR1158774 registered 2014/01/14 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
12. Instrument No. HR1163007 registered 2014/02/03 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
13. Instrument No. HR1164749 registered 2014/02/13 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
14. Instrument No. HR1169883 registered 2014/03/17 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
15. Instrument No. HR1174819 registered 2014/04/14 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
16. Instrument No. HR1177780 registered 2014/04/29 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;

17. Instrument No. HR1192493 registered 2014/06/27 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
18. Instrument No. HR1208704 registered 2014/08/27 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
19. Instrument No. HR1211249 registered 2014/09/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
20. Instrument No. HR1212577 registered 2014/09/11 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
21. Instrument No. HR1223688 registered 2014/10/29 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
22. Instrument No. HR1224153 registered 2014/10/30 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
23. Instrument No. HR1224406 registered 2014/10/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
24. Instrument No. HR1241411 registered 2015/01/15 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
25. Instrument No. HR1255254 registered 2015/03/25 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
26. Instrument No. HR1271200 registered 2015/06/04 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
27. Instrument No. HR1280481 registered 2015/07/09 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
28. Instrument No. HR1287375 registered 2015/07/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
29. Instrument No. HR1330352 registered 2016/01/19 being a Charge in favour of Centro Mortgage Inc.;
30. Instrument No. HR1330357 registered 2016/01/19 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
31. Instrument No. HR1332414 registered 2016/01/27 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
32. Instrument No. HR1339335 registered 2016/02/26 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
33. Instrument No. HR1347052 registered 2016/04/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
34. Instrument No. HR1362983 registered 2016/06/07 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
35. Instrument No. HR1370750 registered 2016/07/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

36. Instrument No. HR1373318 registered 2016/07/12 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
37. Instrument No. HR1389471 registered 2016/09/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
38. Instrument No. HR1391261 registered 2016/09/08 being a Transfer of Charge in favour of in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
39. Instrument No. HR1400743 registered 2016/10/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
40. Instrument No. HR1407583 registered 2016/11/03 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
41. Instrument No. HR1418030 registered 2016/12/14 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
42. Instrument No. HR1422709 registered 2017/01/06 being a being a Notice in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
43. Instrument No. HR1423523 registered 2017/01/11 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
44. Instrument No. HR1424377 registered 2017/01/13 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
45. Instrument No. HR1430681 registered 2017/02/07 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
46. Instrument No. HR1435135 registered 2017/02/27 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
47. Instrument No. HR1441600 registered 2017/03/23 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
48. Instrument No. HR1447439 registered 2017/04/19 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
49. Instrument No. HR1451684 registered 2017/05/03 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
50. Instrument No. HR1460232 registered 2017/06/05 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
51. Instrument No. HR1462808 registered 2017/06/14 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
52. Instrument No. HR1465025 registered 2017/06/21 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
53. Instrument No. HR1473710 registered 2017/07/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
54. Instrument No. HR1480945 registered 2017/08/15 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

55. Instrument No. HR1494814 registered 2017/10/04 being a Charge in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
56. Instrument No. HR1494815 registered 2017/10/04 being an Assignment in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
57. Instrument No. HR1513969 registered 2017/12/20 being a Charge in favour of Building & Development Mortgages Canada Inc.;
58. Instrument No. HR1513970 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
59. Instrument No. HR1513971 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
60. Instrument No. HR1513981 registered 2017/12/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
61. Instrument No. HR1516316 registered 2018/01/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company of Canada;
62. Instrument No. HR1517505 registered 2018/01/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
63. Instrument No. HR1520739 registered 2018/01/25 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
64. Instrument No. HR1522156 registered 2018/01/31 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
65. Instrument No. HR1556834 registered 2018/07/17 being a Transfer of Charge in favour of 2413349 Ontario Inc.

SCHEDULE "C2"

**INSTRUMENTS/ENCUMBRANCES TO BE DELETED
FROM PIN 25035-0006 (LT)**

1. Instrument No. 856508 registered 1996/11/06 being an Agreement;
2. Instrument No. HR1384990 registered 2016/08/18 being a Charge in favour of 903287 Ontario Limited;
3. Instrument No. HR1434674 registered 2017/02/23 being a Transfer of Charge in favour of Stasis Group Inc. and 2561388 Ontario Inc.;
4. Instrument No. HR1448595 registered 2017/04/21 being a Notice in favour of 2309840 Ontario Inc.;
5. Instrument No. HR1471381 registered 2017/07/12 being a Charge in favour of Brian Tilley;
6. Instrument No. HR1494814 registered 2017/10/04 being a Charge in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
7. Instrument No. HR1494815 registered 2017/10/04 being an Assignment in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
8. Instrument No. HR1494820 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
9. Instrument No. HR1513969 registered 2017/12/20 being a Charge in favour of Building & Development Mortgages Canada Inc.;
10. Instrument No. HR1513972 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
11. Instrument No. HR1513981 registered 2017/12/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
12. Instrument No. HR1517505 registered 2018/01/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
13. Instrument No. HR1520739 registered 2018/01/25 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
14. Instrument No. HR1522156 registered 2018/01/31 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada.

SCHEDULE "C3"

**INSTRUMENTS/ENCUMBRANCES TO BE DELETED
FROM PIN 25035-0008 (LT)**

1. Instrument No. HR923507 registered 2011/04/28 being a Charge in favour of Home Trust Company;
2. Instrument No. HR1077542 registered 2013/01/22 being a Charge in favour of Derek Sorrenti;
3. Instrument No. HR1077554 registered 2013/01/22 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
4. Instrument No. HR1078260 registered 2013/01/25 being a Notice in favour of Brian Tilley
5. Instrument No. HR1080390 registered 2013/02/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
6. Instrument No. HR1084273 registered 2013/02/28 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
7. Instrument No. HR1091133 registered 2013/04/02 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
8. Instrument No. HR1103585 registered 2013/05/30 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
9. Instrument No. HR1103659 registered 2013/05/30 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
10. Instrument No. HR1154301 registered 2013/12/16 being a Notice in favour of the Derek Sorrenti and Olympia Trust Company;
11. Instrument No. HR1154398 registered 2013/12/16 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
12. Instrument No. HR1158774 registered 2014/01/14 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
13. Instrument No. HR1163007 registered 2014/02/03 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
14. Instrument No. HR1164749 registered 2014/02/13 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
15. Instrument No. HR1169883 registered 2014/03/17 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
16. Instrument No. HR1174819 registered 2014/04/14 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;

17. Instrument No. HR1177780 registered 2014/04/29 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
18. Instrument No. HR1192493 registered 2014/06/27 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
19. Instrument No. HR1208704 registered 2014/08/27 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
20. Instrument No. HR1211249 registered 2014/09/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
21. Instrument No. HR1212577 registered 2014/09/11 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
22. Instrument No. HR1223688 registered 2014/10/29 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
23. Instrument No. HR1224153 registered 2014/10/30 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
24. Instrument No. HR1224406 registered 2014/10/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
25. Instrument No. HR1241411 registered 2015/01/15 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
26. Instrument No. HR1255254 registered 2015/03/25 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
27. Instrument No. HR1271200 registered 2015/06/04 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
28. Instrument No. HR1280481 registered 2015/07/09 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
29. Instrument No. HR1287375 registered 2015/07/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
30. Instrument No. HR1330352 registered 2016/01/19 being a Charge in favour of Centro Mortgage Inc.;
31. Instrument No. HR1330357 registered 2016/01/19 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
32. Instrument No. HR1332414 registered 2016/01/27 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
33. Instrument No. HR1339335 registered 2016/02/26 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
34. Instrument No. HR1347052 registered 2016/04/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
35. Instrument No. HR1362983 registered 2016/06/07 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

36. Instrument No. HR1370750 registered 2016/07/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
37. Instrument No. HR1373318 registered 2016/07/12 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
38. Instrument No. HR1389471 registered 2016/09/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
39. Instrument No. HR1391261 registered 2016/09/08 being a Transfer of Charge in favour of in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
40. Instrument No. HR1400743 registered 2016/10/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
41. Instrument No. HR1407583 registered 2016/11/03 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
42. Instrument No. HR1418030 registered 2016/12/14 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
43. Instrument No. HR1422709 registered 2017/01/06 being a being a Notice in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
44. Instrument No. HR1423523 registered 2017/01/11 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
45. Instrument No. HR1424377 registered 2017/01/13 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
46. Instrument No. HR1430681 registered 2017/02/07 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
47. Instrument No. HR1435135 registered 2017/02/27 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
48. Instrument No. HR1441600 registered 2017/03/23 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
49. Instrument No. HR1447439 registered 2017/04/19 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
50. Instrument No. HR1451684 registered 2017/05/03 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
51. Instrument No. HR1460232 registered 2017/06/05 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
52. Instrument No. HR1462808 registered 2017/06/14 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
53. Instrument No. HR1465025 registered 2017/06/21 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
54. Instrument No. HR1473710 registered 2017/07/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

55. Instrument No. HR1480945 registered 2017/08/15 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
56. Instrument No. HR1494814 registered 2017/10/04 being a Charge in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
57. Instrument No. HR1494815 registered 2017/10/04 being an Assignment in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
58. Instrument No. HR1494818 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
59. Instrument No. HR1494819 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
60. Instrument No. HR1494821 registered 2017/10/04 being Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
61. Instrument No. HR1513969 registered 2017/12/20 being a Charge in favour of Building & Development Mortgages Canada Inc.;
62. Instrument No. HR1513970 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
63. Instrument No. HR1513971 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
64. Instrument No. HR1513981 registered 2017/12/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
65. Instrument No. HR1516316 registered 2018/01/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company of Canada;
66. Instrument No. HR1517505 registered 2018/01/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
67. Instrument No. HR1520739 registered 2018/01/25 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
68. Instrument No. HR1522156 registered 2018/01/31 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada.

SCHEDULE "C4"

**INSTRUMENTS/ENCUMBRANCES TO BE DELETED
FROM PIN 25035-0272 (LT)**

1. Instrument No. HR1071229 registered 2012/12/14 being a Charge in favour of Harbouredge Mortgage Investment Corporation;
2. Instrument No. HR1071238 registered 2012/12/14 being an Assignment in favour of Harbouredge Mortgage Investment Corporation;
3. Instrument No. HR1077542 registered 2013/01/22 being a Charge in favour of Derek Sorrenti;
4. Instrument No. HR1077554 registered 2013/01/22 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
5. Instrument No. HR1080390 registered 2013/02/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
6. Instrument No. HR1084273 registered 2013/02/28 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
7. Instrument No. HR1091133 registered 2013/04/02 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
8. Instrument No. HR1103585 registered 2013/05/30 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
9. Instrument No. HR1103659 registered 2013/05/30 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
10. Instrument No. HR1154301 registered 2013/12/16 being a Notice in favour of the Derek Sorrenti and Olympia Trust Company;
11. Instrument No. HR1154398 registered 2013/12/16 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
12. Instrument No. HR1158774 registered 2014/01/14 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
13. Instrument No. HR1163007 registered 2014/02/03 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
14. Instrument No. HR1164749 registered 2014/02/13 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
15. Instrument No. HR1169883 registered 2014/03/17 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
16. Instrument No. HR1174819 registered 2014/04/14 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
17. Instrument No. HR1177780 registered 2014/04/29 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;

18. Instrument No. HR1192493 registered 2014/06/27 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
19. Instrument No. HR1208704 registered 2014/08/27 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
20. Instrument No. HR1211249 registered 2014/09/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
21. Instrument No. HR1212577 registered 2014/09/11 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
22. Instrument No. HR1223688 registered 2014/10/29 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
23. Instrument No. HR1224153 registered 2014/10/30 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
24. Instrument No. HR1224406 registered 2014/10/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
25. Instrument No. HR1241411 registered 2015/01/15 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
26. Instrument No. HR1255254 registered 2015/03/25 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
27. Instrument No. HR1271200 registered 2015/06/04 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
28. Instrument No. HR1280481 registered 2015/07/09 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
29. Instrument No. HR1287375 registered 2015/07/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
30. Instrument No. HR1330352 registered 2016/01/19 being a Charge in favour of Centro Mortgage Inc.;
31. Instrument No. HR1330357 registered 2016/01/19 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
32. Instrument No. HR1332414 registered 2016/01/27 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
33. Instrument No. HR1339335 registered 2016/02/26 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
34. Instrument No. HR1347052 registered 2016/04/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
35. Instrument No. HR1362983 registered 2016/06/07 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
36. Instrument No. HR1370750 registered 2016/07/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

37. Instrument No. HR1373318 registered 2016/07/12 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
38. Instrument No. HR1389471 registered 2016/09/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
39. Instrument No. HR1391261 registered 2016/09/08 being a Transfer of Charge in favour of in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
40. Instrument No. HR1400743 registered 2016/10/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
41. Instrument No. HR1407583 registered 2016/11/03 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
42. Instrument No. HR1418030 registered 2016/12/14 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
43. Instrument No. HR1422709 registered 2017/01/06 being a being a Notice in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
44. Instrument No. HR1423523 registered 2017/01/11 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
45. Instrument No. HR1424377 registered 2017/01/13 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
46. Instrument No. HR1430681 registered 2017/02/07 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
47. Instrument No. HR1435135 registered 2017/02/27 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
48. Instrument No. HR1441600 registered 2017/03/23 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
49. Instrument No. HR1447439 registered 2017/04/19 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
50. Instrument No. HR1451684 registered 2017/05/03 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
51. Instrument No. HR1460232 registered 2017/06/05 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
52. Instrument No. HR1462808 registered 2017/06/14 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
53. Instrument No. HR1465025 registered 2017/06/21 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
54. Instrument No. HR1473710 registered 2017/07/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
55. Instrument No. HR1480945 registered 2017/08/15 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

56. Instrument No. HR1494814 registered 2017/10/04 being a Charge in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
57. Instrument No. HR1494815 registered 2017/10/04 being an Assignment in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
58. Instrument No. HR1494818 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
59. Instrument No. HR1494821 registered 2017/10/04 being Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
60. Instrument No. HR1513969 registered 2017/12/20 being a Charge in favour of Building & Development Mortgages Canada Inc.;
61. Instrument No. HR1513970 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
62. Instrument No. HR1513971 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
63. Instrument No. HR1513981 registered 2017/12/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
64. Instrument No. HR1516316 registered 2018/01/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company of Canada;
65. Instrument No. HR1517505 registered 2018/01/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
66. Instrument No. HR1520739 registered 2018/01/25 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
67. Instrument No. HR1522156 registered 2018/01/31 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada.

SCHEDULE "C5"

**INSTRUMENTS/ENCUMBRANCES TO BE DELETED
FROM PIN 25039-0465 (LT)**

1. Instrument No. HR1071229 registered 2012/12/14 being a Charge in favour of Harbouredge Mortgage Investment Corporation;
2. Instrument No. HR1071238 registered 2012/12/14 being an Assignment in favour of Harbouredge Mortgage Investment Corporation;
3. Instrument No. HR1077542 registered 2013/01/22 being a Charge in favour of Derek Sorrenti;
4. Instrument No. HR1077554 registered 2013/01/22 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
5. Instrument No. HR1080390 registered 2013/02/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
6. Instrument No. HR1084273 registered 2013/02/28 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
7. Instrument No. HR1091133 registered 2013/04/02 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
8. Instrument No. HR1103585 registered 2013/05/30 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
9. Instrument No. HR1103659 registered 2013/05/30 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
10. Instrument No. HR1154301 registered 2013/12/16 being a Notice in favour of the Derek Sorrenti and Olympia Trust Company;
11. Instrument No. HR1154398 registered 2013/12/16 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
12. Instrument No. HR1158774 registered 2014/01/14 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
13. Instrument No. HR1163007 registered 2014/02/03 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
14. Instrument No. HR1164749 registered 2014/02/13 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
15. Instrument No. HR1169883 registered 2014/03/17 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
16. Instrument No. HR1174819 registered 2014/04/14 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
17. Instrument No. HR1177780 registered 2014/04/29 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;

18. Instrument No. HR1192493 registered 2014/06/27 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
19. Instrument No. HR1208704 registered 2014/08/27 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
20. Instrument No. HR1211249 registered 2014/09/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
21. Instrument No. HR1212577 registered 2014/09/11 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
22. Instrument No. HR1223688 registered 2014/10/29 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
23. Instrument No. HR1224153 registered 2014/10/30 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
24. Instrument No. HR1224406 registered 2014/10/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
25. Instrument No. HR1241411 registered 2015/01/15 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
26. Instrument No. HR1255254 registered 2015/03/25 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
27. Instrument No. HR1271200 registered 2015/06/04 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
28. Instrument No. HR1280481 registered 2015/07/09 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
29. Instrument No. HR1287375 registered 2015/07/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
30. Instrument No. HR1330352 registered 2016/01/19 being a Charge in favour of Centro Mortgage Inc.;
31. Instrument No. HR1330357 registered 2016/01/19 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
32. Instrument No. HR1332414 registered 2016/01/27 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
33. Instrument No. HR1339335 registered 2016/02/26 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
34. Instrument No. HR1347052 registered 2016/04/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
35. Instrument No. HR1362983 registered 2016/06/07 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
36. Instrument No. HR1370750 registered 2016/07/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

37. Instrument No. HR1373318 registered 2016/07/12 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
38. Instrument No. HR1389471 registered 2016/09/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
39. Instrument No. HR1391261 registered 2016/09/08 being a Transfer of Charge in favour of in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
40. Instrument No. HR1400743 registered 2016/10/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
41. Instrument No. HR1407583 registered 2016/11/03 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
42. Instrument No. HR1418030 registered 2016/12/14 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
43. Instrument No. HR1422709 registered 2017/01/06 being a being a Notice in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
44. Instrument No. HR1423523 registered 2017/01/11 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
45. Instrument No. HR1424377 registered 2017/01/13 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
46. Instrument No. HR1430681 registered 2017/02/07 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
47. Instrument No. HR1435135 registered 2017/02/27 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
48. Instrument No. HR1441600 registered 2017/03/23 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
49. Instrument No. HR1447439 registered 2017/04/19 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
50. Instrument No. HR1451684 registered 2017/05/03 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
51. Instrument No. HR1460232 registered 2017/06/05 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
52. Instrument No. HR1462808 registered 2017/06/14 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
53. Instrument No. HR1465025 registered 2017/06/21 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
54. Instrument No. HR1473710 registered 2017/07/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
55. Instrument No. HR1480945 registered 2017/08/15 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

56. Instrument No. HR1494814 registered 2017/10/04 being a Charge in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
57. Instrument No. HR1494815 registered 2017/10/04 being an Assignment in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
58. Instrument No. HR1494818 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
59. Instrument No. HR1494821 registered 2017/10/04 being Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
60. Instrument No. HR1513969 registered 2017/12/20 being a Charge in favour of Building & Development Mortgages Canada Inc.;
61. Instrument No. HR1513970 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
62. Instrument No. HR1513971 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
63. Instrument No. HR1513981 registered 2017/12/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
64. Instrument No. HR1516316 registered 2018/01/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company of Canada;
65. Instrument No. HR1517505 registered 2018/01/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
66. Instrument No. HR1520739 registered 2018/01/25 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
67. Instrument No. HR1522156 registered 2018/01/31 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada.

SCHEDULE "C6"

**INSTRUMENTS/ENCUMBRANCES TO BE DELETED
FROM PIN 25039-0185 (LT)**

1. Instrument No. HR1071229 registered 2012/12/14 being a Charge in favour of Harbouredge Mortgage Investment Corporation;
2. Instrument No. HR1071238 registered 2012/12/14 being an Assignment in favour of Harbouredge Mortgage Investment Corporation;
3. Instrument No. HR1077542 registered 2013/01/22 being a Charge in favour of Derek Sorrenti;
4. Instrument No. HR1077554 registered 2013/01/22 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
5. Instrument No. HR1080390 registered 2013/02/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
6. Instrument No. HR1084273 registered 2013/02/28 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
7. Instrument No. HR1091133 registered 2013/04/02 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
8. Instrument No. HR1103585 registered 2013/05/30 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
9. Instrument No. HR1103659 registered 2013/05/30 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
10. Instrument No. HR1154301 registered 2013/12/16 being a Notice in favour of the Derek Sorrenti and Olympia Trust Company;
11. Instrument No. HR1154398 registered 2013/12/16 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
12. Instrument No. HR1158774 registered 2014/01/14 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
13. Instrument No. HR1163007 registered 2014/02/03 being a Transfer of Charge in favour of the Derek Sorrenti and Olympia Trust Company;
14. Instrument No. HR1164749 registered 2014/02/13 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
15. Instrument No. HR1169883 registered 2014/03/17 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
16. Instrument No. HR1174819 registered 2014/04/14 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;

17. Instrument No. HR1177780 registered 2014/04/29 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
18. Instrument No. HR1192493 registered 2014/06/27 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
19. Instrument No. HR1208704 registered 2014/08/27 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
20. Instrument No. HR1211249 registered 2014/09/05 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
21. Instrument No. HR1212577 registered 2014/09/11 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
22. Instrument No. HR1223688 registered 2014/10/29 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
23. Instrument No. HR1224153 registered 2014/10/30 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
24. Instrument No. HR1224406 registered 2014/10/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
25. Instrument No. HR1241411 registered 2015/01/15 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
26. Instrument No. HR1255254 registered 2015/03/25 being a Notice in favour of Derek Sorrenti and Olympia Trust Company;
27. Instrument No. HR1271200 registered 2015/06/04 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
28. Instrument No. HR1280481 registered 2015/07/09 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
29. Instrument No. HR1287375 registered 2015/07/31 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
30. Instrument No. HR1330352 registered 2016/01/19 being a Charge in favour of Centro Mortgage Inc.;
31. Instrument No. HR1330357 registered 2016/01/19 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
32. Instrument No. HR1332414 registered 2016/01/27 being a Transfer of Charge in favour of Centro Mortgage Inc. and Olympia Trust Company;
33. Instrument No. HR1339335 registered 2016/02/26 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
34. Instrument No. HR1347052 registered 2016/04/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
35. Instrument No. HR1362983 registered 2016/06/07 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;

36. Instrument No. HR1370750 registered 2016/07/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
37. Instrument No. HR1373318 registered 2016/07/12 being a Transfer of Charge in favour of Derek Sorrenti and Olympia Trust Company;
38. Instrument No. HR1389471 registered 2016/09/01 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
39. Instrument No. HR1391261 registered 2016/09/08 being a Transfer of Charge in favour of in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
40. Instrument No. HR1400743 registered 2016/10/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
41. Instrument No. HR1407583 registered 2016/11/03 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
42. Instrument No. HR1418030 registered 2016/12/14 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
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45. Instrument No. HR1424377 registered 2017/01/13 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
46. Instrument No. HR1430681 registered 2017/02/07 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
47. Instrument No. HR1435135 registered 2017/02/27 being a being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company;
48. Instrument No. HR1494818 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
49. Instrument No. HR1494819 registered 2017/10/04 being a Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
50. Instrument No. HR1494821 registered 2017/10/04 being Postponement in favour of JYR Real Capital Mortgage Investment Corp., Liang Xu and Leaping Loft Ltd.;
51. Instrument No. HR1513969 registered 2017/12/20 being a Charge in favour of Building & Development Mortgages Canada Inc.;
52. Instrument No. HR1513970 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;
53. Instrument No. HR1513971 registered 2017/12/20 being a Postponement in favour of Building & Development Mortgages Canada Inc.;

54. Instrument No. HR1513981 registered 2017/12/20 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
55. Instrument No. HR1516316 registered 2018/01/04 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Olympia Trust Company of Canada;
56. Instrument No. HR1517505 registered 2018/01/11 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
57. Instrument No. HR1520739 registered 2018/01/25 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada;
58. Instrument No. HR1522156 registered 2018/01/31 being a Transfer of Charge in favour of Building & Development Mortgages Canada Inc. and Computershare Trust Company of Canada.

SCHEDULE "D1"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN
ON PIN 25035-0005 (LT)**

1. Instrument No. 251421 registered 1968/07/17 being a Bylaw;
2. Instrument No. HR978176 registered 2011/11/24 being a APL of Surv-Land in favour of Evelyn Allen;
3. Instrument No. HR978231 registered 2011/11/24 being a Transfer in favour of 2301132 Ontario Inc.

SCHEDULE "D2"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN
ON PIN 25035-0006 (LT)**

1. Instrument No. 251421 registered 1968/07/17 being a Bylaw;
2. Instrument No. HR1448578 registered 2017/04/21 being a Transfer in favour of 2309840 Ontario Inc.

SCHEDULE "D3"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN
ON PIN 25035-0008 (LT)**

1. Instrument No. 251421 registered 1968/07/17 being a Bylaw;
2. Instrument No. HR1077398 registered 2013/01/21 being a Transfer in favour of 2309840 Ontario Inc.

SCHEDULE "D4"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN
ON PIN 25035-0272 (LT)**

1. Instrument No. 251421 registered 1968/07/17 being a Bylaw;
2. Instrument No. 20R7368 registered 1986/01/17 being a Plan Reference;
3. Instrument No. 20R14446 registered 2001/12/17 being a Plan Reference;
4. Instrument No. HR557167 registered 2007/04/04 being a APL Consolidate;
5. Instrument No. HR1050603 registered 2012/09/14 being a Transfer in favour of 2301132 Ontario Inc.

SCHEDULE "D5"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN
ON PIN 25039-0465 (LT)**

1. Instrument No. HR1071054 registered 2012/12/14 being a Transfer in favour of 2309840 Ontario Inc.

SCHEDULE "D6"

**PERMITTED INSTRUMENTS/ENCUMBRANCES TO REMAIN
ON PIN 25039-0185 (LT)**

2. Instrument No. 20R2842 registered 1976/10/22 being a Plan Reference;
3. Instrument No. 20R8477 registered 1988/01/07 being a Plan Reference;
4. Instrument No. HR1071054 registered 2012/12/14 being a Transfer in favour of 2309840 Ontario Inc.

Court File No. 31-2413442
Estate File No. 31-2413442

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF 2301132 ONTARIO INC. and 2309840 ONTARIO INC., OF THE CITY OF PORT PERRY, IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

PROCEEDINGS COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

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Lawyers for 2309840 Ontario Inc. and 2301132 Ontario Inc.

Appendix “C”



**First Report to Court of
KSV Kofman Inc. as Proposal
Trustee of 2301132 Ontario Inc. and
2309840 Ontario Inc.**

September 13, 2018

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COURT FILE NOS.: 31-2413445, 31-2413442

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
2301132 ONTARIO INC.,
OF THE CITY OF PORT PERRY,
IN THE PROVINCE OF ONTARIO

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
2309840 ONTARIO INC.,
OF THE CITY OF PORT PERRY,
IN THE PROVINCE OF ONTARIO

FIRST REPORT OF KSV KOFMAN INC. AS PROPOSAL TRUSTEE OF
2301132 ONTARIO INC. AND 2309840 ONTARIO INC.

SEPTEMBER 13, 2018

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as proposal trustee ("Proposal Trustee") in connection with Notices of Intention to Make a Proposal ("NOI") filed by 2301132 Ontario Inc. ("2301") and 2309840 Ontario Inc. ("2309", and together with 2301, the "Companies") on August 24, 2018 ("Filing Date") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("BIA").
2. The principal asset owned by 2301 is real property municipally described as 13764 Highway 7, Georgetown ("13764 Hwy 7") and 8 Lindsay Court, Georgetown ("8 Lindsay", and together with 13764 Hwy 7, the "2301 Properties").
3. The principal asset owned by 2309 is real property municipally described as 13758 Highway 7, Georgetown ("13758 Hwy 7"), 10 Lindsay Court, Georgetown ("10 Lindsay") and 22 and 24 Dayfoot Drive, Georgetown ("Dayfoot").
4. 8/10 Lindsay and 13758/13764 Hwy 7 are four of five properties that comprise one development site (the "Owned Assembly Properties"). The fifth property (the "Purchase Option Property") is owned by a third party, Credit Temple Corporation ("Credit Temple"). (Together, the Owned Assembly Properties and the Purchase Option Property are collectively referred to herein as the "Assembly". The Owned Assembly Properties and Dayfoot are collectively referred to as the "Real Property".)

5. 2491324 Ontario Inc. ("2491"), a corporation that is an affiliate of the Companies but is not part of the Companies' NOI proceedings, has entered into an Agreement of Purchase and Sale with Credit Temple to acquire the Purchase Option Property for \$4.2 million (the "Purchase Option"), with a closing date to occur within 90 days of site plan approval for the Assembly. 2491 is controlled by the individual who controls the Companies, Brian Tilley ("Mr. Tilley"). The Purchase Option requires that the option holder own all of the Real Property.
6. The principal purpose of the Companies' restructuring proceedings is to create a stabilized environment to allow the Companies to enter into a transaction for the Real Property with the benefit of the concurrent assignment of the Purchase Option to the successful party, by implementing a transaction through a "stalking horse" sale and investor solicitation process ("SISP"). The SISP is to be conducted by the Proposal Trustee. SISP approval will be the subject of a future motion in these proceedings.
7. The Companies, with the assistance and oversight of the Proposal Trustee, are finalizing the terms of an Agreement of Purchase and Sale (the "Stalking Horse APS") with Rescom Capital ("Rescom")¹ pursuant to which Rescom will offer to acquire the Real Property and take an assignment of the Purchase Option from 2491 if it is the successful bidder in the SISP. Once the terms of the Stalking Horse APS, including the stalking horse bid procedures and auction procedures forming schedules thereto, are finalized, the Companies intend to return to Court to seek approval of the Stalking Horse APS and the stalking horse bid procedures. The implementation of any asset purchase or other agreement (including the Stalking Horse APS if it is the successful bid in the SISP) relating to the Real Property will be conditional on Court approval to be sought at a later date after the SISP has been completed.
8. Although approval of the SISP will be the subject of a future Proposal Trustee's report, the Proposal Trustee believes that it is important to set the stage for the purpose of the SISP. In this regard, the SISP is intended to solicit purchase offers and refinancing proposals for the Real Property. As detailed in Confidential Appendix "1", the net proceeds of the contemplated Stalking Horse APS are more than sufficient to repay all First Mortgages (as defined below) on the Real Property, with the opportunity to generate additional value for stakeholders.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Companies;
 - b) discuss the anticipated direction of these proceedings;
 - c) report on the status of the negotiation of the Stalking Horse APS;

¹ Or an entity to be incorporated by it for the purpose of completing the transaction.

- d) report on the Companies' unconsolidated weekly cash flow projections for the period September 17, 2018 to November 11, 2018 (the "Cash Flow Forecasts");
- e) discuss the Companies' request for an extension of the stay of proceedings from September 23, 2018 to November 7, 2018;
- f) discuss the rationale for a charge in the amount of \$450,000 on the Real Property to secure the fees and disbursements of the Proposal Trustee, the Proposal Trustee's counsel, Bennett Jones LLP ("Bennett Jones"), and the Companies' counsel, DLA Piper LLP ("DLA") (the "Administration Charge");
- g) discuss the rationale for administratively consolidating the NOI proceedings of the Companies; and
- h) recommend that the Court make an order, *inter alia*:
 - sealing Confidential Appendix "1" to this Report until further order of this Court;
 - approving the Companies' request for an extension of the time to file a proposal with the Official Receiver from September 23, 2018 to November 7, 2018;
 - approving the Administration Charge; and
 - administratively consolidating the Companies' NOI proceedings.

1.2 Currency

1. All currency references in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by Mr. Tilley, the Companies' sole representative, the Companies' books and records and discussions with Mr. Tilley. The Proposal Trustee has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Proposal Trustee in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

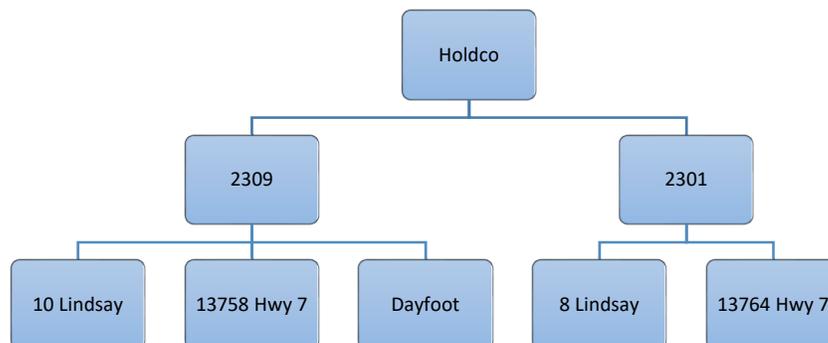
3. An examination of the Cash Flow Forecast as outlined in the *Chartered Professional Accountants Canada Handbook* has not been performed. Future oriented financial information relied upon in this Report is based upon the Company's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

2.0 Insolvency Proceedings

1. The Court materials filed in these proceedings are available on the Proposal Trustee's website at <http://ksvadvisory.com/insolvency-cases/2301132-ontario-inc-and-2309840-ontario-inc/>.

3.0 Background

1. The Companies are owned by 2399806 Ontario Inc. ("HoldCo"). Mr. Tilley is Holdco's President and sole shareholder.
2. The Companies' corporate chart is provided below.

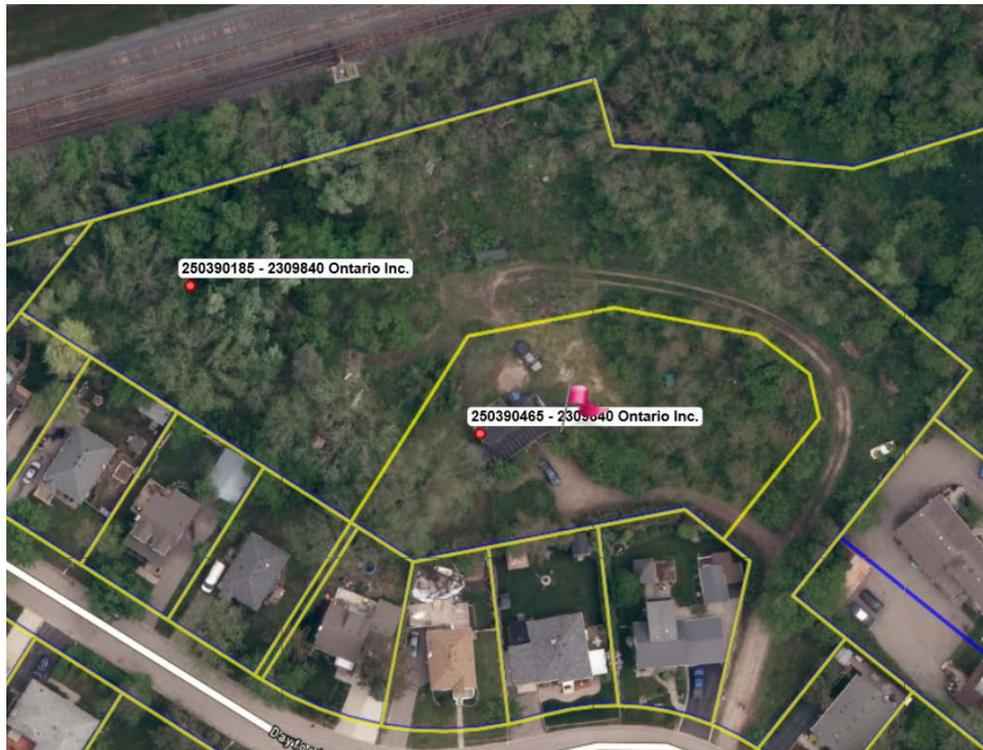


3. An aerial shot of the Assembly is provided below. As reflected in the Assembly aerial, 12 Lindsay, being the Purchase Option Property, is situated in the middle of the Owned Assembly Properties. There is a Masonic temple on this property.



4. The development plans for the Assembly contemplate construction of 109 townhomes. It can only be developed with all five Assembly properties in a single comprehensive plan. The development requires site plan approval, which the Proposal Trustee understands will not be achieved for some time. The Companies do not currently have the financial resources to take the Assembly through site plan approval. Further information concerning the development status of the Assembly is provided in Appendix "A".

- An aerial shot of Dayfoot is provided below. Dayfoot is not adjacent to the Assembly. It is a separate property with a home located on it.



- Dayfoot is currently zoned for low-density single-family homes. Mr. Tilley has advised the Proposal Trustee that it has secondary plan approval for medium density homes. The site has several development issues. An environmental study is required as the site neighbours a creek and there is a designated wood lot. The Companies do not currently have the financial resources to pursue these steps for Dayfoot.

3.1 Secured Creditors

- A summary of the first ranking mortgagees registered against each property is provided in the table below (the “First Mortgages”).

First Mortgagee	Mortgage Collateral	Original Mortgage Amount (\$)
Harbouredge Mortgage Investment Corporation (“HMIC”)	13764 Hwy 7 and Dayfoot	1,925,000
Home Trust Company (“Home Trust”)	13758 Hwy 7	412,000
2413349 and Derek Martin (“Martin/2413 ² ”)	8 Lindsay	350,000
Stasis Group Inc. and 2561388 (“Stasis”)	10 Lindsay	2,697,655

² For the purpose of this Report, the Proposal Trustee has not distinguished between the two.

2. Certain of the lenders have taken initial steps to enforce their security. In this regard,
 - a. on April 25, 2018, HMIC issued a notice of intention to enforce its security under the *Bankruptcy and Insolvency Act* (“244 Notice”) and a notice of sale under mortgage; and
 - b. on January 30, 2018, Home Trust issued a notice of sale under mortgage in respect of 8 Lindsay Court. Subsequently, as guarantor of the mortgage loan, Martin/2413, paid this mortgage out and took an assignment of it from Home Trust.
3. To the Proposal Trustee’s knowledge, neither HMIC nor Martin/2413 has commenced a sale process for the properties subject to their mortgages. The Proposal Trustee is not aware of any sale efforts undertaken by Martin/2413 and the Proposal Trustee’s counsel has been in communication with Martin/2413’s counsel during these proceedings.
4. In addition to the First Mortgages³, the Real Property has the following subsequent ranking mortgages:
 - a. JYR Real Capital Mortgage Investment Corporation (“JYR”) has a mortgage over all of the Real Property in the amount of approximately \$2,368,000. The Proposal Trustee believes that JYR’s mortgage is subordinate to the First Mortgages, and may be subordinate to some or all of the Building & Development Mortgages Canada Inc. (“BDMC”) mortgages in respect of 8 Lindsay;
 - b. BDMC has mortgages in the aggregate approximate amount of \$14,000,000 over all of the Real Property. The Proposal Trustee believes that BDMC’s mortgages are subordinate to the JYR mortgage, subject to the potential issue identified in paragraph 4(a) above.
5. Writs in the amount of \$703,649 have been issued against the 2301 Properties (the “Writs”). The Proposal Trustee believes that the Writs are subordinate to all mortgages on the Real Property pursuant to the provisions of the BIA.
6. The Proposal Trustee’s counsel, Bennett Jones, is considering the priority of each of the mortgagees’ security. The priority discussion in the preceding paragraphs is summarized in the table below. The table is being provided **for information purposes only** and remains subject to change based on Bennett Jones’ review.

Rank	13764 Hwy 7	8 Lindsay	13758 Hwy 7	10 Lindsay	Dayfoot
1	HMIC	2413	Home Trust	Stasis	HMIC
2	JYR	JYR	JYR	JYR	JYR
3	BDMC	BDMC	BDMC	BDMC	BDMC
4	Writs	Writs	-	-	-

³ All of the mortgages continue to accrue interest and costs.

7. The Proposal Trustee, Bennett Jones and/or the Companies' counsel, DLA, have been in contact with representatives of each of the mortgagees and/or their legal counsel concerning these proceedings and the intended SISP.

4.0 Assembly Development Issues

1. For the value of the Owned Assembly Properties to be maximized, they must be sold as one development site, meaning the Purchase Option has to be included in the SISP. The Purchase Option is the lynchpin to maximizing value.
2. 2491 has agreed to include the Purchase Option in the SISP to facilitate a sale of the Assembly. Mr. Tilley has personally guaranteed the Stasis mortgage on 10 Lindsay and has a business relationship with Stasis. Mr. Tilley has also personally guaranteed the Home Trust mortgage loan against 13759 Hwy 7. As a result of these financial exposures, Mr. Tilley, as the shareholder of 2491, is prepared to cause 2491 to assign the Purchase Option to the Successful Bidder for the Real Property in the SISP.
3. The Proposal Trustee retained Colliers International Valuation & Advisory Services ("Colliers") to prepare two appraisals, both of which have been prepared on an "as is" basis (the "Appraisals"). One appraisal assumes that each of the Owned Assembly Properties is sold separately, while the other assumes an *en bloc* sale of the Assembly (i.e. the four Owned Assembly Properties and the Purchase Option Property). As of the date of this Report, the final Appraisals have not been provided to the Proposal Trustee. They are expected imminently. Confidential Appendix "1" includes a discussion of the values of the Appraisals as communicated to the Proposal Trustee by Colliers. The Proposal Trustee intends to file the Appraisals with the Court on a sealed basis at the SISP approval motion.
4. The Proposal Trustee believes that it is appropriate that Confidential Appendix "1" be sealed until completion of the SISP or further order of this Court as it contains confidential information which, if made publicly available, could impair the conduct of the SISP.
5. The Appraisals reflect that the value of the Assembly, if sold *en bloc*, substantially exceeds the value of each of the individual Owned Assembly Properties if sold separately. To avoid sales of the individual properties, the Purchase Option will be included in the SISP.
6. Under the terms of the approved Assembly development, access to the Assembly is restricted to Lindsay Court. Access is not permitted from Highway 7. This further reinforces that for the development to proceed and for value to be maximized, the Assembly has to be sold *en bloc* as one development.

5.0 Cash Flow Forecast

1. Pursuant to the provisions of the BIA, the Companies are required to prepare a cash flow forecast. The main assets of the Companies are raw land. The only receipts projected by the Companies during the period September 17, 2018 to November 11, 2018 (the "Period") are rent. The only disbursements projected by the Companies during the Period are management fees. The Cash Flow Forecasts of each of the Companies, together with Management's Reports on the Cash-Flow Statements as required by Section 50.4(2)(c) of the BIA, are provided in Appendix "B".
2. Based on the Proposal Trustee's review of the Cash Flow Forecasts, there are no material assumptions which seem unreasonable in these circumstances. The Proposal Trustee's Reports on the Cash Flow Statements for each for the Companies as required by Section 50.4(2)(b) of the BIA are attached as Appendix "C".

6.0 Companies' Request for an Extension

1. The Companies are seeking an extension of the time to file a proposal with the Official Receiver from September 23, 2018 to November 7, 2018.
2. The Proposal Trustee supports the Companies' request for the following reasons:
 - a) the Companies are acting in good faith and with due diligence;
 - b) the Companies would likely be able to make a viable proposal if the extension is granted;
 - c) no creditor would be materially prejudiced if the extension is granted;
 - d) it is possible that in a bankruptcy, each mortgagee would sell the properties subject to its mortgage. A sale of any of less than the entire Assembly to a single buyer provides disproportionate leverage to that buyer vis-à-vis the remaining mortgagees;
 - e) it will allow the Proposal Trustee and the Companies to conduct the SISP, which is in the interest of maximizing value for stakeholders; and
 - f) as at the date of this Report, the Proposal Trustee is not aware of any party opposed to an extension.

7.0 Administration Charge

1. The Companies are seeking an Administration Charge in the amount of \$450,000 in respect of the fees and disbursements of the Proposal Trustee, the Proposal Trustee's legal counsel and the Companies' legal counsel. An Administration Charge is a common feature in restructuring proceedings. The Proposal Trustee is of the view that the Administration Charge is appropriate in this case because the Companies' main asset, raw land, has no liquidity. The professionals have agreed to be paid out of the sale proceeds, subject to the granting of the Administration Charge. The professionals covered by the Administration Charge require the benefit of the Administration Charge to secure payment of their fees and expenses.
2. Absent further order from the Court, the Administration Charge is to rank ahead of the mortgage held by Stasis but behind the other First Mortgages. Stasis has consented to the priority of the Administration Charge on its property.
3. Absent approval of the Administration Charge, the professionals involved in these proceedings have no guarantee of payment and are unlikely to continue to act, which would likely cause these proceedings to come to an end.

8.0 Administrative Consolidation

1. The Companies are seeking an order to consolidate the administration of Companies' NOI proceedings into one estate.
2. Each of the Companies would remain separate for the purpose of a claims process, filing a proposal or making distributions to creditors.
3. The Companies and the Proposal Trustee believe that administratively consolidating the proceedings is appropriate as:
 - a) HMIC, JYR and Fortress are secured creditors of both Companies;
 - b) the Stalking Horse APS (which is still being finalized) contemplates a transaction for the Real Property, which is owned by both Companies;
 - c) it will facilitate the orderly administration of these proceedings;
 - d) the Companies have common management; and
 - e) it will reduce costs, including by filing materials in one proceeding only.

9.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1 (1)(h) of this Report.

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Kofman Inc". The signature is written in a cursive, flowing style.

**KSV KOFMAN INC.
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICES OF INTENTION TO MAKE A PROPOSAL OF
2301132 ONTARIO INC. AND 2309840 ONTARIO INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “D”

Summary of Break Fees in Canadian Restructuring Proceedings

Company	Monitor/Trustee	Stalking Horse Price	Break Fee	Break Fee %
UBG Builders Inc.	EY/Deloitte	15,384,615	200,000	1.3%
Cygam Energy	Hardie Kelly	4,544,286	50,000	1.1%
Elementa Group Inc.	Richter	1,500,000	50,000	3.3%
Strike Minerals Inc.	Farber	4,687,500	150,000	3.2%
Manitok Energy	FTI Consulting	60,000,000	3,000,000	5.0%
Indalex Limited	FTI Consulting	151,428,571	5,300,000	3.5%
WYNIT Distribution LLC	KSV	48,076,923	500,000	1.0%
Parlay Entertainment Inc.	BDO	2,031,322	50,000	2.5%
Sembiosys Genetics	MNP	10,215,000	200,000	2.0%
Weinstein Co.	FTI Consulting	310,000,000	14,000,000	4.5%
Arxx Building Products	KSV	3,800,000	150,000	3.9%
Destinator Technologies	Richter	15,333,333	460,000	3.0%
			Average	<u>2.9%</u>