



**Second Report to Court of
KSV Restructuring Inc.
as Receiver and Manager of
Claireville Property Holdings Inc.**

May 26, 2022

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Court File No. CV-21-00672999-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

SECOND REPORT OF KSV RESTRUCTURING INC. AS RECEIVER AND MANAGER OF
CLAIREVILLE PROPERTY HOLDINGS INC.

MAY 26, 2022

1.0 Introduction

1. This report ("Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager (in such capacities, the "Receiver") of all of the assets, undertaking and property (collectively, the "Property") of Claireville Property Holdings Inc. (the "Company").
2. On July 2, 2021, the Company filed a Notice of Intention to Make a Proposal ("NOI") under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), and KSV was named the Company's Proposal Trustee (in such capacity, the "Proposal Trustee") (the "NOI Proceedings").
3. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on July 28, 2021 (the "July 28 Order"), the Court, among other things:
 - a) approved a debtor-in-possession loan facility (the "DIP Facility") in the amount of \$4.5 million from Cannect Mortgage Investment Corporation (the "DIP Lender") and granted a charge on the Property in favour of the DIP Lender for advances under the DIP Facility;
 - b) expanded the powers of the Proposal Trustee to oversee the Company's operations, including controlling receipts and disbursements; and
 - c) approved a sale and investment solicitation process ("SISP").

A copy of the July 28 Order is attached as Appendix "A".

4. Pursuant to subsequent Court orders, the Court granted extensions of the deadline to file a proposal and extended the corresponding stay of proceedings under the BIA to December 14, 2021.
5. In light of the results of the SISP, it became apparent that the Company would not be in a position to file a viable proposal prior to January 1, 2022, being the six-month anniversary of the commencement of the NOI Proceedings and the date by which the Company was required to file a proposal pursuant to the maximum deadline extensions permissible under subsection 50.4(9) of the BIA. As a result, the DIP Lender sought to terminate the NOI Proceedings and appoint KSV as Receiver. The Court granted this relief on December 14, 2021. Copies of the order terminating the NOI Proceedings and discharging the Proposal Trustee (the “NOI Termination Order”), the order appointing KSV as Receiver (the “Receivership Order”) and the associated endorsement are attached collectively as Appendix “B”.
6. As no proposal was filed, the Company was deemed to have made an assignment in bankruptcy pursuant to subsection 50.4(8) of the BIA and KSV was appointed as Licensed Insolvency Trustee (in such capacity, the “Bankruptcy Trustee”) of the Company, which appointment was affirmed at the First Meeting of Creditors convened on January 5, 2022.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company and these proceedings, including the closing of a Court-approved transaction with 200 Town Centre Court Inc. (the “Purchaser”) for substantially all of the Company’s Property (the “Transaction”);
 - b) summarize the fees and disbursements of the Proposal Trustee, the Receiver and Aird & Berlis LLP (“A&B”), legal counsel to the Proposal Trustee and the Receiver, plus an accrual of \$75,000 (the “Fee Accrual”) for fees incurred and to be incurred until the filing of the Discharge Certificate (as defined below), and seek approval of same;
 - c) set out the basis for the Receiver’s proposed use of the funds in its possession to repay the DIP Lender in full, the fees and disbursements of the Proposal Trustee, the Receiver and A&B (including the Fee Accrual) and to distribute any remaining funds from this receivership proceeding to the Bankruptcy Trustee (collectively, the “Proposed Distributions”);
 - d) recommend that the Receiver be discharged of its duties and obligations under the Receivership Order upon filing a certificate with the Court confirming that all outstanding receivership matters have been completed (the “Discharge Certificate”);
 - e) request the unsealing of Confidential Appendix “1” to the First Report of the Proposal Trustee dated July 26, 2021 (the “Sealed Appendix”); and

- f) recommend that the Court issue an order:
 - i. approving the fees and disbursements of the Receiver, the Proposal Trustee and A&B, as set out in the Fee Affidavits (as defined below) appended to this Report, and the Fee Accrual;
 - ii. authorizing and directing the Receiver to make the Proposed Distributions;
 - iii. unsealing the Sealed Appendix;
 - iv. approving this Report and the Receiver's activities detailed herein;
 - v. discharging the Receiver upon the filing of the Discharge Certificate; and
 - vi. releasing the Receiver, upon the Receiver's discharge, from any and all liability that KSV now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of KSV while acting as Receiver, save and except for its gross negligence or wilful misconduct.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Company, the Company's books and records and discussions with the Company's property manager, Prime Real Estate Group Inc. ("Prime"). The Receiver 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 Receiver expresses no opinion or other level of assurance with respect to the financial information presented in this Report or relied upon by the Receiver 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 Company's financial information presented herein shall not be considered sufficient for any purpose whatsoever.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

1.4 Court Materials

1. Court materials filed in these proceedings are available on the Receiver's website at <https://www.ksvadvisory.com/insolvency-cases/case/clairville-property-holdings-inc.>

2.0 Background

2.1 Corporate Overview

1. Prior to its bankruptcy, the Company was a privately-owned corporation incorporated in 2015. Based on a review of the corporate profile report, the sole registered director and officer of the Company was Mark Gross.

2. Mark Gross and his father, Sheldon Gross, were also the sole registered directors and officers of Gross Capital Inc. ("GCI"), which is the Company's parent and a 50% shareholder of Prime. On June 25, 2021, GCI filed an assignment in bankruptcy and KSV was appointed Licensed Insolvency Trustee (in such capacity, the "GCI Trustee") of GCI's bankrupt estate, which appointment was affirmed at GCI's first meeting of creditors on July 15, 2021. GCI's estate also owns several other real estate holding companies, certain of which are subject to separate receivership proceedings before this Court.

2.2 Leasehold Interest

1. Prior to completion of the Transaction, the Company's principal asset was its leasehold interest (the "Leasehold Interest") in 13 dual tenant industrial buildings municipally addressed as 18/20/22/24/26 Huddersfield Road, 350/354/358 Humberline Drive and 93/101/123/130/160 Claireville Drive.
2. The Company was the registered owner of the Leasehold Interest, which it held on behalf of 21 co-tenants (collectively, the "Co-Tenants"). GCI is one of the Co-Tenants, with a 7.3% beneficial interest in the Company's Co-Tenancy (the "Co-Tenancy").
3. The Leasehold Interest is subject to a 99-year ground lease with Kornwood Investments Ltd. ("Kornwood") dated September 1, 1973, which expires on or about August 31, 2072. The Leasehold Interest was sold to the Purchaser as part of the Transaction.

2.3 Investigation

1. KSV, in its capacity as GCI Trustee, is investigating the assets and pre-bankruptcy operations of GCI and several of GCI's subsidiaries and related parties (collectively, the "Gross Group"). The investigation was commenced due to, among other things, accusations made by investors of misappropriation and misuse of investor funds by Mark and Sheldon Gross and/or entities controlled by Mark and Sheldon Gross.
2. A portion of the GCI Trustee's investigation is focused on the Company. The Company was historically profitable - it most recently generated annual income of over \$1 million in 2018 and 2019; however, notwithstanding the recurring income stream, the Company was insolvent when it filed its NOI on July 2, 2021.
3. Historically, funds generated by the Leasehold Interest were advanced by the Company to other entities in the Gross Group which contributed to the Company's insolvency. In this regard, the Co-Tenancy's financial statements as at December 31, 2020 reflect an intercompany advance owing from GCI to the Company of approximately \$3.3 million.
4. The GCI Trustee's investigation of GCI is ongoing. The GCI Trustee has recently conducted examinations of certain parties pursuant to Section 163 of the BIA and further examinations are to be conducted. The GCI Trustee has been and intends to continue reporting periodically to the inspectors of GCI's estate in connection with its investigation.

2.4 DIP Financing and Expanded Powers

1. At the commencement of the NOI Proceedings, the Company's principal secured creditor was DUCA Financial Services Credit Union Ltd. ("DUCA"), which was owed approximately \$2.4 million. As a result of, among other things, DUCA learning that the Company had accrued unpaid property tax arrears of approximately \$2 million, DUCA issued demand together with a Notice of Intention to Enforce Security pursuant to Section 244 of the BIA in June 2021. The Company filed its NOI prior to the expiry of the statutory 10-day notice period in an effort to preserve value and maximize recoveries for its stakeholders.
2. In July 2021, the Company obtained a commitment letter from the DIP Lender to repay DUCA and bring the outstanding property taxes current. The July 28 Order approved the DIP Facility, which funding was received on July 30, 2021. On the following business day, the Company used the \$4.5 million available under the DIP Facility to repay DUCA and the property tax arrears.
3. To address stakeholder concerns regarding the management of the Company, the Proposal Trustee advised Mark Gross that it was only prepared to support a continuation of the NOI Proceedings if its powers were enhanced such that Mark Gross could no longer control the Company or make any executive decisions, including controlling receipts and disbursements and/or decisions concerning the SISP. Mark Gross consented to this relief. Pursuant to the July 28 Order, Mark Gross no longer had any decision-making authority or control over the Company, including the SISP and the bank accounts.

2.5 The Transaction

1. The results of the SISP and a summary of the Transaction were provided in the Receiver's First Report to Court dated March 2, 2022 (the "First Report") and the Receiver's Supplement to the First Report dated April 5, 2022 (the "First Report Supplement"). Copies of the First Report and the First Report Supplement, both without appendices, are attached collectively as Appendix "C".
2. On April 14, 2022, the Court approved the Transaction pursuant to an approval and vesting order made on that date (the "Sale Approval and Vesting Order"). The Transaction was completed on May 6, 2022. A copy of the Sale Approval and Vesting Order is attached as Appendix "D". A copy of the Receiver's Certificate (as defined in the Sale Approval and Vesting Order) is attached as Appendix "E".
3. The Receiver is not aware of there being any outstanding post-closing readjustments to the Transaction.

3.0 Assets Under Administration

1. The only known asset subject to the receivership proceeding is the cash on deposit in the receivership account. As at the date of this Report, there is approximately \$5 million in the Receiver's account.
2. Attached as Appendix "F" is an interim statement of receipts and disbursements from the commencement of these proceedings to May 25, 2022.

4.0 Proposed Distributions

1. As at the date of this Report, the amount outstanding under the DIP Facility is approximately \$4.9 million, plus interest and costs which continue to accrue.
2. Subject to Court approval, the Receiver intends to repay the DIP Facility in full in accordance with the Court-ordered charges granted pursuant to the July 28 Order and the Receivership Order (the "Court-Ordered Charges"). The status of the Court-Ordered Charges is provided in the table below.

Charge	Status
Administration Charge	All the professional fees of the Proposal Trustee and its counsel incurred during the NOI Proceedings have been paid.
DIP Lender's Charge	Principal of \$4.5 million remains outstanding under the DIP Facility. The balance of the amount owing to the DIP Lender is comprised of interest and fees payable under the Court-approved DIP Facility.
Receiver's Charge	All invoiced fees and disbursements of the Receiver and its counsel are current up to April 30, 2022. Any fees invoiced thereafter are contemplated to be paid from the Fee Accrual before any surplus funds are paid to the Bankruptcy Trustee.
Receiver's Borrowings Charge	The Receiver has not borrowed any funds over the course of the receivership proceedings.

3. The Receiver is aware of one alleged construction lien claimant, Trade Electrical Contractors Inc. ("TECI"), which purportedly had a statement of claim "issued" against the Company (and another defendant) after the commencement of the NOI Proceedings and in violation of the statutory stay of proceedings imposed by section 69(1) of the BIA (which stay was subsequently continued pursuant to the terms of the Receivership Order) (collectively, the "Stay"). A copy of the purportedly "issued" claim is attached as Appendix "G".
4. The Proposal Trustee's counsel wrote to TECI's counsel on September 3, 2021 and again on October 12, 2021, both times alerting it to the NOI Proceedings, the Stay and the restriction against commencing an action against the Company. Copies of this correspondence are attached collectively as Appendix "H".
5. The Receiver is not aware of any steps having been taken by TECI or its counsel to seek a lifting of the Stay to permit TECI's claim to be properly issued (including, without limitation, by the time the Bankruptcy Trustee was appointed).
6. The July 28 Order and the Receivership Order provide that the Court-Ordered Charges rank in priority to all security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, in favour of any person. Following payment of the proposed distribution to the DIP Lender, approximately \$100,000 will remain in the receivership account to fund any final professional fees and other sundry costs. Should there be any surplus funds, the Receiver intends to remit the balance to the Bankruptcy Trustee prior to filing its Discharge Certificate (and, for greater certainty, without making any distribution to TECI, which, for the reasons described above, cannot have a validly-perfected lien in priority to the Bankruptcy Trustee).

7. Based on the foregoing, the Receiver recommends that this Honourable Court issue an order authorizing and directing the Receiver to make the Proposed Distributions. TECI remains on the service list, and will therefore be served with the Receiver's motion record.

5.0 Receiver's Discharge

1. Prior to completing its administration of these receivership proceedings, the Receiver intends to:
 - a) make the proposed distribution to the DIP Lender to repay the DIP Facility in full;
 - b) pay any outstanding post-filing expenses, including professional fees accruing up to the date on which the Receiver files the Discharge Certificate;
 - c) prepare and file the Receiver's final report as required under Section 246 of the BIA;
 - d) distribute surplus funds, if any, to the Bankruptcy Trustee; and
 - e) deal with any sundry issues not specified above.
2. Once the Receiver has completed its activities, it will file the Discharge Certificate as its duties and responsibilities under the Receivership Order and other orders made in these proceedings will have been completed.

6.0 Professional Fees

1. The fees and disbursements (excluding HST) of the Proposal Trustee and A&B as counsel to the Proposal Trustee through to September 30, 2021 were approved pursuant to Court orders issued in the NOI Proceedings. Paragraph 7 of the NOI Termination Order provided that the Proposal Trustee may seek approval of the balance of its fees and disbursements, including those of its legal counsel, in the receivership proceeding.
2. The fees and disbursements (excluding HST) for the Proposal Trustee for the period October 1, 2021 to the termination of the NOI Proceedings on December 14, 2021 and A&B for the period September 30, 2021 to December 14, 2021 total approximately \$61,075.19 and \$48,735.15, respectively. Detailed invoices in respect of the fees and disbursements of the Proposal Trustee and A&B are provided in the fee affidavits appended as Appendices "I" and "J", respectively (the "Fee Affidavits").
3. As set out in the Fee Affidavits, the fees and disbursements (excluding HST) of the Receiver from the commencement of these receivership proceedings on December 14, 2021 to April 30, 2022 and A&B for the period December 14, 2021 to April 29, 2022 total approximately \$119,452.49 and \$79,653.88, respectively.
4. The average hourly rates for KSV and A&B for the referenced billing periods were \$535 and \$495, respectively.

5. The Receiver is requesting approval of the Fee Accrual of \$75,000 to cover further fees and disbursements of the Receiver and A&B incurred or to be incurred until the filing of the Discharge Certificate (including, without limitation, those fees and disbursements incurred in connection with the closing of the Transaction).
6. The Receiver is of the view that the hourly rates charged by A&B are consistent with the rates charged by corporate law firms practising in the area of insolvency in the Toronto market and that the fees charged are reasonable and appropriate in the circumstances.
7. The Receiver is also of the view that the Fee Accrual is reasonable and appropriate in the circumstances as it provides for the estimated fees incurred or to be incurred by the Receiver and A&B prior to the filing of the Discharge Certificate. To the extent there is any surplus remaining from the Fee Accrual following the filing of the Discharge Certificate, the Receiver will distribute those funds to the Bankruptcy Trustee.

7.0 Sealed Appendix

1. With the exception of the Sealed Appendix, all of the Confidential Appendices to the reports filed by the Proposal Trustee and the Receiver have already been unsealed pursuant to the Sale Approval and Vesting Order and the closing of the Transaction.
2. At the request of Kornwood's counsel, the Receiver is seeking to unseal the Sealed Appendix, being an appraisal prepared for the Company prior to the issuance of the July 28 Order.
3. The Receiver believes this relief is appropriate as: (a) the concern that justified the sealing of the Sealed Appendix is no longer present given that the SISP has been completed and the Transaction has closed; and (b) the request appears to be consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25.

8.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed herein.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
CLAIREVILLE PROPERTY HOLDINGS INC.
AND NOT IN ANY OTHER CAPACITY**

Appendix “A”

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

THE HONOURABLE)	WEDNESDAY, THE
)	
JUSTICE PATTILLO)	28 th DAY OF JULY, 2021

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF CLAIREVILLE PROPERTY HOLDINGS INC.
A CORPORATION INCORPORATED UNDER
THE ONTARIO *BUSINESS CORPORATIONS ACT***

ORDER

(RE: STAY EXTENSION, EXPANDED POWERS OF THE PROPOSAL TRUSTEE,
SISP, DIP LOAN, AND CHARGES)

THIS MOTION, made by Claireville Property Holdings Inc. (the “**Debtor**”) pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the “**BIA**”) to, among other things, (i) extend the time for the filing of a proposal; (ii) approve the expanded powers of KSV Restructuring Inc. in its capacity as proposal trustee of the Debtor (the “**Proposal Trustee**”), (iii) approve debtor-in-possession financing advanced by Cannect Mortgage Investment Corporation (the “**DIP Loan**”); (iv) approve certain priority charges; (v) approving a sale and investment solicitation process (“**SISP**”); and approving the First Report of the Proposal Trustee dated July 26, 2021 (the “**First Report**”) and the actions and activities of the Proposal Trustee set out therein, proceeded on this day by videoconference due to the COVID-19 crisis.

ON READING the Motion Record of the Debtor and the First Report and on hearing the submissions of counsel for the Debtor, the Proposal Trustee, and any other person listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Levi Rivers, filed and the affidavit of service of Susy Moniz, filed:

SERVICE

1. **THIS COURT ORDERS** that the service 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.

EXTENSION OF TIME TO FILE A PROPOSAL

2. **THIS COURT ORDERS** that pursuant to Section 50.4(9) of the BIA, the period for the Proposal Trustee to file, on behalf of the Debtor, a proposal to creditors under the BIA be and is hereby extended to and including August 9, 2021 (the “**Stay Period**”).

3. **THIS COURT ORDERS** that if the Proposal Trustee files with the court on or before the expiry of the Stay Period a closing certificate confirming that: (a) the DIP Loan has closed; and (b) DUCA Financial Services Credit Union Ltd. (“**DUCA**”) has been indefeasibly repaid from the proceeds of the DIP Loan, which repayment shall be no greater than the amount of \$2,291,500.00 (the “**Maximum DUCA Payout Amount**”), the Stay Period is automatically extended to September 15, 2021.

EXPANDED POWERS OF THE PROPOSAL TRUSTEE

4. **THIS COURT ORDERS** that, in addition to the powers afforded to the Proposal Trustee under the BIA prior to the granting of this Order (which powers, for greater certainty, shall continue after the granting of this Order), the Proposal Trustee is also hereby empowered and authorized, but not obligated to, act at once in respect of the property, assets and undertaking of the Debtor (the “**Property**”) and, without in any way limiting the generality of the foregoing, the Proposal Trustee is expressly empowered and authorized to do any of the following where the Proposal Trustee considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property, including, without limitation, any bank account of the Debtor and any accounts maintained with suppliers, vendors and service providers, and any and all rents, proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Proposal Trustee’s powers and duties, including without limitation those conferred by this Order;

- (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (e) to settle, extend or compromise any indebtedness owing to the Debtor;
- (f) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Proposal Trustee's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (g) to market any or all of the Property, including advertising and soliciting offers for sale or refinancing in respect of the Property and negotiating such terms and conditions of sale as the Proposal Trustee in its discretion may deem appropriate;
- (h) to conduct the SISP and steps related thereto, as set out in more detail in this Order;
- (i) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (j) to report to, meet with and discuss with such affected Persons (as defined below) as the Proposal Trustee deems appropriate on all matters relating to the Property and this proceeding, and to share information, subject to such terms of confidentiality as the Proposal Trustee deems advisable;
- (k) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (l) to exercise any co-tenancy, shareholder, partnership, joint venture or other rights which the Debtor may have in respect of the Property; and
- (m) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations

and in each case where the Proposal Trustee takes any such actions or steps, it shall be exclusively authorized and empowered to do so to the exclusion of all other Persons, including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE PROPOSAL TRUSTEE

5. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order shall forthwith advise the Proposal Trustee of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Proposal Trustee, and shall deliver all such Property to the Proposal Trustee upon the Proposal Trustee's request.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Proposal Trustee of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing collectively, the "**Records**") in that Person's possession or control, and shall provide to the Proposal Trustee or permit the Proposal Trustee to

make, retain and take away copies thereof and grant to the Proposal Trustee unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records or the granting of access to Records, which may not be disclosed or provided to the Proposal Trustee due to the privilege attaching to solicitor client communication or due to statutory provisions prohibiting such disclosure.

7. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise all Persons in possession or control of such Records shall forthwith give unfettered access to the Proposal Trustee for the purpose of allowing the Proposal Trustee to recover and full copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Proposal Trustee in its discretion deems expedient, and shall not alter, erase or destroy any records without the prior written consent of the Proposal Trustee. Further, for the purposes of this paragraph all Persons shall provide the Proposal Trustee with all such assistance in gaining immediate access to the information in the Records as the Proposal Trustee may in its discretion require including providing the Proposal Trustee with instructions on the use of any computer or other system and providing the Proposal Trustee with any and all access cords, account names and account numbers that may be required to gain access to the information.

PROPOSAL TRUSTEE TO HOLD FUNDS

8. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Proposal Trustee from and after the making of this Order

from any source whatsoever, including, without limitation, the sale of all or any of the Property pursuant to the SISP and the collection of any rent amounts or accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Proposal Trustee (the “**Proposal Trustee Accounts**”) and the monies standing to the credit of such Proposal Trustee Accounts from time to time, net of any disbursements provided for herein, shall be held by the Proposal Trustee to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

9. **THIS COURT ORDERS** that the Proposal Trustee shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Proposal Trustee may specifically agree in writing to pay, or in respect to its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

10. **THIS COURT ORDERS** the Proposal Trustee that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Proposal Trustee shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property under the SISP and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one of more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of

the Sale, and if it does not complete a Sale, shall return all such information to the Proposal Trustee, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, shall return all other personal information to the Proposal Trustee, or ensure that all other personal information is destroyed.

LIMITATIONS ON ENVIRONMENTAL LIABILITIES

11. **THIS COURT ORDERS** that nothing herein contained shall require the Proposal Trustee to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Proposal Trustee from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Proposal Trustee shall not, as a result of this Order or anything done in pursuance of the Proposal Trustee’s duties and powers under this Order, be deemed in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

ADMINISTRATION CHARGE

12. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Debtor shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed the amount of \$250,000 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 paragraph 22 hereof.

13. **THIS COURT ORDERS** that the Proposal Trustee and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Proposal Trustee and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

14. **THIS COURT ORDERS** that prior to the passing of its accounts, the Proposal Trustee shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Proposal Trustee or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

APPROVAL OF THE FIRST REPORT

15. **THIS COURT ORDERS** that the First Report and the conduct and activities of the Proposal Trustee described therein be and are hereby approved.

DIP FINANCING AND CHARGE

16. **THIS COURT ORDERS** that the Debtor is hereby authorized and empowered to obtain and borrow a DIP Loan from Cannect Mortgage Investment Corporation (the “**DIP Lender**”), and such DIP Loan shall not exceed \$4,500,000.00 unless permitted by further Order of this Court.

17. **THIS COURT ORDERS THAT** the DIP Loan shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Debtor and the DIP Lender dated as of July 23, 2021 (the “**DIP Term Sheet**”), filed.

18. **THIS COURT ORDERS** that the Debtor is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Debtor is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

19. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraph 22 hereof.

20. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon five (5) days notice to the Debtor and the Proposal Trustee, may exercise any and all of its rights and remedies against the Debtor or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Debtor and set off and/or consolidate any amounts owing by the DIP Lender to the Debtor against the obligations of the Debtor to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Debtor and for the appointment of a trustee in bankruptcy of the Debtor; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtor or the Property.

21. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any Proposal filed by the Debtor under the BIA with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES

22. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$250,000); and

Second- the DIP Lender's Charge (to the maximum amount of \$4,500,000.00).

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

24. **THIS COURT ORDERS** that the Charges shall constitute a charge on the Property and shall, subject to the priorities established in paragraph 22 herein, rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

25. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, no further Encumbrances shall be granted over any Property that rank in priority to, or *pari passu* with the Charges, unless the prior written consent of the Proposal Trustee and the DIP Lender is obtained, or by further Order of this Court.

26. **THIS COURT ORDERS** that the DIP Term Sheet, the Definitive Documents and the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (the “**Chargees**”) 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 (collectively, an “**Agreement**”) which binds the Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Debtor of any Agreement to which it 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 Debtor entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Debtor pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not

constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

SOLICITATION OF LISTING PROPOSALS

27. **THIS COURT ORDERS** that the Proposal Trustee is hereby authorized and empowered to obtain listing proposals from such brokers as it deems appropriate to solicit a sale and/or investment transaction in respect of the Property, and to execute and perform a listing agreement (the “**Listing Agreement**”) with such broker and on such terms as it deems appropriate.

28. **THIS COURT ORDERS** that the Proposal Trustee conduct the sale and investment solicitation process (“**SISP**”) as set out in Schedule “**A**” to this Order with respect to the solicitation of a sale and/or investment transaction in respect of the Property.

29. **THIS COURT ORDERS** that the Proposal Trustee will not execute a Listing Agreement until the earlier of: (a) repayment of Claireville’s obligations to DUCA up to the Maximum DUCA Payout Amount; and (b) August 10, 2021.

PAYMENT OF PROPERTY TAX ARREARS AND DUCA

30. **THIS COURT ORDERS** that, upon receipt by the Debtor of the net funds advanced under the DIP Loan, the Proposal Trustee shall be and is hereby authorized and directed to cause the Debtor to make distributions to (i) first, the City of Toronto on account of all property tax arrears due and owing by the Debtor; and (ii) second, DUCA Financial Services Credit Union Ltd. on account of the Debtor’s secured indebtedness owing to DUCA for principal, interest and costs, in full up to the Maximum DUCA Payout Amount and subject to the Proposal Trustee obtaining an

independent security opinion from its legal counsel confirming the validity and enforceability of DUCA's underlying security.

SEALING OF CONFIDENTIAL APPENDIX TO TRUSTEE'S REPORT

31. **THIS COURT ORDERS** that the Confidential Appendix "1" to the First Report shall be sealed, kept confidential and not form part of the public record, but shall be placed separate and apart from all other contents of the court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further order of this Court.

GENERAL

32. **THIS COURT ORDERS** that in addition to the rights and protections afforded to the Proposal Trustee under the BIA or as an officer of this Court, the Proposal Trustee shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order save and except for any gross negligence or wilful misconduct on its part and nothing in this Order shall derogate from the protections afforded to the Proposal Trustee by the BIA or any applicable legislation. For greater certainty, and without in any way limiting the generality of the foregoing, none of the Proposal Trustee and any of its affiliates, partners, directors, employees, agents and controlling persons shall have any liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to an Person in connection with any of the powers granted to the Proposal Trustee under this Order, except to the extent that such losses, claims,

damages or liabilities result from gross negligence or wilful misconduct of the Proposal Trustee in performing its obligations under this Order.

33. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/> shall be valid and effective service. Subject to Rule 17.05 of the Rules of Civil Procedure (the “**Rules**”), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service 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 and shall be accessibly by selecting the Debtor’s address from the list of engagements at the following URL: <https://www.ksvadvisory.com/insolvency-cases/>.

34. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Proposal Trustee is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor’s creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or it sent by ordinary mail, on the third business day after mailing.

35. **THIS COURT ORDERS** that nothing in this Order shall prevent the Proposal Trustee from acting as a trustee in bankruptcy of the Debtor, Gross Capital Inc. or any of their subsidiaries or related corporations.

36. **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 Proposal Trustee and its 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 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 Proposal Trustee and its respective agents in carrying out the terms of this Order.

37. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Proposal Trustee and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may Order.

38. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the need for entry and filing



SCHEDULE “A”**SALE AND INVESTMENT SOLICITATION PROCESS**

Step	Deadline
Proposal Trustee to select and execute a Listing Agreement (the “ Listing Agent ”)	No later than August 13, 2021
Due diligence phase, during which the Listing Agent and Proposal Trustee will perform marketing outreach and advertising in such publications as are appropriate to solicit a sale or investment offer for the Property. The Listing Agent to provide access to a data room for interested parties who have executed a confidentiality agreement.	To be commenced as soon as the Property is listed on MLS
Bid Deadlines including whether a two phased sale process is pursued	To be determined by Proposal Trustee in consultation with Listing Agent Bid Deadlines to be communicated in advance to potential bidders
Court Approval of a Successful Bid and closing of the sale or investment transaction	To be determined by Proposal Trustee in consultation with Listing Agent

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF CLAIRVILLE PROPERTY HOLDINGS INC. A CORPORATION
INCORPORATED UNDER THE ONTARIO *BUSINESS CORPORATIONS ACT***

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

Proceedings commenced at Toronto

**ORDER
(RE EXPANDED POWERS OF PROPOSAL
TRUSTEE, CHARGES AND SISP)**

WEISZ FELL KOUR LLP

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200 Bay Street
Suite 2305, P.O. Box 120
Toronto, ON M5J 2J3

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**Lawyers for Claireville Property
Holdings Inc.**

Appendix “B”

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

THE HONOURABLE)	TUESDAY, THE 14 TH
)	
JUSTICE PATTILLO)	DAY OF DECEMBER, 2021

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CLAIREVILLE PROPERTY HOLDINGS INC.
A CORPORATION INCORPORATED UNDER
THE ONTARIO *BUSINESS CORPORATIONS ACT***

ORDER

THIS MOTION, made by Cannect Mortgage Investment Corporation (“**Cannect**”), as the DIP lender in this proposal proceeding of Claireville Property Holdings Inc. (the “**Debtor**”), in which KSV Restructuring Inc. (“**KSV**”) is the proposal trustee of the Debtor (the “**Proposal Trustee**”), under the *Bankruptcy and Insolvency Act* R.S.C. 1985 c.B-3 (“**BIA**”) to, among other things, (i) terminate the period for making a proposal by the Debtor or Proposal Trustee in this BIA proposal proceeding (the “**Proposal Proceeding**”) and obtain ancillary relief in respect of same; (ii) lift the stay of proceedings with respect to Cannect in the Proposal Proceeding; (iii) permit the commencement of a receivership proceeding by Cannect against the Debtor *nunc pro tunc* by the issuance of the notice of application on the Commercial List (the “**Receivership Proceeding**”); and (iv) allow for the use of, reference to, and reliance upon the Affidavit of Marcus Tzaferis, and the Factum, filed in this motion, for the Receivership Proceeding, was heard on this day by videoconference due to the COVID-19 crisis.

ON READING the Motion Record, Factum and Brief of Authorities of Cannect and the Fourth Report of the Proposal Trustee dated December 8, 2021 (the “**Fourth Report**”), and on hearing the submissions of counsel for Cannect, the Proposal Trustee, and any other person listed on the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Michelle Pham, filed;

SERVICE

1. **THIS COURT ORDERS** that the service 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.

TERMINATION OF TIME TO FILE A PROPOSAL AND ANCILLARY RELIEF

2. **THIS COURT ORDERS** that pursuant to section 50.4 (11) of the BIA, the period for the Debtor or the Proposal Trustee, on behalf of the Debtor, to file a proposal to creditors in the Proposal Proceeding be and is hereby terminated.

3. **THIS COURT ORDERS** that the Fourth Report be and is hereby approved and the conduct and activities of the Proposal Trustee described therein be and are hereby approved.

4. **THIS COURT ORDERS** that Confidential Appendix “1” to the Fourth Report be and is hereby sealed until closing of the Transaction (as defined in the Fourth Report) or further Order of this Court.

5. **THIS COURT ORDERS** that, subject to paragraph 7 of this Order, KSV be and is hereby discharged and relieved from any further obligations, liabilities, responsibilities or duties in its

capacity as Proposal Trustee, including, without limitation, as described in the Order of The Honourable Mr. Justice Pattillo made on July 28, 2021, provided however, that notwithstanding its discharge herein, the Proposal Trustee shall remain the Proposal Trustee for the performance of such incidental duties as may be required to complete the administration of the Proposal Proceeding including payment of any outstanding and reasonable fees and disbursements of Cannect's counsel incurred in the Proposal Proceeding.

6. **THIS COURT ORDERS** that, in addition to the protections in favour of the Proposal Trustee as set out in: (i) the BIA; (ii) any Order of this Court in the Proposal Proceeding; and (iii) any reasons provided by this Court in the Proposal Proceeding, the Proposal Trustee shall not be liable for any act or omission on the part of the Debtor, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Proposal Trustee.

7. **THIS COURT ORDERS** that the Proposal Trustee and its counsel be and are at liberty to bring a motion in the Receivership Proceeding to seek approval of the fees and disbursements of the Proposal Trustee and its counsel that have been incurred in the Proposal Proceeding and not yet been approved by the Court.

LIFT THE STAY OF PROCEEDINGS

8. **THIS COURT ORDERS** that pursuant to section 69.4 of the BIA, the stay of proceedings in effect pursuant to section 69(1) of the BIA on the Debtor's filing of a notice of intention under section 50.4 of the BIA, is hereby lifted with respect to Cannect.

RECEIVERSHIP PROCEEDING

9. **THIS COURT ORDERS** that Cannect is hereby permitted and granted leave to commence the Receivership Proceeding against the Debtor *nunc pro tunc* by the issuance of the notice of application on the Commercial List, attached as **Schedule "A"** to this Order.

10. **THIS COURT ORDERS** that Cannect is hereby permitted to use, reference, and rely upon the Affidavit of Marcus Tzaferis sworn December 1, 2021, the Factum and Brief of Authorities, filed in this motion by Cannect, for the Receivership Proceeding, and Cannect shall file these materials in the Receivership Proceeding.

GENERAL

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of the date of this Order, and this Order is enforceable without the need for entry and filing.



(Signature of Judge)

Schedule “A”



Court File No.

Electronically issued : 01-Dec-2021
Délivré par voie électronique : 01-Dec-2021
Toronto

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

(Court Seal)

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

and

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43

NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing (*choose one of the following*)

- ☐ In writing
- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

at the following location:

330 University Avenue, Toronto, Ontario or video conference

on a date and time to be fixed or set by the Commercial List Office or registrar, before a judge presiding over the Commercial List.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not

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have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date December 1 , 2021 Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 9th Floor
Toronto ON M5G 1R7

TO: Claireville Property Holdings Inc.
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Noah Goldstein
Tel: (416) 932-6207
Email: ngoldstein@ksvadvisory.com

Proposal Trustee of Claireville Property Holdings Inc.

AND TO: WEISZ FELL KOUR LLP
200 Bay Street, Suite 2305
P.O. Box 120
Toronto, ON M5J 2J3

Caitlin Fell
Tel: (416) 613-8282
Email: cfell@wfkllaw.ca

Lawyers for Claireville Property Holdings Inc.

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APPLICATION

1. **THE APPLICANT**, Cannect Mortgage Investment Corporation (“Cannect”), makes an application for:

- (a) an Order abridging the time for service of this Notice of Application and the materials filed in support of the application, authorizing service via electronic mail and dispensing with further service thereof;
- (b) an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”), appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Claireville Property Holdings Inc. (the “**Debtor**”) including, but not limited to, the Debtor’s leasehold interest (the “**Leasehold Interest**”) in the premises or buildings municipally known as 18/20/22/24/26 Huddersfield Road, 350/354/358 Humberline Drive and 93/101/123/130/160 Claireville Drive, Toronto, Ontario (the “**Real Property**”), and more specifically described as: PIN 07368-0036 (LT): PT LT 38 CON 4 FRONTING THE HUMBER, PT 8 64R2980 EXCEPT PTS 2, 3 & 1 EXPROP PLAN 11716. ETOBICOKE; CITY OF TORONTO; and PIN 07368-0037 (LT): PT LT 38 CON 4 FRONTING THE HUMBER, PT 5 64R2980. ETOBICOKE; CITY OF TORONTO (collectively, the “**Property**”);

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- (c) staying all rights and remedies against the Debtor, the Receiver, or affecting the Property; and
- (d) such other relief as counsel may request and this Honourable Court may deem just.

2. **THE GROUNDS FOR THE APPLICATION ARE:**

Background

- (a) The Debtor's principal asset is its Leasehold Interest.
- (b) The Debtor is the registered owner of the Leasehold Interest.
- (c) The Leasehold Interest is subject to a 99-year ground lease with Kornwood Investments Ltd. dated September 1, 1973, which expires on August 31, 2073.

Proposal Proceedings and DIP Loan

- (d) The Debtor filed a notice of intention ("NOI") to make a proposal under the BIA on July 2, 2021.
- (e) At the commencement of the NOI proceedings, the Debtor's principal secured creditor was DUCA Financial Services Credit Union Ltd. ("DUCA"), which was owed approximately \$2.4 million. The Debtor also had accrued unpaid property tax arrears of approximately \$2 million. DUCA issued a demand letter together with a Notice of Intention to Enforce Security pursuant to section 244 of the BIA

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in June 2021. The Debtor filed its NOI prior to the expiry of the statutory 10-day notice period.

- (f) In July 2021, the Debtor obtained a commitment from Cannect to repay DUCA and bring the outstanding property taxes current by way of a DIP loan in the principal amount of \$4.5 million. The July 28 Order (defined below) approved, among other things, the DIP loan, which funding was advanced on July 30, 2021 and used to repay DUCA and the property tax arrears.
- (g) On July 28, 2021 (the “**July 28 Order**”), the Honourable Justice Pattillo granted various relief including the following:
 - (i) approving the debtor-in-possession financing from Cannect in the principal amount of \$4.5 million (the “**DIP Loan**”), the debtor-in-possession financing term sheet between Cannect and the Debtor dated July 23, 2021 (the “**DIP Term Sheet**”), the priority charges to secure the DIP Loan (the “**DIP Lender's Charge**”) and certain professional costs (the “**Administration Charge**”), and a payout of property tax arrears and DUCA;
 - (ii) extending the Proposal Trustee’s powers in respect of the Debtor, to the exclusion of all others Persons (as defined in the July 28 Order), including the Debtor itself;
 - (iii) approving a sale and investment solicitation process (“**SISP**”);

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- (iv) extending the time for the Proposal Trustee to file a proposal on the Debtor's behalf under the BIA to and including September 15, 2021; and
 - (v) approving the First Report of the Proposal Trustee dated July 26, 2021 and the conduct and activities of the Proposal Trustee described therein.
- (h) On September 15, 2021 (the "**September 15 Order**"), the Honourable Justice Cavanagh granted various relief including the following:
- (i) extending the time for the Proposal Trustee to file a proposal on the Debtor's behalf under the BIA up to and including October 30, 2021;
 - (ii) approving the Second Report of the Proposal Trustee dated September 7, 2021 (the "**Second Report**"), and the conduct and activities of the Proposal Trustee described therein; and
 - (iii) approving the fees and disbursements of the Proposal Trustee and its lawyer as set out in the Second Report.
- (i) On October 27, 2021 (the "**October 27 Order**"), the Honourable Justice Koehnen granted various relief including the following:
- (i) extending the time for the Proposal Trustee to file a proposal on the Debtor's behalf under the BIA up to and including December 14, 2021;

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- (ii) approving the Third Report of the Proposal Trustee dated October 20, 2021 (the “**Third Report**”), and the conduct and activities of the Proposal Trustee described therein; and
 - (iii) approving the fees and disbursements of the Proposal Trustee and its lawyer as set out in the Third Report.
- (j) During the NOI period and as further detailed in the various court reports of the Proposal Trustee, the Proposal Trustee has advanced the SISP through its sales advisor, CB Richard Ellis Limited (“**CBRE**”). In accordance with the July 28 Order, the Proposal Trustee solicited listing proposals from five commercial realtors to act as listing agent for the Leasehold Interest in the Real Property. Following consultation with Cannect, the Proposal Trustee entered into a listing agreement for the Leasehold Interest on or about August 25, 2021 with CBRE. CBRE subsequently made marketing materials available and created a data room to share these materials with potential purchasers; and the Proposal Trustee, in consultation with CBRE, set down a timeline to receive offers.
- (k) On or about December 1, 2021, the Proposal Trustee has entered into or is about to enter into an agreement of purchase and sale regarding the Leasehold Interest in the Real Property with the successful purchaser. The Proposal Trustee has indicated that it is not possible to complete or close this sale transaction, if it closes, by January 1, 2022 or during the NOI period.

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- (l) The Proposal Trustee or Debtor is not seeking an extension of the NOI stay of proceedings, which expires on December 15, 2021.
- (m) The time referenced in section 50.4(9) of the BIA and the October 27 Order currently expires on December 15, 2021, and the Court is not authorized pursuant to section 50.4(9) of the BIA to extend the time referenced in such section beyond January 1, 2022.
- (n) The Debtor will be deemed to have made an assignment in bankruptcy pursuant to section 50.4(8) of the BIA on the expiry of the stay period on December 15, 2021.

Appointing a Receiver

- (o) On December 14, 2021 or December 15, 2021, the Debtor will be indebted to Cannect in the amount of \$4.5 million plus interest and costs under the DIP Term Sheet
- (p) The maturity or termination date (the “**Termination Date**”) of the DIP Loan under the DIP Term Sheet is generally the earliest of the following: (a) on or about January 30, 2022; (b) the date the NOI stay of proceedings expires without being extended (i.e., December 15, 2021) or the date the NOI proceedings are terminated (i.e., December 14, 2021, if these proposal proceedings are terminated on that date) or the Debtor becomes bankrupt; and (c) an Event of Default.
- (q) The expiry of the NOI stay of proceedings, the termination of the BIA proposal proceedings or bankruptcy regarding the Debtor also constitute an Event of

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Default under the DIP Term Sheet. Also, any action (or inaction) of the Debtor which would, in the sole determination of Cannect, have a material adverse effect on the Debtor or the collateral (i.e., Leasehold Interest) constitutes an event of default under the DIP Term Sheet. In Cannect's sole determination, the intended failure of the Debtor to file a proposal during the NOI period and the resulting deemed bankruptcy will have a material adverse effect on the Debtor's collateral.

- (r) Upon the Termination Date (i.e., December 14 or 15, 2021) or the occurrence of an Event of Default under the DIP Term Sheet, all of the indebtedness of the Debtor to Cannect, together with all interest and other amounts owing under the DIP Term Sheet, shall become immediately due and payable and Cannect is entitled to enforce its security.
- (s) Cannect holds the following security (collectively, the “**Security**”) regarding the DIP Loan: a court-ordered super-priority DIP Lender's Charge (ranking behind the Administration Charge); a general security agreement (“**GSA**”) dated August 16, 2021, granted by the Debtor to Cannect; and an indenture regarding the assignment of rents (“**Assignment of Rents**”) dated August 17, 2021, granted by the Debtor to Cannect.
- (t) The GSA was perfected by registering under the *Personal Property Security Act* on or about August 12, 2021 and the Notice of Assignment of Rents was registered on title of the Real Property on or about October 20, 2021. Under the GSA and DIP Lender's Charge or July 28 Order, on default, Cannect may, among

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other things, apply to this Court for the appointment of a receiver against the Debtor.

- (u) Under the DIP Term Sheet and July 28 Order, before Cannect can enforce its Security, including applying to this Court for the appointment of a receiver, it must provide five (5) days' notice to the Debtor and the Proposal Trustee. The Debtor and the Proposal Trustee, or their counsel, are included on the Service List in this application or motion and will be provided approximately seven (7) days' notice of this application or motion for the appointment of a receiver.

Necessity for the Appointment of a Receiver

- (v) Cannect's need for the appointment of a receiver is apparent based on the current circumstances, including the following:
 - (i) The need for a quick transition from NOI proceedings to receivership proceedings in order to complete the above sale transaction and if it does not close, any future sale transaction;
 - (ii) Cannect is under a tight deadline;
 - (iii) Debtor's NOI stay expires at 12:01 AM on December 15, 2021, and there is no intention of extending it, especially given that an extension would only take the stay period to January 1, 2022, the outside date of the NOI proceedings;

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- (iv) This is not a restructuring, no longer debtor-driven and the Debtor's bankruptcy is imminent;
 - (v) In terms of timing or sequence of proceedings, Cannect does not want an intervening bankruptcy or deemed bankruptcy before the receivership;
 - (vi) as noted above, the Proposal Trustee has entered into or is about to enter into an agreement of purchase and sale with a potential purchaser of the Leasehold Interest but needs more time beyond the NOI period to possibly close the transaction, if it closes. This potential sale, and any other possible sale if this one does not close, can be completed by a court-appointed receiver or in receivership proceedings;
 - (vii) the Debtor is or will be in default of its obligations to Cannect;
 - (viii) to preserve, protect and ultimately realize on the collateral or Leasehold Interest subject to the Security;
 - (ix) the Security provides for the court-appointment of a receiver; and
 - (x) it is just and convenient to appoint a receiver.
- (w) KSV has consented to act as Receiver in this matter.
- (x) The Order sought by Cannect provides for the retention of independent counsel by the Receiver to address any issue or matter where there may be an actual or perceived conflict with Cannect, including any and all potential priority disputes.

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In all other situations, the draft Order provides authorization for the Receiver to use Cannect's counsel as a matter of cost efficiency.

- (y) Rules 2.03, 3.02, 14.05(2), 16, 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg 194, Section 243(1) of the BIA and Section 101 of the CJA
- (z) Such further and other grounds as the lawyers may advise and this Court may deem just.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of this application or motion:

- (a) the Affidavit of Marcus Tzaferis, to be sworn;
- (b) the consent of KSV Restructuring Inc. to act as Receiver; and
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

December 1 , 2021

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Lawyers for the Applicant,
Cannect Mortgage Investment Corporation

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43

CANNECT MORTGAGE INVESTMENT CORPORATION
Applicant

-and- CLAIREVILLE PROPERTY HOLDINGS INC.
Respondent

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF APPLICATION

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**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF CLAIREVILLE PROPERTY HOLDINGS INC.
A CORPORATION INCORPORATED UNDER THE ONTARIO BUSINESS
CORPORATIONS ACT**

Estate/Court File No. 31-2749576

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

**PROCEEDING COMMENCED AT
TORONTO**

ORDER

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	TUESDAY, THE 14 TH
)	
JUSTICE PATTILLO)	DAY OF DECEMBER, 2021

B E T W E E N:

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

and

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by Cannect Mortgage Investment Corporation (the “**Applicant**”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”), appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Claireville Property Holdings Inc. (the “**Debtor**”), was heard this day via videoconference in light of the COVID-19 pandemic.

ON READING the Affidavit of Marcus Tzaferis sworn December 1, 2021 and the Exhibits thereto and the Fourth Report of KSV in its capacity as Proposal Trustee of the Debtor and the

Appendices thereto, and on hearing the submissions of counsel for the Applicant, and such other parties listed on the counsel slip, no one else appearing although duly served as appears from the Affidavit of Service of Michelle Pham sworn December 7, 2021, and on reading the consent of KSV to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application or Motion Record herein is hereby abridged and validated such that this Application or Motion is properly returnable today, hereby dispenses with further service thereof, and authorizes substitute service via electronic mail.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV is hereby appointed Receiver, without security, of all of the assets, undertakings, and properties of the Debtor, acquired for, or used in relation to the business carried on by the Debtor, and all proceeds thereof (the “**Property**”). Without limiting the generality of the foregoing, “Property” shall include the Debtor’s leasehold interest (the “**Leasehold Interest**”) in the premises or buildings municipally known as 18/20/22/24/26 Huddersfield Road, 350/354/358 Humberline Drive and 93/101/123/130/160 Claireville Drive, Toronto, Ontario and more specifically described in Schedule “A” hereto (the “**Real Property**”).

RECEIVER’S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality

of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property including retaining a listing broker to market the Leasehold Interest for sale, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate, including, without limitation, to continue the sale and investment solicitation process in respect of the Property that was previously approved by the Court on July 28, 2021;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the *Ontario Mortgages Act*, as the case may be, shall not be required;

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, including the Real Property;

- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to

the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Property or the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this

paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with

leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to

the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that the Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect

of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or

other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER’S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on

the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA, and subject to and subordinate in priority to the BIA Charges (as defined below).

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person,

but subordinate in priority to the Receiver's Charge, the BIA Charges (as defined below) and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

BIA ORDER CHARGES

25. **THIS COURT ORDERS** that the Administration Charge and the DIP Lender's Charge, each as defined and granted under the BIA by the Order dated July 28, 2021, of the Ontario Superior Court of Justice (Commercial List) (In Bankruptcy and Insolvency) in *In the Matter of the Notice of Intention to Make a Proposal of Claireville Property Holdings Inc. A Corporation Incorporated under the Ontario Business Corporations Act*, Court File No. 31-2749576 (collectively, the "**BIA Charges**"), shall continue to be in force and effect until the amounts or liabilities secured under the BIA Charges are fully paid.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, 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/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the "**Rules**") this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules 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: <https://www.ksvadvisory.com/experience/case/claireville-property-holdings-inc.>

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by email, ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. **THIS COURT ORDERS** that the Receiver be at liberty and is 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, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid

by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

34. **THIS COURT ORDERS** that the Receiver, its counsel and counsel for the Applicant may serve or distribute this Order, or any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the creditors or any other stakeholders or other interested parties of the Debtor and their advisors (if any). For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

35. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of the date of this Order, and this Order is enforceable without the need for entry and filing.

REGISTRATION ON TITLE

36. **THIS COURT ORDERS AND DIRECTS** that, as soon as practicable, the Land Registry Office for the Land Titles Division of Metro Toronto (No. 80) accept this Order for registration on title to the Real Property described in Schedule "A" hereto.



SCHEDULE “A”

Description of Real Property

PIN 07368-0036 (LT)

PT LT 38 CON 4 FRONTING THE HUMBER, PT 8 64R2980 EXCEPT PTS 2, 3 & 1 EXPROP
PLAN 11716. ETOBICOKE; CITY OF TORONTO

PIN 07368-0037 (LT)

PT LT 38 CON 4 FRONTING THE HUMBER, PT 5 64R2980. ETOBICOKE; CITY OF
TORONTO

and municipally known as 18/20/22/24/26 Huddersfield Road, 350/354/358 Humberline Drive and
93/101/123/130/160 Claireville Drive, Toronto, Ontario.

SCHEDULE “B”
RECEIVER CERTIFICATE

CERTIFICATE NO.

AMOUNT \$

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver (the “**Receiver**”) of the assets, undertakings and properties of Claireville Property Holdings Inc. (the “**Debtor**”), including, but not limited to, the Debtor’s leasehold interest (the “**Leasehold Interest**”) in the premises or buildings municipally known as 18/20/22/24/26 Huddersfield Road, 350/354/358 Humberline Drive and 93/101/123/130/160 Claireville Drive, Toronto, Ontario (the “**Real Property**”) acquired for, or used in relation to a business carried on by the Debtor (collectively, the “**Property**”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated the 14th day of December, 2021 (the “**Order**”) made in an application having Court File No. CV-21- -00CL, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$►, being part of the total principal sum of \$► which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to

the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

1. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

2. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

3. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

4. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____, day of December, 2021.

KSV Restructuring Inc., solely in its capacity as
Receiver of the Property, and not in its personal
capacity

Per:

Name:

Title:

CANNECT MORTGAGE INVESTMENT CORPORATION
Applicant

-and- CLAIREVILLE PROPERTY HOLDINGS INC.
Respondent

Court File No. CV-21-00672999-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(APPOINTING RECEIVER)**

FOGLER, RUBINOFF LLP

Lawyers

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Toronto, ON M5K 1G8

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Lawyers for the Applicant,
Cannect Mortgage Investment Corporation

Court File Number: 31-2749576Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Chineville Property Holdings Inc.

Plaintiff(s)

AND

Defendant(s)

Case Management ☐ Yes ☐ No by Judge: _____

Counsel	Telephone No:	Facsimile No:
See attached App. 'A'		

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)
- ☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- ☐ Adjourned to: _____
- ☐ Time Table approved (as follows): _____

Motion by Connect Mortgage Investment Corporation (Connect) in its capacity as the DIP lender to Chineville Property Holdings Inc. in this proposed proceeding under the BIA. Chineville a NO on July 2, 2021, KSV Restructuring is the Proposal Trustee. The proceedings and the stay have been extended, the last extension expires today at 11:59 pm. Chineville does not intend to seek a further extension. During the period, it engaged in DSSP but only recently received an offer to purchase. As a result of the conditions to the offer, however, the transaction cannot be completed prior to January 1, 2022 which

Dec 14, 2021

Date

Patello, J.

Judge's Signature

☒ Additional Pages 1

Court File Number: 31-2749576Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

in the end date of the stay period under the BIA. Connect seeks two orders: one terminating the time ^{"for Clairville"} to file a proposal and ancillary relief; and two appointing KSV as receiver and manager of Clairville. RR.

Based on the material filed and the submissions of counsel and with the consent of KSV, I am satisfied that the orders requested should issue.

It is clear from the material the Clairville will not be able to make a proposal before the expiration of the stay. Accordingly, the proposal is terminated pursuant to s.50.4 (1) of the BIA. Further, the stay proceedings in effect are lifted in connection with Connect.

Finally, I consider it just and convenient in the circumstances, to appoint KSV as receiver and manager of Clairville.

The fourth report of the Proposal Trustee is approved. In light of the confidential information in Confidential Appendix "I" to the Report regarding the STOP process, that Appendix shall be sealed pending completion of the sale.

App. A

Estate/Court File No. 31-2749576

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CLAIREVILLE PROPERTY HOLDINGS INC.
A CORPORATION INCORPORATED UNDER
THE ONTARIO *BUSINESS CORPORATIONS ACT***

COUNSEL SLIP

**Hearing via Zoom before the Honourable Justice Pattillo
December 14, 2021, 11:30 a.m.**

FOGLER, RUBINOFF LLP

Vern W. DaRe (lawyer) Email: vdare@foglers.com

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AIRD & BERLIS LLP

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Lawyers for the Landlord

DOVERCOURT FINISHING GROUP**Rob Edwards**Email: rpedwards@dovercourt.biz

Self-represented party, Owner of Autotek Electroplating Ltd. and Olympic Coaters Ltd., Co-Tenants

WEN XUE, YAN PENG and FIANA PENG

Self-represented Parties, Co-Tenants

TANVIEW INVESTMENTS LIMITED

Self-represented Party, Co-Tenant

M. DROLET, Self-represented Party

KSV RESTRUCTURING INC.**David Sieradzki**Email: dsieradzki@ksvadvisory.com

Proposal Trustee/Proposed Receiver

Appendix “C”



**First Report to Court of
KSV Restructuring Inc.
as Receiver and Manager of
Claireville Property Holdings Inc.**

March 2, 2022

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Court File No. CV-21-00672999-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

FIRST REPORT OF KSV RESTRUCTURING INC. AS RECEIVER AND MANAGER OF
CLAIREVILLE PROPERTY HOLDINGS INC.

MARCH 2, 2022

1.0 Introduction

1. This report ("Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager (in such capacities, the "Receiver") of all of the assets, undertaking and property (collectively, the "Property") of Claireville Property Holdings Inc. (the "Company").
2. On July 2, 2021, the Company filed a Notice of Intention to Make a Proposal ("NOI") under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), and KSV was named the Company's Proposal Trustee (in such capacity, the "Proposal Trustee") (the "NOI Proceedings").
3. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on July 28, 2021 (the "July 28 Order"), the Court, among other things:
 - a) approved a debtor-in-possession loan facility (the "DIP Facility") in the amount of \$4.5 million from Cannect Mortgage Investment Corporation (the "DIP Lender") and granted a charge on the Property in favour of the DIP Lender for advances under the DIP Facility;
 - b) expanded the powers of the Proposal Trustee to oversee the Company's operations, including controlling receipts and disbursements; and
 - c) approved a sale and investment solicitation process ("SISP") .

A copy of the July 28 Order is attached as Appendix "A".

4. Pursuant to subsequent Court orders, the Court granted extensions of the deadline to file a proposal and extended the corresponding stay of proceedings under the BIA to December 14, 2021.
5. The SISP contemplated a bid deadline of November 9, 2021 (the “Bid Deadline”). As set out in the Proposal Trustee’s Fourth Report to Court dated December 8, 2021 (the “Proposal Trustee’s Fourth Report”), a copy of which is attached (without appendices) as Appendix “B”, the parties that made the strongest offers under the SISP were interviewed by the Proposal Trustee, the DIP Lender and the Proposal Trustee’s realtor, CB Richard Ellis Limited (“CBRE”).
6. On December 2, 2021, following negotiations, the Proposal Trustee and S. Paul Mantini, in trust for an Ontario corporation to be incorporated (the “Attempted Purchaser”), entered into an Agreement of Purchase and Sale (the “APS”) for substantially all of the Property (the “Attempted Transaction”). As set out in the Proposal Trustee’s Fourth Report, the APS was conditional in several respects, including, among other things, the Attempted Purchaser’s due diligence conditions and Court approval.
7. In light of the conditionality of the APS and the time period associated with same, it was apparent that the Company would not be in a position to file a viable proposal or close the Attempted Transaction prior to January 1, 2022, being the six-month anniversary of the commencement of the NOI Proceedings and the date by which the Company was required to file a proposal pursuant to the maximum deadline extensions permissible under subsection 50.4(9) of the BIA (the “Outside Date”).
8. As set out in the Proposal Trustee’s Fourth Report, the APS provided for a transition to receivership such that the Receiver would be able to bring a sale approval motion *“should the [Attempted] Purchaser be in a position to satisfy or waive its conditions.”*
9. In light of the inability for the Company to file a viable proposal or close the Attempted Transaction prior to the Outside Date, the DIP Lender sought to terminate the NOI Proceedings and appoint KSV as Receiver. The Court granted this relief on December 14, 2021. A copy of the order terminating the NOI Proceedings, discharging the Proposal Trustee and approving the Proposal Trustee’s Fourth Report and the Proposal Trustee’s conduct and activities is attached as Appendix “C” (the “NOI Termination Order”). A copy of the order appointing KSV as Receiver is attached as Appendix “D” (the “Receivership Order”). A copy of the Court’s endorsement is attached as Appendix “E”.
10. As no proposal was filed, the Company was deemed to have made an assignment in bankruptcy pursuant to subsection 50.4(8) of the BIA and KSV was appointed as Licensed Insolvency Trustee of the Company, which appointment was affirmed at the First Meeting of Creditors convened on January 5, 2022.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company and these proceedings;
 - b) summarize material SISP-related events following the Bid Deadline;
 - c) provide an update on the status of the Attempted Transaction, including a dispute between the Attempted Purchaser and the Receiver which has prevented the Receiver from seeking approval of, and closing, the Attempted Transaction;
 - d) recommend that the Court issue an Order:
 - i. authorizing and directing the return of \$460,000 of deposits plus interest thereon (the “Deposits”) paid by the Attempted Purchaser in connection with the APS, less the Receiver’s costs of its motion if opposed by the Attempted Purchaser;
 - ii. declaring, for greater certainty, that none of the Receiver, the Proposal Trustee and KSV has any remaining obligations under the APS;
 - iii. authorizing and directing the Receiver to solicit revised and final offers from certain bidders, including the Attempted Purchaser (the “Receivership Bid Process”); and
 - iv. approving this Report and the Receiver’s activities set out in this Report.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon unaudited financial information prepared by the Company, the Company’s books and records and discussions with the Company’s property manager, Prime Real Estate Group Inc. (“Prime”). The Receiver 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 Receiver expresses no opinion or other level of assurance with respect to the financial information presented in this Report or relied upon by the Receiver 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 Company’s financial information presented herein shall not be considered sufficient for any purpose whatsoever.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

1.4 Court Materials

1. Court materials filed in these proceedings are available on the Receiver's website at <https://www.ksvadvisory.com/insolvency-cases/case/claireville-property-holdings-inc.>

2.0 Background

2.1 Corporate Overview

1. Prior to its bankruptcy, the Company was a privately owned corporation incorporated in 2015. Based on a review of the corporate profile report, the sole registered director and officer of the Company was Mark Gross.
2. Mark Gross and his father, Sheldon Gross, were also the sole registered directors and officers of Gross Capital Inc. ("GCI"), which is the Company's parent and a 50% shareholder of Prime. On June 25, 2021, GCI filed an assignment in bankruptcy and KSV was appointed Licensed Insolvency Trustee (in such capacity, the "GCI Trustee") of GCI's bankrupt estate, which appointment was affirmed at GCI's first meeting of creditors on July 15, 2021. GCI's estate also owns several other real estate holding companies, certain of which are subject to separate receivership proceedings before this Court.

2.2 Leasehold Interest

1. The Company's principal asset is its leasehold interest (the "Leasehold Interest") in 13 dual tenant industrial buildings municipally addressed as 18/20/22/24/26 Huddersfield Road, 350/354/358 Humberline Drive and 93/101/123/130/160 Claireville Drive (collectively, the "Real Property").
2. The Company is the registered owner of the Leasehold Interest, which it holds on behalf of 21 co-tenants (collectively, the "Co-Tenants"). GCI is one of the Co-Tenants, with a 7.3% beneficial interest in the Company's Co-Tenancy (the "Co-Tenancy").
3. The Leasehold Interest is subject to a 99-year ground lease with Kornwood Investments Ltd. ("Kornwood") dated September 1, 1973 (the "Ground Lease"), which expires on or about August 31, 2072. Rent under the Ground Lease is calculated based on 9% of the fair market value of the Real Property. The fair market value and the corresponding lease payments reset periodically in accordance with the terms of the Ground Lease. The next reset date for rent under the Ground Lease is September 1, 2023 (the "2023 Reset"). Based on the terms of the Ground Lease, its holder should have been profitable (as discussed below); however, absent changes to the Ground Lease or the 13 leases between the Company and each of the subtenants at the Real Property, the Receiver understands that the Ground Lease holder would incur substantial and recurring losses due to the significantly higher rents payable to Kornwood after the 2023 Reset. A copy of the Ground Lease is attached as Appendix "F".

2.3 Investigation

1. KSV, in its capacity as GCI Trustee, is investigating the assets and pre-bankruptcy operations of GCI and several of GCI's subsidiaries and related parties (collectively, the "Gross Group"). The investigation was commenced due to, among other things, accusations made by investors of misappropriation and misuse of investor funds by Mark and Sheldon Gross and/or entities controlled by Mark and Sheldon Gross.
2. A portion of the GCI Trustee's investigation is focused on the Company. The Company has historically been profitable - it has most recently generated annual income of over \$1 million in 2018 and 2019; however, notwithstanding the recurring income stream, the Company was insolvent when it filed its NOI on July 2, 2021.
3. Historically, funds generated by the Leasehold Interest were advanced by the Company to other entities in the Gross Group which contributed to the Company's insolvency. In this regard, the Co-Tenancy's financial statements as at December 31, 2020 reflect an intercompany advance owing from GCI to the Company of approximately \$3.3 million.
4. The GCI Trustee's investigation of GCI is ongoing. The GCI Trustee has recently been instructed by the inspectors of GCI's estate to conduct examinations of certain parties pursuant to Section 163 of the BIA. The GCI Trustee has recently issued two Notices of Examination and intends to be issuing additional notices following these initial two examinations, which are scheduled to commence in March 2022. The GCI Trustee has been and intends to continue reporting periodically to the inspectors of GCI's estate in connection with its investigation.

2.4 DIP Financing and Expanded Powers

1. At the commencement of the NOI Proceedings, the Company's principal secured creditor was DUCA Financial Services Credit Union Ltd. ("DUCA"), which was owed approximately \$2.4 million. As a result of, among other things, DUCA learning that the Company had accrued unpaid property tax arrears of approximately \$2 million, DUCA issued demand together with a Notice of Intention to Enforce Security pursuant to Section 244 of the BIA in June 2021. The Company filed its NOI prior to the expiry of the statutory 10-day notice period in an effort to preserve value and maximize recoveries for its stakeholders.
2. In July 2021, the Company obtained a commitment letter from the DIP Lender to repay DUCA and bring the outstanding property taxes current. The July 28 Order approved the DIP Facility, which funding was received on July 30, 2021. On the following business day, the Company used the \$4.5 million available under the DIP Facility to repay DUCA and the property tax arrears.
3. To address stakeholder concerns regarding the management of the Company, the Proposal Trustee advised Mark Gross that it was only prepared to support a continuation of the NOI Proceedings if its powers were enhanced such that Mark Gross could no longer control the Company or make any executive decisions, including controlling receipts and disbursements and/or decisions concerning the SISP. Mark Gross consented to this relief. Pursuant to the July 28 Order, Mark Gross no longer had any decision-making authority or control over the Company, including the SISP and the bank accounts.

3.0 SISP

1. The SISP results were set out in the Proposal Trustee's Fourth Report (attached as Appendix "B"), which was approved by the Court pursuant to the NOI Termination Order. In summary:

Pre-marketing Phase

- a) CBRE, with the Proposal Trustee's assistance, prepared:
 - a portfolio flyer detailing the offering and investment highlights for the Leasehold Interest (the "Investment Summary");
 - a confidentiality agreement ("CA");
 - a virtual data room, which contained, among other things, copies of the Ground Lease, subleases, environmental reports, building condition reports, rent rolls, financial budgets and property tax bills; and
 - a confidential information memorandum ("CIM"), which included more detailed information on the Leasehold Interest and details concerning the SISP.

Marketing

- a) Over the course of the SISP, CBRE sent the Investment Summary and CA to its network of over 450 prospective purchasers; and
- b) Interested parties were required to sign the CA to obtain a copy of the CIM and to access the data room.

Results by the Bid Deadline of November 9, 2021

- a) 13 parties executed the CA, and were provided a copy of the CIM and given access to the data room, certain of which visited the Real Property;
- b) Three parties, including the Attempted Purchaser, submitted offers on or prior to the Bid Deadline. A summary of the offers received in the SISP was provided as a confidential appendix to the Proposal Trustee's Fourth Report, and is provided again for convenience in Confidential Appendix "1" to this Report (the "Offer Summary"); and
- c) The Proposal Trustee, the DIP Lender and CBRE interviewed each party that submitted an offer. Following these meetings, the Proposal Trustee, in consultation with the DIP Lender and CBRE, worked to negotiate a transaction with the Attempted Purchaser, which resulted in the APS being signed on December 2, 2021. A redacted version of the APS is attached as Appendix "G". An unredacted version is provided in Confidential Appendix "2". The rationale for sealing the purchase price in the APS is provided in Section 3.2 below.

3.1 Expressions of Interest by Kornwood and the DIP Lender, and Related Matters

1. Following service of the DIP Lender's motion/application materials to terminate the NOI Proceedings and appoint the Receiver (the "December 14th Relief"), and following service of the Proposal Trustee's Fourth Report disclosing the results of the SISP, the DIP Lender's counsel and the Proposal Trustee's counsel were contacted by Kornwood's legal counsel in these proceedings (Paliare Roland Rosenberg Rothstein LLP ("Paliare")).
2. Paliare expressed certain concerns regarding potential motivations of the Attempted Purchaser, and indicated that Kornwood might want to submit an offer to purchase the Leasehold Interest. No explanation was provided as to why Kornwood did not submit an offer prior to the Bid Deadline, and no evidence was provided to substantiate Kornwood's concerns. Ultimately, Kornwood confirmed it would attend the hearing but not oppose the December 14th Relief, as set out in the email exchange between counsel on December 13, 2021 that is attached as Appendix "H". No one appeared at the hearing on behalf of the Attempted Purchaser.
3. One of the conditions of the APS was a due diligence condition in favour of the Attempted Purchaser (the "Diligence Condition"). On or around December 21, 2021, counsel for the DIP Lender advised the Receiver that the DIP Lender would likely submit a credit bid for the Property if the Diligence Condition was not satisfied (or waived) by the Attempted Purchaser.
4. The Diligence Condition originally needed to be satisfied (or waived) by no later than January 4, 2022. Shortly before that date, the Attempted Purchaser requested (and was granted) a brief extension to January 6, 2022. The Attempted Purchaser waived the Diligence Condition on January 6, 2022.
5. During the two-day Diligence Condition extension between January 4, 2022 and January 6, 2022, the Receiver was sent, on January 5, 2022, an unsolicited Agreement of Purchase and Sale from an entity that the Receiver understands is related to Kornwood (the "Kornwood APS"). The Kornwood APS provided for a higher purchase price than the one in the Attempted Purchaser's APS and contained no substantive conditions, except for Court approval. The Kornwood APS was open for acceptance by the Receiver until 1pm on January 7, 2022. Given that the Receiver was working in good faith with the Attempted Purchaser, the Receiver did not engage with Kornwood or any of its representatives or related parties in respect of the Kornwood APS. A redacted version of the Kornwood APS is attached as Appendix "I". An unredacted version is provided in Confidential Appendix "3". The rationale for sealing the purchase price in the Kornwood APS is provided in Section 3.2 below.
6. On January 11, 2022, the Receiver was sent a further unsolicited communication from counsel for the bidder under the Kornwood APS, which advised that the Kornwood APS was being reinstated and would be open for acceptance by the Receiver until 5pm on January 12, 2022. Once again, given that the Receiver was working in good faith with the Attempted Purchaser, the Receiver did not engage with Kornwood or any of its representatives or related parties in respect of the Kornwood APS.

3.2 Sealing Order

1. The Receiver respectfully requests that the Offer Summary, the unredacted APS and the unredacted Kornwood APS be filed with the Court on a confidential basis and be sealed ("Sealing Order") pending further order of the Court, as the documents contain confidential information. If the unredacted versions of these materials are not sealed, the disclosure of the information may negatively impact realizations on the Leasehold Interest in the context of the Receivership Bid Process or otherwise.
2. The Receiver is not aware of any party that will be prejudiced if the proposed Sealing Order is granted. To the contrary, the Receiver is concerned that value may not be maximized if the Sealing Order is not granted. Accordingly, the Receiver believes the proposed Sealing Order is appropriate in the circumstances.

4.0 Conditions Precedent to APS

1. Notwithstanding the Attempted Purchaser's waiver of the Diligence Condition on January 6, 2022, the APS contains the following additional conditions:
 - a) per section 15.10 of the APS, an assignment of the Proposal Trustee's interest in the APS to the Receiver (and, in connection with any such assignment, an agreement by the Receiver and the Attempted Purchaser to reactivate the obligations of the parties under the APS, which obligations are deemed by section 15.2 of the APS to have ended completely upon the discharge of the Proposal Trustee on December 14, 2021);
 - b) delivery on or prior to closing by the Proposal Trustee of an estoppel certificate from Kornwood, as stipulated by Section 22.01 of the Ground Lease (the "Landlord Estoppel Certificate");
 - c) delivery on or prior to closing by the Proposal Trustee of estoppel certificates, in a form acceptable to the Attempted Purchaser, acting reasonably, from each subtenant¹, as to, among other things, the status of each subtenant's lease (collectively, the "Tenant Estoppel Certificates");
 - d) delivery on or prior to closing by the Proposal Trustee of such further documentation relating to the completion of the Attempted Transaction as shall be required by the Attempted Purchaser, acting reasonably (together with the Landlord Estoppel Certificate and the Tenant Estoppel Certificates, the "Estoppel Conditions"); and
 - e) issuance of the Approval and Vesting Order in the form, in all material respects, of the draft order attached as a schedule to the APS.

¹ An estoppel certificate is not required to be obtained from one tenant, Aqua Greens Inc., which is currently subject to receivership proceedings before this Court.

2. Following the Attempted Purchaser's satisfaction of the Diligence Condition on January 6, 2022, the Receiver continued to take steps to advance the Attempted Transaction to a stage of being able to assess whether completion thereof was likely, thereby informing whether the Receiver should take an assignment of the Proposal Trustee's interest in the APS and seek Court approval thereof.
3. The Receiver took steps to obtain the Tenant Estoppel Certificates and the Landlord Estoppel Certificate (jointly, the "Estoppel Certificates"). Specifically, the Attempted Purchaser was asked to provide a form of tenant estoppel certificate that would be to its satisfaction, and the Receiver's counsel prepared a form of landlord estoppel certificate reflecting the language contained in Section 22.01 of the Ground Lease.

4.1 Landlord Estoppel Certificate

1. Section 22.01 of the Ground Lease requires Kornwood to provide an estoppel certificate only if, among other things, "*no default then exists*" under the Ground Lease within 20 days of the request by the tenant.
2. On January 11, 2022, the Receiver sent an email to Kornwood requesting the Landlord Estoppel Certificate. The email contained the form of Landlord Estoppel Certificate prepared by the Receiver's legal counsel, Aird & Berlis LLP ("Aird & Berlis"), as discussed above. A copy of the form of Landlord Estoppel Certificate that was requested is attached as Appendix "J".
3. On January 13, 2022, the Receiver was contacted by a representative of Kornwood who advised that, in accordance with the Ground Lease, Kornwood had arranged for a structural engineering firm to inspect the buildings and the parking areas. The representative of Kornwood requested that Prime make arrangements with the subtenants to allow the engineer to access the buildings. The Receiver responded on January 13, 2022 to request which provisions Kornwood was relying on for this purpose. As at the date of this Report, Kornwood has not responded to the Receiver's email. A copy of this correspondence is attached as Appendix "K".
4. On January 31, 2022, Kornwood provided an executed Landlord Estoppel Certificate via Minden Gross LLP, which sets out various alleged defaults by the Company under the Ground Lease. The alleged defaults consist of: (i) events that occurred prior to the NOI Proceedings (e.g. failure to pay property taxes or obtain adequate insurance), which to the Receiver's knowledge have since been cured; (ii) issues that the Receiver is unaware of (e.g. the Company allegedly not performing repairs and maintenance to the Leasehold Interest); and (iii) the filing of the NOI and subsequent insolvency steps constituting current defaults under the Ground Lease. A copy of the Landlord Estoppel Certificate, together with a blackline to the version sent by the Receiver on January 11, 2022, is attached as Appendix "L".
5. On January 31, 2022, the Receiver provided the Attempted Purchaser with a copy of the executed Landlord Estoppel Certificate. The Attempted Purchaser responded by advising the Receiver that, in the Attempted Purchaser's view, the executed Landlord Estoppel Certificate did not comply with Section 22.01 of the Ground Lease and the proposed Approval and Vesting Order "*must cleanse any past defaults of the existing tenant.*" A copy of this email exchange is attached as Appendix "M".

6. On February 1, 2022, the Attempted Purchaser emailed the Receiver and requested that the Receiver modify the form of Approval and Vesting Order attached to the APS to provide for additional protections for the Attempted Purchaser related to the Ground Lease, which changes were requested as a result of Kornwood's Landlord Estoppel Certificate. Notwithstanding that the form of Approval and Vesting Order to be sought in connection with the Attempted Transaction was agreed by the parties and included as a schedule to the APS, the Attempted Purchaser's February 1st email stated:

"I do not wish to be difficult but until we resolve the wording of the proposed order to my satisfaction I reserve my right to reject the estoppel certificate delivered by the landlord..."

A copy of the February 1st email is attached as Appendix "N".

7. On February 8, 2022, the Receiver and its counsel held a conference call with the Attempted Purchaser and its counsel. During this call, the Receiver advised of the post-Bid Deadline offers made by Kornwood (including the fact they contained a superior purchase price) and the interest expressed by the DIP Lender in submitting a credit bid. Accordingly, the Receiver confirmed it was not comfortable seeking additional, material protections in the Approval and Vesting Order attached to the APS without giving other interested prospective purchasers an opportunity to submit revised/final offers for the Property, given the significance of the requested change and the interest expressed in the Property by Kornwood and the DIP Lender. At the Attempted Purchaser's request, the Receiver advised it would ask Kornwood to consider amending the executed Landlord Estoppel Certificate if the Attempted Purchaser documented the specific issues that it had with the document.
8. This information was provided by the Attempted Purchaser to the Receiver on February 9, 2022, by way of a mark-up to Kornwood's executed Landlord Estoppel Certificate (the "Mark-Up"). A copy of the Mark-Up and cover email are attached collectively as Appendix "O". The Attempted Purchaser's Mark-Up does not take issue with the filing of the NOI and subsequent insolvency steps constituting current defaults under the Ground Lease (see section 3(d) of the Mark-Up), and the Attempted Purchaser also confirms its understanding in the Mark-Up that *"Section 22.01 of the Ground Lease permits the Landlord not to provide the certification required if a default then exists ..."*² (see section 5 of the Mark-Up).
9. As it said it would do, the Receiver's counsel wrote to Minden Gross upon receipt of the Attempted Purchaser's Mark-Up, attaching same and asking Kornwood to consider amending the executed Landlord Estoppel Certificate in light of the feedback received from the Attempted Purchaser. On February 11, 2022, Minden Gross confirmed that an amended Landlord Estoppel Certificate would not be provided. A copy of this email exchange is attached as Appendix "P".

² The Attempted Purchaser goes on to claim in the Mark-Up, without support, that the Ground Lease *"does not permit or contemplate a 'without prejudice' response"* by Kornwood if it chooses to provide the certificate when it is not obliged to do so.

10. On February 11, 2022, Aird & Berlis advised the Attempted Purchaser of Kornwood's decision not to amend the Landlord Estoppel Certificate. With a view to determining whether it would be possible to still complete the Attempted Transaction, the Receiver asked the Attempted Purchaser to confirm whether it would waive the Estoppel Conditions by February 15, 2022, in which case the Receiver would proceed to seek Court approval of the Attempted Transaction. A copy of this email is attached as Appendix "Q".
11. On February 14, 2022, the Attempted Purchaser asked Aird & Berlis who was acting for Kornwood in connection with the Landlord Estoppel Certificate, and the Attempted Purchaser was provided with this information (i.e. Minden Gross).
12. On February 15, 2022, the Attempted Purchaser emailed Aird & Berlis to advise, among other things, that, in its view, Kornwood is attempting to frustrate the Attempted Transaction and that the APS is a binding agreement between the Proposal Trustee and Attempted Purchaser and that the Proposal Trustee is obliged to take all necessary steps to comply with its obligations under the APS, including to compel Kornwood to deliver an acceptable Landlord Estoppel Certificate. A copy of this correspondence is attached as Appendix "R".
13. On February 16, 2022, Aird & Berlis responded to the Attempted Purchaser by advising, among other things, that:
 - a) per section 15.2 of the APS, there were no ongoing obligations under the APS as a result of the discharge of the Proposal Trustee;
 - b) notwithstanding the Proposal Trustee's discharge, the Receiver has been working with the Attempted Purchaser in good faith over the past few months (and to the exclusion of other potential purchasers who have expressed an interest in the opportunity) with a view to determining if the Attempted Transaction could still be consummated, this time between the Receiver and the Attempted Purchaser. Nonetheless, the Receiver is not prepared to take an assignment of the APS and continue to pursue the Attempted Transaction unless the Receiver sees a realistic pathway to closing the Attempted Transaction with the Attempted Purchaser;
 - c) the Receiver is not prepared (and has no obligation) to get involved in a dispute between the Attempted Purchaser and Kornwood (or in a dispute between the Attempted Purchaser and any of the space tenants); and
 - d) absent written confirmation by the Attempted Purchaser that it is waiving the Estoppel Conditions, the Receiver sees no realistic pathway to closing the Transaction and will therefore need to move on by taking steps to solicit offers for the Property. On the other hand, if the Attempted Purchaser provides written confirmation of its waiver of the Estoppel Conditions, the Receiver would take an assignment of the APS and expeditiously work to seek Court approval of the Attempted Transaction.

A copy of this correspondence is attached as Appendix "S".

14. On February 17, 2022, the Attempted Purchaser responded to Aird & Berlis disagreeing with the Receiver's position and advising that it intends to "*vigorously pursue all rights and remedies that [it] may have against the Proposal Trustee in the event of the failure by the Proposal Trustee to perform its obligations under the APS and will hold the Proposal Trustee liable for any damages, including damages for lost opportunity resulting therefrom.*" A copy of this correspondence is attached as Appendix "T".
15. As at the date of this Report, the dispute between the Attempted Purchaser and the Receiver has not been resolved.

4.2 Tenant Estoppel Certificates

1. As at the date of this Report, the subtenants have all provided the Receiver with Tenant Estoppel Certificates. Certain of the Tenant Estoppel Certificates contain modifications to the Attempted Purchaser's standard form. The Attempted Purchaser has advised the Receiver that two of the Tenant Estoppel Certificates are unacceptable. At the request of the Attempted Purchaser, the Receiver requested changes to the two Tenant Estoppel Certificates in question, but the subtenants have refused to modify their certificates.

4.3 Recommendation re: APS

1. The Receiver recommends that the Court issue an order authorizing and directing the return of the Deposits to the Attempted Purchaser less the Receiver's costs of its motion if opposed by the Attempted Purchaser and otherwise confirming that none of the Receiver, the Proposal Trustee and KSV has any remaining obligations under the APS, for the following reasons:
 - a) the existing default under the Ground Lease, as a result of which Kornwood is not required to provide an estoppel certificate in compliance with section 22.01 of the Ground Lease;
 - b) Kornwood's confirmation that it will not amend the executed Landlord Estoppel Certificate;
 - c) the Amended Purchaser's refusal to accept the executed Landlord Estoppel Certificate (and two of the Tenant Estoppel Certificates);
 - d) there not being any realistic pathway (or credible legal basis) to compel these stakeholders to change their respective positions;
 - e) as a result of the above, there not being any realistic pathway to close the Attempted Transaction, which the Receiver has nonetheless worked in good faith to attempt to advance despite not being bound under the APS;
 - f) paragraph 3(j) of the Receivership Order already authorizes the Receiver to consider other marketing alternatives, apart from the APS that resulted from the SISP conducted during the NOI Proceedings;

- g) the Receiver understands that the DIP Lender, which may be the only economic stakeholder in these proceedings, supports the Receiver's proposed course of action in respect of the APS; and
- h) there are no funds available for a protracted process whereby the Receiver continues in perpetuity to pursue satisfaction of the remaining conditions contemplated under the Attempted Transaction, and the DIP Lender has confirmed that it is not prepared to allow its collateral to be used to fund these proceedings indefinitely.

5.0 Receivership Bid Process

1. Provided that the Court accepts the Receiver's recommendations regarding the APS, the Receiver is seeking approval of the below Receivership Bid Process, which would be open to select bidders (and anyone else who bids on an unsolicited basis) to submit offers blacklined to the Receiver's standard form of Agreement of Purchase and Sale within ten (10) days following Court approval of the Receivership Bid Process.
2. The parties the Receiver would approach are:
 - a) the Attempted Purchaser;
 - b) the other parties who submitted offers in the SISP;
 - c) Kornwood;
 - d) the DIP Lender, which has recently confirmed again to the Receiver that it intends on submitting a credit bid to protect its interests; and
 - e) Concord Products and Blow Moldings Ltd., a subtenant that has expressed an interest in the opportunity.
3. In the Receiver's view, the proposed Receivership Bid Process is reasonable and appropriate for the following reasons:
 - a) given the previous marketing period under the SISP and the above parties' familiarity with the Property, it provides sufficient time for interested parties to assess the Leasehold Interest and submit final offers;
 - b) it preserves the Attempted Purchaser's ability to revise its offer (including to seek its requested material change to the previously settled form of Approval and Vesting Order that was agreed and attached as a schedule to the APS);
 - c) it is designed to provide certainty and a conclusion to the marketing and sale process for the Property as the DIP Lender has confirmed that it is prepared to submit an unconditional offer;
 - d) the DIP Lender is supportive of the relief requested; and
 - e) there are no funds available for a protracted process as the DIP Lender has confirmed that it is not prepared to allow its collateral to be used to fund these proceedings indefinitely.

4. Accordingly, the Receiver recommends the Court issue an order approving the Receivership Bid Process.
5. For greater certainty, the Receiver is still prepared to seek the Approval and Vesting Order in respect of the Attempted Transaction, provided the Attempted Purchaser agrees to waive the Estoppel Conditions prior to the hearing of the Receiver's motion. As at the date of this Report, the Attempted Purchaser has refused to waive the Estoppel Conditions.

6.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed herein.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
CLAIREVILLE PROPERTY HOLDINGS INC.
AND NOT IN ANY OTHER CAPACITY**



**Supplement to the First Report to Court
of KSV Restructuring Inc.
as Receiver and Manager of
Claireville Property Holdings Inc.**

April 5, 2022

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Court File No. CV-21-00672999-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

**SUPPLEMENT TO THE FIRST REPORT OF KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER OF
CLAIREVILLE PROPERTY HOLDINGS INC.**

APRIL 5, 2022

1.0 Introduction

1. This report (the “Supplemental Report”) supplements the First Report of the Receiver dated March 2, 2022 (the “First Report”). The First Report was approved by the Court, is integral to the motion for which the Supplemental Report is filed and should be read in its entirety. A copy of the First Report (without appendices) is attached as Appendix “A”.
2. Capitalized terms used but not defined in this Supplemental Report have the meaning provided to them in the First Report, except that the “Attempted Purchaser” and the “Attempted Transaction” are redefined in this Supplemental Report as the “Purchaser” and the “Transaction”, respectively.

2.0 Developments Since the Issuance of the First Report

1. As set out in detail in the First Report, a dispute arose between the Purchaser and the Receiver in respect of the Estoppel Conditions, which dispute prevented the Receiver from seeking approval of, and closing, the Transaction. Accordingly, the relief originally recommended by the Receiver in connection with the First Report included approval of a further Receivership Bid Process, the purpose of which would have been to solicit revised offers for the Leasehold Interest.

2. However, Section 5.0(5) of the First Report also advised that the Receiver was still prepared to seek the Approval and Vesting Order in respect of the Transaction if the Purchaser agreed to waive the Estoppel Conditions prior to the hearing of the Receiver's motion on March 22, 2022, which the Purchaser had refused to do as at the date of the First Report.
3. On March 18, 2022, the Purchaser confirmed that it was waiving the Estoppel Conditions. On the same date, the Receiver advised the Service List by email of the foregoing. In the same email, the Receiver also advised the Service List of the Receiver's intention:
 - a) not to seek approval of the further Receivership Bid Process or related relief regarding the marketing and sale of the Leasehold Interest at the March 22, 2022 hearing; and
 - b) to ask the Court on March 22, 2022 for an additional hearing date to hear an approval and vesting motion in connection with the Transaction (the "AVO Motion").

A copy of the Receiver's March 18th email to the Service List is attached as Appendix "B".

4. On March 22, 2022, the Court issued an Order approving the First Report, the actions of the Receiver described therein and the sealing of the Confidential Appendices (the "March 22 Order"). At the hearing on March 22, 2022, the Receiver also confirmed a date of April 14, 2022 for the hearing of the AVO Motion. Copies of the March 22 Order and accompanying endorsement are attached as Appendix "C".
5. On March 24, 2022, the Receiver, the Purchaser and the Purchaser Assignee (as defined below) entered into an amending and assumption agreement regarding the APS (the "Amending Agreement" and, together with the APS, the "Agreement"). A copy of the Amending Agreement is attached as Appendix "D". The key terms of the Amending Agreement are as follows:
 - a) an assignment by the Receiver of the Proposal Trustee's interest in the APS, and the agreement by the parties to reinstate their respective obligations under the Agreement and to be bound by same;
 - b) the Purchaser's direction that title to the Purchased Assets (as defined in the APS) be taken in the name of 200 Town Centre Court Inc. (the "Purchaser Assignee"). The principal of both the Purchaser and the Purchaser Assignee is S. Paul Mantini; and
 - c) the reaffirmation by the Purchaser and the Purchaser Assignee that they have irrecoverably waived the Estoppel Conditions and the Diligence Condition.

2.1 Purpose of this Supplemental Report

1. The substantive purpose of the Supplemental Report is to recommend that the Court issue the Approval and Vesting Order in the form, in all material respects, of the draft Order attached to the APS (which APS itself was appended to the First Report), as amended only to reflect the necessities of the Amending Agreement and the filing of the Supplemental Report. In substance, the requested Approval and Vesting Order:
 - a) approves the Transaction;
 - b) vests title in and to the Purchased Assets in the Purchaser Assignee, free and clear of all liens, claims and encumbrances, except the Permitted Encumbrances (as defined in the APS), upon the Receiver filing a certificate with the Court confirming completion of the Transaction; and
 - c) approves the Supplemental Report and the actions of the Receiver described herein.

2.2 Restrictions

1. The Supplemental Report is subject to the same restrictions as the First Report.

3.0 Transaction¹

1. The SISP results are set out in the First Report and are not repeated below.
2. The key terms and conditions of the Agreement are provided below.
 - a) Purchaser Assignee: 200 Town Centre Court Inc.;
 - b) Purchase Price: the Purchase Price amount is sealed pursuant to the March 22 Order (and is available for the Court at Confidential Appendix “2” to the First Report);
 - c) Deposits: the Deposits have been paid to the Receiver (which amount is available for the Court at Confidential Appendices “1” and “2” to the First Report);
 - d) Purchased Assets: the Purchased Assets include all of the Company’s right, title and interest in and to the Property, excluding the Excluded Assets and the Excluded Liabilities, which Purchased Assets include the Company’s right, title and interest in and to the following:
 - i. the Contracts (as defined in the APS to be, with certain exceptions, all the contracts, etc., to which the Company is a party, or by which the Company, in its capacity as owner of the Purchased Assets, is bound, including, without limitation, the Company’s right, title and interest in and to the Ground Lease);

¹ Terms not defined in this section have the meanings provided to them in the Agreement.

- ii. all: (i) prepaid rent; (ii) prepaid operating costs or expenses; and (iii) deposits of whatever nature and kind from any Person, public utility or Governmental Authority relating to the Purchased Assets;
 - iii. the Permits (as defined in the APS to be all the permits, etc., issued, granted or required by any Governmental Authority in respect of the Purchased Assets), but only to the extent transferable to the Purchaser or the Purchaser's permitted assignees; and
 - iv. the Warranty Rights (as defined in the APS to be the full benefit of all warranty rights, etc., of the Company against manufacturers, contractors or any other Person which apply to the Purchased Assets, but only to the extent that the same are capable of being assigned);
- e) Excluded Assets: means all the Company's right, title and interest in and to the Property other than the Purchased Assets, which Excluded Assets include the Company's right, title and interest, if any, in and to the following:
 - i. the Cash;
 - ii. original tax records and books and records that do not relate exclusively or primarily to any of the Purchased Assets;
 - iii. the benefit of any refundable Taxes payable or paid by the Company in respect of the Purchased Assets and applicable solely to the period prior to the Closing Date net of any amounts withheld by any taxing authority, and any claim or right of the Company to any refund, rebate, or credit of Taxes for the period prior to the Closing Date; and
 - iv. the Excluded Contracts;
- f) "As Is, Where Is": the Agreement is consistent with standard insolvency transactions, i.e., to be completed on an "as is, where is" basis with minimal representations, warranties and conditions by the Receiver;
- g) Closing Date: means, unless otherwise agreed in writing by the Parties, the date that is the later of: (i) the 1st Business Day following the date that is 20 days following the date on which the Approval and Vesting Order is issued by the Court; and (ii) the 1st Business Day following the date that is 20 days following the date on which any appeals or motions to set aside or vary the Approval and Vesting Order have been finally determined; and
- h) Remaining Material Condition Known to the Receiver: issuance of the Approval and Vesting Order.

3. Subsequent to the First Report, the Receiver learned that: (i) one of Mr. Mantini's companies² had previously signed an agreement in November 2020 to purchase the real property municipally known as 40 King Street West in Oshawa, Ontario from an entity in the Gross Group³ (the "40 King Transaction"); (ii) the 40 King Transaction did not close; and (iii) the parties to the 40 King Transaction subsequently entered into a settlement agreement in May 2021 (the "40 King Settlement Agreement").
4. As set out in the First Report, accusations have been made by investors of the Gross Group (of which the Company is a member) of misappropriation and misuse of investor funds by Mark and Sheldon Gross and/or entities controlled by Mark and Sheldon Gross, which allegations are being investigated by KSV, in its capacity as the GCI Trustee.
5. Prior to entering into the Amending Agreement, the Receiver advised Mr. Mantini that it would request, and Mr. Mantini agreed to provide, a sworn declaration containing the following substantive points, an executed copy of which is attached as Appendix "E" (the "Sworn Declaration"):
 - a) neither Mark Gross, nor anyone related to him nor any entity controlled by him is involved in the Transaction; and
 - b) with the exception of the 40 King Settlement Agreement, neither Mr. Mantini, nor his wife, nor any company controlled by either of them currently has any business dealings or investments with Mark Gross or his family or any companies which, to Mr. Mantini's knowledge, are controlled by Mark Gross or his family.

3.1 Recommendation re: Transaction

1. The Receiver recommends the Court approve the Transaction for the following reasons:
 - a) the SISP (which, as described in the First Report, was approved by the Court on July 28, 2021 in the NOI Proceedings for which KSV acted as the Proposal Trustee), resulted in a wide canvassing of the market by CBRE, with the Proposal Trustee's oversight. In this regard, 13 parties executed a confidentially agreement and performed diligence over the course of the SISP, which resulted in three offers being submitted on or prior to the Bid Deadline, including the Purchaser's offer;
 - b) the APS specifically contemplates its assignment to the Receiver, as disclosed previously to the Company's stakeholders, including in both the Proposal Trustee's Fourth Report and in the First Report, which assignment has now occurred pursuant to the Amending Agreement;

² Being 1180554 Ontario Limited.

³ Being 40 King West Holdings Inc.

- c) in the Receiver's view, the APS represents the best offer received by the Bid Deadline. In this regard, Confidential Appendix "1" to the First Report contains an offer summary of all offers received by the Bid Deadline;
 - d) as discussed in the First Report, the unsolicited Kornwood APS (containing a higher purchase price than the APS) was submitted on two occasions after the Bid Deadline. On both occasions, the Receiver was advised that the Kornwood APS would be open for acceptance for between approximately 24 and 48 hours. Given that the Receiver was working in good faith with the Purchaser at that time, the Receiver did not engage with Kornwood or any of its representatives or related parties in respect of the Kornwood APS. No explanation was provided as to why Kornwood did not submit an offer prior to the Bid Deadline in accordance with the Court-approved SISP;
 - e) the Purchaser and the Purchaser Assignee have waived the Estoppel Conditions and the Diligence Condition, the two deposits have been remitted to the Receiver in accordance with the Agreement and Mr. Mantini has also provided the Sworn Declaration at the Receiver's request;
 - f) since advising the Service List on March 18, 2022 that the Receiver would be seeking the Approval and Vesting Order, no stakeholder has indicated any objection to the Receiver or its counsel;
 - g) the DIP Lender is supportive of the Transaction; and
 - h) as set out in the First Report, there are no funds available for a second marketing process, as the DIP Lender has confirmed that it is not prepared to allow its collateral to be used to fund these proceedings indefinitely. Also as set out in the First Report, the DIP Lender has advised that it would submit a credit bid to protect its interests should the Transaction not be completed in the near term.
2. In light of the foregoing, it is the Receiver's view that the Transaction satisfies the principles described in *Royal Bank v. Soundair*.⁴
- a) the Receiver has made a sufficient effort to get the best price and has not acted improvidently;
 - b) the interests of all parties have been considered;
 - c) the process by which offers were obtained was conducted with efficacy and integrity; and
 - d) there has not been unfairness in the working out of the process.

⁴ (1991), 4 O.R. (3d) 1 (C.A.) at para. 16.

4.0 Next Steps in these Proceedings

1. Subject to the Court granting the Approval and Vesting Order in connection with the Transaction, the Receiver intends to:
 - a) work with the Purchaser and the Purchaser Assignee to close the Transaction; and
 - b) bring a final motion in these proceedings to, *inter alia*, approve distributions of the cash on deposit in the Receiver's account, including from the net proceeds of the Transaction, and seek the Receiver's discharge.

5.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an Order granting the relief detailed herein.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
CLAIREVILLE PROPERTY HOLDINGS INC.
AND NOT IN ANY OTHER CAPACITY**

Appendix “D”



Electronically issued : 14-Apr-2022
Délivré par voie électronique : 14-Apr-2022
Toronto

Court File No. CV-21-00672999-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

)

THURSDAY, THE 14TH

JUSTICE CAVANAGH

)

DAY OF APRIL, 2022

)

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of Claireville Property Holdings Inc. (the “**Debtor**”), for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale amongst: (1) KSV Restructuring Inc., in its capacity as the Proposal Trustee (as defined in the Order of The Honourable Mr. Justice Pattillo of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made July 28, 2021 (the “**Sale Process Order**”)) and assigned to the Receiver, as vendor; (2) S. Paul Mantini, in trust for an Ontario corporation to be incorporated, as the original purchaser; and (3) 200 Town Centre Court Inc. (the “**Purchaser**”), as purchaser assignee, dated December 2, 2021 and amended March 24, 2022 (collectively, the “**Sale Agreement**”), copies of which are attached as Appendix “G” to

the First Report of the Receiver dated March 2, 2022 (the “**First Report**”), Confidential Appendix “2” to the First Report and Appendix “D” to the Supplement to the First Report of the Receiver dated April 5, 2022 (the “**First Report Supplement**” and, together with the First Report, the “**Report**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the property described as the “Purchased Assets” in the Sale Agreement (the “**Purchased Assets**”), was heard this day by judicial videoconference because of the COVID-19 pandemic.

ON READING the Report and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Susy Moniz sworn April 5, 2022, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is 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, or as it may direct.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “**Receiver’s Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets described in the Sale Agreement including, without limitation, all of the Debtor’s right, title and interest in and to the Ground Lease (as defined herein), shall vest absolutely in the Purchaser, free and clear of and from any and all certificates of pending litigation and any and all security interests (whether

contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, writs, 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 Sale Process Order; (ii) any encumbrances or charges created by the Order (Appointing Receiver) of The Honourable Mr. Justice Pattillo made December 14, 2021; (iii) 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 (iv) those Claims listed on **Schedule “C”** 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 **Schedule “D”**) 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.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division 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 lessee of the ground lease in respect of the subject real property identified in **Schedule “B”** hereto (the “**Real Property**”) (collectively, the “**Ground Lease**”), and is hereby directed to delete and expunge from title to the Real Property all of the Claims with respect to the Ground Lease listed in **Schedule “C”** hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds 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 Receiver'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.

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

6. **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 *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser, or as it may direct, pursuant to this Order shall be binding on the Receiver and any other licensed insolvency trustee that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) 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.

7. **THIS COURT ORDERS** that the First Report Supplement be and is hereby approved and the actions of the Receiver described therein be and are hereby approved.

8. **THIS COURT ORDERS** that, in accordance with the Endorsement of the Court dated March 22, 2022, the sealing of the Confidential Appendices to the First Report shall no longer be in effect upon delivery of the Receiver's Certificate.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



Digitally signed by
Mr. Justice Cavanagh

Schedule “A” – Form of Receiver’s Certificate

Court File No. CV-21-00672999-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

- I. Pursuant to an Order of The Honourable Mr. Justice Pattillo of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated December 14, 2021, KSV Restructuring Inc. was appointed as the receiver and manager (in such capacity, the “**Receiver**”) of all the assets, undertakings and properties of Claireville Property Holdings Inc. (the “**Debtor**”).
- II. Pursuant to an Order of the Court dated April 14, 2022, the Court approved the agreement of purchase and sale amongst: (1) KSV Restructuring Inc., in its capacity as the Proposal Trustee (as defined in the Order of The Honourable Mr. Justice Pattillo of the Court made July 28, 2021) and assigned to the Receiver, as vendor; (2) S. Paul Mantini, in trust for an Ontario corporation to be incorporated, as the original purchaser; and (3) 200 Town Centre Court Inc. (the “**Purchaser**”), as purchaser assignee, dated December 2, 2021 and amended March 24, 2022 (collectively, the “**Sale Agreement**”), and provided for the vesting in the Purchaser of all the Debtor’s right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to

be effective with respect to the Purchased Assets upon the delivery by the Receiver 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 the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) that the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has 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 the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Receiver's Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV RESTRUCTURING INC., solely in its capacity as the Receiver, and not in its personal capacity or in any other capacity

Per: _____

Name:

Title:

SCHEDULE “B”

LEGAL DESCRIPTION

PIN 07368-0036(LT)

PT LT 38 CON 4 FRONTING THE HUMBER, PT 8 64R2980 EXCEPT PTS 2, 3 & 1 EXPROP
PLAN 11716. ETOBICOKE; CITY OF TORONTO

PIN 07368-0037(LT)

PT LT 38 CON 4 FRONTING THE HUMBER, PT 5 64R2980. ETOBICOKE; CITY OF
TORONTO

**SCHEDULE “C”
INSTRUMENTS TO BE DELETED FROM TITLE**

a) **PIN 07368-0036 (LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT3972177	2015/08/07	Notice of Charge of Lease	\$10,000,000	Claireville Property Holdings Inc.	SREIT (Rexdale) Ltd.
AT5775169	2021/06/23	Construction Lien	\$260,515	Trade Electrical Contractors Inc.	
AT5830491	2021/08/16	Certificate of Action		Trade Electrical Contractors Inc.	Aqua Greens Inc. c/o Urban Farmer Claireville Property Holdings Inc.
AT5845822	2021/08/31	Application Court Order		Superior Court of Justice	KSV Restructuring Inc.
AT5888582	2021/10/20	Notice of Assignment of Rents General		Claireville Property Holdings Inc.	Cannect Mortgage Investment Corporation

b) **PIN 07368-0037(LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
AT3972177	2015/08/07	Notice of Charge of Lease	\$10,000,000	Claireville Property Holdings Inc.	SREIT (Rexdale) Ltd.
AT5775169	2021/06/23	Construction Lien	\$260,515	Trade Electrical Contractors Inc.	
AT5830491	2021/08/16	Certificate of Action		Trade Electrical Contractors Inc.	Aqua Greens Inc. c/o Urban Farmer Claireville Property Holdings Inc.
AT5845822	2021/08/31	Application Court Order		Superior Court of Justice	KSV Restructuring Inc.
AT5888582	2021/10/20	Notice of Assignment of Rents General		Claireville Property Holdings Inc.	Cannect Mortgage Investment Corporation

SCHEDULE “D”
PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS

a) **PIN 07368-0036 (LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
EB319687	1966/09/27	Transfer			
64R2980	1973/08/15	Plan Reference			
EB432413	1974/04/23	Notice of Lease			
EB499958	1978/09/15	Agreement			Borough of Etobicoke
64R7329	1978/12/11	Plan Reference			
E317117	2000/03/27	Notice		Her Majesty The Queen In Right Of The Department Of Transport Canada	
E417103	2001/05/29	Application Change Name		Slough Estates (Canada) Limited	Slough Estates Canada Limited
E467712	2001/10/19	Notice of Assignment of Lessee Interest		Slough Estates Canada Limited	SREIT (Rexdale) Ltd
E468446	2001/10/23	Notice of Sublease		SREIT (Rexdale) Ltd.	Autotek Electroplating Inc.
E468447	2001/10/23	Notice of Sublease		SREIT (Rexdale) Ltd.	Olympic Coaters Inc.
AT3402986	2013/09/11	Notice of Sublease		SREIT (Rexdale) Ltd	Club Coffee L.P.
AT3972176	2015/08/07	Notice of Assignment of Lessee Interest	\$2,750,000	SREIT (Rexdale) Ltd.	Claireville Property Holdings Inc.
AT5297522	2019/11/19	Notice of Security Interest	\$240,751	De Lage Landen Financial Services Canada Inc.	
AT5655642	2021/02/19	Notice of Security Interest	\$207,490	Add Capital Corp.	
AT5820101	2021/08/04	Notice of Assignment of Lessee Interest	\$2	Duca Financial Services Credit Union Ltd.	Claireville Property Holdings Inc.

b) **PIN 07368-0037(LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
EB319687	1966/09/27	Transfer			
64R2980	1973/08/15	Plan Reference			
EB432135	1974/04/16	Agreement			Borough of Etobicoke
EB432413	1974/04/23	Notice of Lease			
EB497279	1978/07/25	Agreement			Borough of Etobicoke
EB499958	1978/09/15	Agreement			Borough of Etobicoke
64R9552	1982/09/21	Plan Reference			
TB315351	1986/04/23	Lease			
TB331744	1986/06/30	Charge	\$300,000		
E317117	2000/03/27	Notice		Her Majesty The Queen In Right Of The Department Of Transport Canada	
E467712	2001/10/19	Notice of Assignment of Lessee Interest	\$19,844,000	Slough Estates Canada Limited	SREIT (Rexdale) Ltd
E468446	2001/10/23	Notice of Sublease		SREIT (Rexdale) Ltd.	Autotek Electroplating Inc.
E468447	2001/10/23	Notice of Sublease		SREIT (Rexdale) Ltd.	Olympic Coaters Inc.
AT3402986	2013/09/11	Notice of Sublease		SREIT (Rexdale) Ltd.	Club Coffee L.P.
AT3499493	2014/01/16	Notice of Sublease		SREIT (Rexdale) Ltd.	Brightroof II GP Inc. Metis Nation of Ontario - Brightroof Solar LP
AT3574752	2014/05/06	Notice of Sublease		SREIT (Rexdale) Ltd.	Brightroof II GP Inc.
AT3870116	2015/04/30	Notice of Charge of Lease	\$80,000,000	Brightroof II GP Inc. Metis Nation of Ontario - Brightroof Solar LP	National Bank of Canada

AT3871059	2015/04/30	Notice of Charge of Lease	\$80,000,000	Brightroof II GP Inc. Metis Nation of Ontario - Brightroof Solar LP	National Bank of Canada
AT3871060	2015/04/30	Notice of Charge of Lease	\$80,000,000	Brightroof II GP Inc. Metis Nation of Ontario - Brightroof Solar LP	National Bank of Canada
AT3972176	2015/08/07	Notice of Assignment of Lessee Interest	\$2,750,000	SREIT (Rexdale) Ltd.	Claireville Property Holdings Inc.
AT5297522	2019/11/19	Notice of Security Interest	\$240,751	De Lage Landen Financial Services Canada Inc.	
AT5384006	2020/03/09	Notice of Security Interest	\$62,215	Blue Chip Leasing Corporation	
AT5384007	2020/03/09	Notice of Security Interest	\$5,011	Blue Chip Leasing Corporation	
AT5384008	2020/03/09	Notice of Security Interest	\$16,086	Blue Chip Leasing Corporation	
AT5384009	2020/03/09	Notice of Security Interest	\$17,387	Blue Chip Leasing Corporation	
AT5384010	2020/03/09	Notice of Security Interest	\$41,764	Blue Chip Leasing Corporation	
AT5384011	2020/03/09	Notice of Security Interest	\$83,447	Blue Chip Leasing Corporation	
AT5384012	2020/03/09	Notice of Security Interest	\$14,038	Blue Chip Leasing Corporation	
AT5655638	2021/02/19	Notice of Security Interest	\$19,647	Add Capital Corp.	
AT5655639	2021/02/19	Notice of Security Interest	\$70,302	Add Capital Corp.	

AT5655640	2021/02/19	Notice of Security Interest	\$15,863	Add Capital Corp.	
AT5655641	2021/02/19	Notice of Security Interest	\$94,295	Add Capital Corp.	
AT5820101	2021/08/04	Notice of Assignment Of Lessee Interest	\$2	Duca Financial Services Credit Union Ltd.	Claireville Property Holdings Inc.

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

Court File No. CV-21-00672999-00CL

	<p>ONTARIO</p> <p>SUPERIOR COURT OF JUSTICE</p> <p>COMMERCIAL LIST</p> <p>Proceedings commenced at Toronto</p>
	<p>APPROVAL AND VESTING ORDER</p>
	<p>AIRD & BERLIS LLP Barristers and Solicitors Brookfield Place 181 Bay Street, Suite 1800 Toronto, ON M5J 2T9</p> <p>Kyle Plunkett (LSO # 61044N) Tel: (416) 865-3406 Fax: (416) 863-1515 Email: kplunkett@airdberlis.com</p> <p>Jeremy Nemers (LSO # 66410Q) Tel: (416) 865-7724 Fax: (416) 863-1515 Email: jnemers@airdberlis.com</p> <p><i>Lawyers for the Receiver</i></p>

48220972.4

Appendix “E”

Court File No. CV-21-00672999-00CL

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

B E T W E E N :

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

RECEIVER'S CERTIFICATE

RECITALS

I. Pursuant to an Order of The Honourable Mr. Justice Pattillo of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated December 14, 2021, KSV Restructuring Inc. was appointed as the receiver and manager (in such capacity, the “**Receiver**”) of all the assets, undertakings and properties of Claireville Property Holdings Inc. (the “**Debtor**”).

II. Pursuant to an Order of the Court dated April 14, 2022, the Court approved the agreement of purchase and sale amongst: (1) KSV Restructuring Inc., in its capacity as the Proposal Trustee (as defined in the Order of The Honourable Mr. Justice Pattillo of the Court made July 28, 2021) and assigned to the Receiver, as vendor; (2) S. Paul Mantini, in trust for an Ontario corporation to be incorporated, as the original purchaser; and (3) 200 Town Centre Court Inc. (the “**Purchaser**”), as purchaser assignee, dated December 2, 2021 and amended March 24, 2022 (collectively, the “**Sale Agreement**”), and provided for the vesting in the Purchaser of all the Debtor’s right, title and

interest in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver 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 the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) that the Transaction has been completed to the satisfaction of the Receiver.

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

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has 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 the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at 3:25 PM [TIME] on May 5, 2022 [DATE].

KSV RESTRUCTURING INC., solely in its capacity as the Receiver, and not in its personal capacity or in any other capacity

Per:



Name: Noah Goldstein
Title: Managing Director

**CANNECT MORTGAGE INVESTMENT
CORPORATION**

Applicant

- and -

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

CV-21-00672999-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

RECEIVER'S CERTIFICATE

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
P.O. Box 754
Toronto, ON M5J 2T9

Kyle Plunkett (LSO # 61044N)

Tel: (416) 865-3406

Fax: (416) 863-1515

Email: kplunkett@airdberlis.com

Jeremy Nemers (LSO # 66410Q)

Tel: (416) 865-7724

Fax: (416) 863-1515

Email: jnemers@airdberlis.com

Lawyers for the Court-appointed Receiver

Appendix “F”

Claireville Property Holdings Inc.

Interim Statement of Receipts and Disbursements

For the Period December 14, 2021 to May 25, 2022

(CAD\$; unaudited)

Receipts

Rental income	3,921,430
Real estate sale proceeds (net)	3,286,254
Transfer from NOI account upon termination of NOI proceedings	707,321
Miscellaneous interest income	3,280
	<u>7,918,285</u>

Disbursements

Rent under Ground Lease	959,446
Property taxes	442,283
Operating expenses (utilities, security, storage, etc.)	425,415
HST paid on disbursements	268,865
Equipment rentals	159,673
Real estate commissions	138,000
Property tax consulting fee	147,487
Property management fees (Prime Real Estate Group Inc.)	66,126
HST remittances	47,250
Insurance	44,569
Funding to bankruptcy account pursuant to Third Party Guarantee	20,000
Professional fees	
Receiver	118,674
Receiver's legal counsel	74,782
	<u>2,912,571</u>
Receivership Bank Balance	<u>5,005,714</u>

Appendix “G”

A.CONTE PROFESSIONAL CORPORATION

Barrister & Solicitor

242 Applewood Crescent
Unit 12, 2nd Floor
Concord, Ontario
L4K 4E5

Tel: 905-660-4775
Fax: 866-543-3165

Antonio Conte, B.Math, M.Sc., LL.B.
A.Conte@contelaw.ca

File No. 21-3511

August 17, 2021

Claireville Property Holdings Inc.

200 Ronson Drive
#201
Etobicoke, Ontario
M9W 5Z9

Dear Sir/Madam:

RE: Our Client:	Trade Electrical Contractors Inc.
<u>Construction lien:</u>	<u>26 Huddersfield Unit No. 2, Etobicoke</u>

Enclosed herewith please find our client's Statement of Claim, which is hereby served upon you pursuant to s.87 of *The Construction Lien Act*.

Yours very truly,

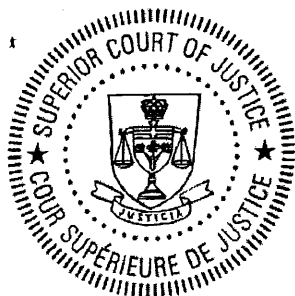
A. CONTE PROFESSIONAL CORPORATION

Per: 

Antonio Conte

AC:ii

Encl.



Court File No. .

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Electronically issued : 13-Aug-2021
Délivré par voie électronique
Toronto

in the Matter of the Construction Act,
R.S.O. 1990, cC 30 as amended.

BETWEEN:

TRADE ELECTRICAL CONTRACTORS INC.

Plaintiff

(Court seal)

And

AQUA GREENS INC. c/o URBAN FARMER and CLAIREVILLE PROPERTY HOLDINGS
INC.

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANT(S)

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff(s). The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff(s) lawyer or, where the plaintiff(s) do(es) not have a lawyer, serve it on the plaintiff(s), and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

~~If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.~~

~~Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.~~

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF(S) CLAIM, and \$1,500.00, for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff(s) claim and \$400.00 for costs and have the costs assessed by the court

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date:

Issued _____
Local Registrar

Address of court office:
393 University Avenue
10th Floor
Toronto, Ontario
M5G 1E6

Aqua Greens Inc.
c/o Urban Farmer
2798 Thamesgate Dr. #7
Mississauga, Ontario
L4T 4E8

AND TO:
Claireville Property Holdings Inc.
200 Ronson Drive
#201
Etobicoke, Ontario
M9W 5Z9

1. The Plaintiff claims:

- (a) payment of \$260,515.44
- (b) payment of interest on the said sum of \$260,515.44 pursuant to the provisions of Section 128 of the Courts of Justice Act, R.S.O. 1990 c.C-43;
- (c) costs of this action;
- (d) that, the Plaintiff is entitled to a lien in the amount of \$260,515.44 plus costs and that in default of payment of the said lien, all the estate and interest of the Defendants in the lands be sold and the proceeds applied towards payment of the Plaintiff's claim as aforesaid, pursuant to the provisions of the Construction Act;
- (e) for the purpose aforesaid, all proper directions to be given and accounts taken; and
- (f) such further and other relief as to this Honourable Court may deem just.

- 2. The Plaintiff is a corporation incorporated pursuant to the laws of Ontario having its head office in the Regional Municipality of York, City of Vaughan in the Province of Ontario.
- 3. The Defendant, Aqua Greens Inc. c/o Urban Farmer (hereinafter referred to as "the owner"), was at all material times the "owner" of the property, within the meaning of the Construction Act, which is referred to in Schedule "A" annexed hereto (hereafter referred to as the "Lands").
- 4. The Defendant, Claireville Property Holdings Inc. was at all material times an "owner" of the property, within the meaning of the Construction Act, and is a company related to Aqua Greens Inc. c/ Urban Farmer.
- 5. The Plaintiff entered into an agreement with the Defendant Aqua Greens Inc. c/o Urban Farmer on behalf of itself and the Co-Defendant whereby

the Plaintiff agreed to provide labour and materials to the Lands. The Plaintiff's work commenced on September 15, 2019. The contract price was \$775,883.34 plus HST. The Defendants have neglected to pay the balance which is due and owing to the Plaintiff, namely the sum of \$260,515.44 and interest thereon.

6. By reason of supplying materials and services as aforesaid, the Plaintiff is entitled to a lien upon the interest of the owners, in the lands for the sum of \$260,515.44 together with the costs of this action pursuant to the provisions of the Construction Act, R.S.O. 1990, c.C-30.
7. The Plaintiff also claims damages from Aqua Greens Inc. c/o Urban Farmers and Claireville Property Holdings Inc. for breach of contract, and/or against both defendants on the basis of quantum meruit.
8. On the 23rd day of June, 2021, the Plaintiff caused to be registered a Claim for Lien against the title to the Lands in the Land Registry Office for the Land Titles Division of Toronto as Instrument Number AT5775169. Attached hereto as Schedule "B" is a copy of the Claim for Lien registered on behalf of the Plaintiff.
9. The lands described in the Claim for Lien hereinbefore set forth were at all material times occupied by Aqua Greens Inc. c/o Urban Farmer and Claireville Property Holdings Inc. and are the lands for which the Plaintiff supplied services and materials at the request, on behalf, with the consent, and for the direct benefit of Aqua Greens Inc. c/o Urban Farmer and Claireville Property Holdings Inc. and accordingly the said Defendants were at all material times "owners" within the meaning of the Construction Act, R.S.O. 1990, c.C-30.
10. The Plaintiff proposes that this action be tried at: Toronto, Ontario.

DATE OF ISSUE:

**A. CONTE
PROFESSIONAL CORPORATION**

Barrister and Solicitor
242 Applewood Crescent
Unit 12, 2nd Floor
Concord, Ontario L4K 4E5

Antonio Conte (LSO #19472Q)
(905) 660-4775
(866) 543-3165 (Fax)
a.conte@contelaw.ca

Lawyer for the Plaintiff

SCHEDULE "A"

<i>Properties</i>	
-------------------	--

<i>PIN</i>	07368 - 0037 LT
<i>Description</i>	PT LT 38 CON 4 FRONTING THE HUMBER, PT 5 64R2980. ETOBICOKE; CITY OF TORONTO
<i>Address</i>	TORONTO
<i>PIN</i>	07368 - 0036 LT
<i>Description</i>	PT LT 38 CON 4 FRONTING THE HUMBER, PT 8 64R2980 EXCEPT PTS 2, 3 & 1 EXPROP PLAN 11716. ETOBICOKE; CITY OF TORONTO
<i>Address</i>	TORONTO

SCHEDULE "B"

Electronically issued / Délivré par voie électronique : 13-Aug-2021

Court File No./N° du dossier du greffe: CV-21-00667139-0000

Properties

PIN 07368 - 0037 LT
 Description PT LT 38 CON 4 FRONTING THE HUMBER, PT 5 64R2980, ETOBICOKE; CITY OF TORONTO
 Address TORONTO

PIN 07368 - 0036 LT
 Description PT LT 38 CON 4 FRONTING THE HUMBER, PT 8 64R2980 EXCEPT PTS 2, 3 & 1 EXPROP PLAN 11716, ETOBICOKE; CITY OF TORONTO
 Address TORONTO

Consideration

Consideration \$260,515.44

Claimant(s)

Name TRADE ELECTRICAL CONTRACTORS INC.
 Address for Service 81 Zenway Blvd., Unit 5
 Woodbridge, ON L4H 0S3

I, Mario Parente, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, Mario Parente, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Statements

Name and Address of Owner Aqua Greens Inc.c/o Urban Farmer 2798 Thamesgate Dr.#7, Miss.ON & Claireville Property Holdings Inc. 200 Ronson Dr #201,Tor. ON Name and address of person to whom lien claimant supplied services or materials Aqua Greens Inc.c/o Urban Farmer 2798 Thamesgate Dr.#7, Miss.ON & Claireville Property Holdings Inc. 200 Ronson Dr #201,Tor. ON Time within which services or materials were supplied from 2019/09/15 to 2021/04/25 Short description of services or materials that have been supplied Electrical labour and materials. Contract price or subcontract price \$775,883.34 plus HST. Amount claimed as owing in respect of services or materials that have been supplied \$260,515.44 including HST.

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

Carla Ragone 242 Applewood Cres. Unit 12, 2nd acting for Signed 2021 06 23
 Floor Applicant(s)
 Concord
 L4K 4E5

Tel 905-660-4775

Fax 866-543-3165

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

A. CONTE PROFESSIONAL CORPORATION 242 Applewood Cres. Unit 12, 2nd 2021 06 23
 Floor
 Concord
 L4K 4E5

Tel 905-660-4775

Fax 866-543-3165

Fees/Taxes/Payment

Statutory Registration Fee \$65.30
 Total Paid \$65.30

Appendix “H”

From: Jeremy Nemers <jnemers@airdberlis.com>

Sent: September 3, 2021 4:01 PM

To: 'a.conte@contelaw.ca' <a.conte@contelaw.ca>

Cc: Justin Di Ciano <JDICiano@primerealestategroup.ca>; lawrence.hansen@devrylaw.ca; Noah Goldstein <ngoldstein@ksvadvisory.com>; David Sieradzki <dsieradzki@ksvadvisory.com>; Kyle Plunkett <kplunkett@airdberlis.com>

Subject: Claireville Property Holdings Inc. - Court File No. 31-2749576

Mr. Conte,

Please see the attached letter of today's date.

Sincerely,

Jeremy Nemers

T 416.865.7724

F 416.863.1515

E jnemers@airdberlis.com

Aird & Berlis LLP | Lawyers

Brookfield Place, 181 Bay Street, Suite 1800

Toronto, Canada M5J 2T9 | airdberlis.com



This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error. If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

AIRD BERLIS

Jeremy Nemers
Direct: 416.865.7724
E-mail: jnemers@airdberlis.com

September 3, 2021

VIA EMAIL: (a.conte@contelaw.ca)

A. Conte Professional Corporation, Barrister & Solicitor
242 Applewood Crescent, Unit 12, 2nd Floor
Concord, ON L4K 4E5

Attention: Antonio Conte

Dear Mr. Conte:

Re: In the Matter of the Notice of Intention to Make a Proposal of Claireville Property Holdings Inc. (the "Company") – Court File No. 31-2749576 (the "NOI Proceedings")

We are counsel for KSV Restructuring Inc. ("KSV"), in its capacity as the proposal trustee (in such capacity, the "**Proposal Trustee**") of the Company. The Company filed a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") on July 2, 2021, and KSV was named as the Company's Proposal Trustee in the NOI Proceedings.

We are in receipt of your letter to the Company dated August 17, 2021, inclusive of a purported statement of claim by your client, Trade Electrical Contractors Inc., as plaintiff, against two companies, including the Company, as defendants, all of which materials were forwarded to the Proposal Trustee yesterday by Mr. Justin Di Ciano of Prime Real Estate Group Inc.

Please be advised that, as a result of the NOI Proceedings, an automatic stay of proceedings is currently in place pursuant to section 69(1) of the BIA, which, amongst other things, provides that "*no creditor has any remedy against the insolvent person or the insolvent person's property, or shall commence or continue any action, execution or other proceedings, for the recovery of a claim provable in bankruptcy.*"

Copies of the materials filed to date in the NOI Proceedings are available on the Proposal Trustee's website at <https://www.ksvadvisory.com/insolvency-cases/case/claireville-property-holdings-inc>. Please confirm with us whether you wish to be put on the service list to receive future Court materials in connection with the NOI Proceedings.

Yours very truly,

AIRD & BERLIS LLP


Jeremy Nemers

cc: Client
Justin Di Ciano, Prime Real Estate Group Inc.
Lawrence Hansen, counsel to Prime Real Estate Group Inc.

From: Jeremy Nemers <jnemers@airdberlis.com>

Sent: October 12, 2021 12:22 PM

To: Ilona Isakovitch <l.isakovitch@contelaw.ca>; Antonio Conte <a.conte@contelaw.ca>

Cc: Kyle Plunkett <kplunkett@airdberlis.com>; Tamie Dolny <tdolny@airdberlis.com>

Subject: RE: Notice of Intention to Make a Proposal of Claireville Property Holdings Inc. (our client - Lien Claimant Trade Electrical Contractors Inc.

Good afternoon Mr. Conte,

Thank you for your letter, a copy of which is reattached for convenience, which I will forward to and discuss with the Proposal Trustee for response.

In the meantime, I do wish to address the initial comment in your letter that the September 7 court materials were not sent to your attention, notwithstanding my letter to you dated September 3. Reattached to this email is my September 3 letter, which I concluded by stating "Please confirm with us whether you wish to be put on the service list to receive future Court materials in connection with the NOI Proceedings." I am not aware of having received any response from you to my September 3 letter until today, so we will now take steps to add you to the service list as you have now requested.

Thanks,

Jeremy Nemers
Aird & Berlis LLP

T 416.865.7724

E jnemers@airdberlis.com

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error.
If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

From: Ilona Isakovitch <l.isakovitch@contelaw.ca>

Sent: October 12, 2021 12:06 PM

To: Jeremy Nemers <jnemers@airdberlis.com>

Cc: Antonio Conte <a.conte@contelaw.ca>

Subject: Notice of Intention to Make a Proposal of Claireville Property Holdings Inc. (our client - Lien Claimant Trade Electrical Contractors Inc.

CAUTION -- EXTERNAL E-MAIL - Do not click links or open attachments unless you recognize the sender.

Hello Mr. Nemers,

Please find enclosed Mr. Conte's letter of today's date.

Thank you,

Ilona Isakovitch
Assistant to Antonio Conte

A.Conte Professional Corporation

Barrister and Solicitor

242 Applewood Crescent

Unit 12, 2nd Floor

Concord, Ontario

L4K 4E5

Tel: (905) 660-4775 Ext.3

Fax: 1(866) 543- 3165

This message (including attachments, if any) is confidential, may be privileged and is intended for the above-named recipient(s) only. If you have received this message in error, please notify me by return email and delete this message from your system. Any unauthorized use or disclosure of this message is strictly prohibited.

A.CONTE PROFESSIONAL CORPORATION

Barrister & Solicitor

242 Applewood Crescent
Unit 12, 2nd Floor
Concord, Ontario
L4K 4E5

Tel: 905-660-4775
Fax: 866-543-3165

Antonio Conte, B.Math, M.Sc., LL.B.
A.Conte@contelaw.ca

File No. 21-3511

October 12, 2021

Jeremy Nemers
Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, Ontario
M5J 2T9

via email: jnemers@airdberlis.com

Dear Mr. Nemers:

RE: Our Client:	Trade Electrical Contractors Inc.
Construction lien:	<u>26 Huddersfield Unit No. 2, Etobicoke</u>

Good morning.

My client brought me your letter dated September 7, 2021 with a motion record, endorsement and Order. Strangely, the letter was not sent to me although I have an earlier letter from you dated September 3, 2021.

I thank you for your advice that this is now subject to the BIA proposal and that the date for the proposal has now been adjourned to October 30, 2021.

As you know, my client is a construction lien claimant who is owed over \$260,000. by the business that was in possession of the property. I have determined that Mark Gross, the person who controls Clairville Property Holdings Inc. was also an officer of the company carrying on the business, Aqua Greens Inc. On June 23, 2021, I requested information from Aqua Greens Inc. pursuant to s. 39 of the Construction Act, but I have received no response. I attach this letter. Please advise me as to the state of accounts as between the two companies.

Please ensure that I am provided with all future notices and correspondence, as I wish to pursue this lien action. Please also advise me as to what your proposal will be with respect to my client's claim, which is a secured claim. We also claim entitlement to all rents received by your client, since these are trust monies according to the Act.

Yours very truly,

A. CONTE PROFESSIONAL CORPORATION

A handwritten signature in black ink, appearing to be 'Antonio Conte', with a long horizontal stroke extending to the right.

Per:

Antonio Conte

AC/ii

Encl.

A.CONTE PROFESSIONAL CORPORATION
Barrister & Solicitor

242 Applewood Crescent
Unit 12, 2nd Floor
Concord, Ontario
L4K 4E5

Tel: 905-660-4775
Fax: 866-543-3165

Antonio Conte, B.Math, M.Sc., LL.B.
A.Conte@contelaw.ca

File No. 21-3511
June 23, 2021

Aqua Greens Inc.
c/o Urban Farmer
2798 Thamesgate Drive #7
Mississauga, Ontario
L4T 4E8

and via email: pablo@aquagreens.ca
and via email: mdrolet@aquagreens.ca
and via ordinary mail

Dear Sirs:

RE: Our Client: Trade Electrical Contractors Inc.
Construction lien: 26 Huddersfield Unit No. 2, Etobicoke

Our client has registered a construction lien against your property, on which our client did work and has not been paid. We enclose a copy of the registered claim for lien for your records.

Pursuant to Section 39, of the Construction Act, R.S.O. 1990, c.C.30. you are to produce the following information and documentation within 21 days of the date of this letter:

1. The state of accounts between owner & contractor, their names and contract price.
2. A copy of any labour and material bond posted by the owner or contractor.
3. The state of accounts between yourselves and Trade Electrical Contractors Inc.

To avoid further costs, please arrange with our office to have our client's work paid for so that the lien can be removed from title at minimal expense. Unless these arrangements are made within two weeks, we will be perfecting the lien and will then insist that all costs be paid.

Yours very truly,

A. CONTE PROFESSIONAL CORPORATION

Per: 

Antonio Conte

AC/ii

Encl.

Properties

PIN 07368 - 0037 LT
Description PT LT 38 CON 4 FRONTING THE HUMBER, PT 5 64R2980. ETOBICOKE; CITY OF TORONTO
Address TORONTO
PIN 07368 - 0036 LT
Description PT LT 38 CON 4 FRONTING THE HUMBER, PT 8 64R2980 EXCEPT PTS 2, 3 & 1 EXPROP PLAN 11716. ETOBICOKE; CITY OF TORONTO
Address TORONTO

Consideration

Consideration \$260,515.44

Claimant(s)

Name TRADE ELECTRICAL CONTRACTORS INC.
Address for Service 81 Zenway Blvd., Unit 5
Woodbridge, ON L4H 0S3

I, Mario Parente, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

I, Mario Parente, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Statements

Name and Address of Owner Aqua Greens Inc./o Urban Farmer 2798 Thamesgate Dr.#7, Miss.ON & Claireville Property Holdings Inc. 200 Ronson Dr #201,Tor. ON Name and address of person to whom lien claimant supplied services or materials Aqua Greens Inc./o Urban Farmer 2798 Thamesgate Dr.#7, Miss.ON & Claireville Property Holdings Inc. 200 Ronson Dr #201,Tor. ON Time within which services or materials were supplied from 2019/09/15 to 2021/04/25 Short description of services or materials that have been supplied Electrical labour and materials. Contract price or subcontract price \$775,883.34 plus HST. Amount claimed as owing in respect of services or materials that have been supplied \$260,515.44 including HST.

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

Carla Ragone 242 Applewood Cres. Unit 12, 2nd Floor acting for Signed 2021 06 23
Concord Applicant(s)
L4K 4E5

Tel 905-660-4775

Fax 866-543-3165

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

A. CONTE PROFESSIONAL CORPORATION 242 Applewood Cres. Unit 12, 2nd Floor 2021 06 23
Concord
L4K 4E5

Tel 905-660-4775

Fax 866-543-3165

Fees/Taxes/Payment

Statutory Registration Fee \$65.30
Total Paid \$65.30

AIRD BERLIS

Jeremy Nemers
Direct: 416.865.7724
E-mail: jnemers@airdberlis.com

September 3, 2021

VIA EMAIL: (a.conte@contelaw.ca)

A. Conte Professional Corporation, Barrister & Solicitor
242 Applewood Crescent, Unit 12, 2nd Floor
Concord, ON L4K 4E5

Attention: Antonio Conte

Dear Mr. Conte:

Re: In the Matter of the Notice of Intention to Make a Proposal of Claireville Property Holdings Inc. (the "Company") – Court File No. 31-2749576 (the "NOI Proceedings")

We are counsel for KSV Restructuring Inc. ("KSV"), in its capacity as the proposal trustee (in such capacity, the "**Proposal Trustee**") of the Company. The Company filed a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") on July 2, 2021, and KSV was named as the Company's Proposal Trustee in the NOI Proceedings.

We are in receipt of your letter to the Company dated August 17, 2021, inclusive of a purported statement of claim by your client, Trade Electrical Contractors Inc., as plaintiff, against two companies, including the Company, as defendants, all of which materials were forwarded to the Proposal Trustee yesterday by Mr. Justin Di Ciano of Prime Real Estate Group Inc.

Please be advised that, as a result of the NOI Proceedings, an automatic stay of proceedings is currently in place pursuant to section 69(1) of the BIA, which, amongst other things, provides that "*no creditor has any remedy against the insolvent person or the insolvent person's property, or shall commence or continue any action, execution or other proceedings, for the recovery of a claim provable in bankruptcy.*"

Copies of the materials filed to date in the NOI Proceedings are available on the Proposal Trustee's website at <https://www.ksvadvisory.com/insolvency-cases/case/claireville-property-holdings-inc>. Please confirm with us whether you wish to be put on the service list to receive future Court materials in connection with the NOI Proceedings.

Yours very truly,

AIRD & BERLIS LLP


Jeremy Nemers

cc: Client
Justin Di Ciano, Prime Real Estate Group Inc.
Lawrence Hansen, counsel to Prime Real Estate Group Inc.

Appendix “I”

COURT FILE NO.: 31-2749576

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
CLAIREVILLE PROPERTY HOLDINGS INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

COURT FILE NO. CV-21-00672999-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

CANNECT MORTGAGE INVESTMENT CORPORATION

APPLICANT

- AND -

CLAIREVILLE PROPERTY HOLDINGS INC.

RESPONDENT

**AFFIDAVIT OF NOAH GOLDSTEIN
(SWORN MAY 26, 2022)**

I, Noah Goldstein, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

1. I am a Vice President and Managing Director of KSV Restructuring Inc. ("KSV").
2. Pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), Claireville Property Holdings Inc. (the "Company") filed a Notice of Intention to Make a Proposal ("NOI") on July 2, 2021 (the "Filing Date"). KSV was appointed as the proposal trustee under the NOI (the "Proposal Trustee").
3. Pursuant to subsequent Court orders, the Court granted extensions of the deadline to file a proposal and extended the corresponding stay of proceedings under the BIA to December 14, 2021.

4. Pursuant to a Court order made on December 14, 2021, the NOI proceedings were terminated and KSV was appointed as receiver and manager (in such capacities, the "Receiver") of all of the assets, undertaking and property of the Company.

5. I have been integrally involved in this mandate since the Filing Date. As such, I have knowledge of the matters to which I hereinafter depose.

6. On May 26, 2022, the Receiver finalized its Second Report to Court in which it provided a summary of the Proposal Trustee's and Receiver's professional fees for the period October 1, 2021 to April 30, 2022. The Proposal Trustee's fees for the period prior to September 30, 2021 have already been approved by the Court.

7. I hereby confirm that attached as Exhibit "A" hereto is a true copy of the accounts of KSV for the period indicated and confirm that the accounts accurately reflect the services provided by KSV in this matter and the fees and disbursements claimed by it.

8. Additionally, attached hereto as Exhibit "B" is a summary of roles, hours and rates charged by members of KSV who have worked on this matter, and I hereby confirm that the list represents an accurate account of such information.

9. I consider the accounts to be fair and reasonable considering the circumstances connected with this matter.

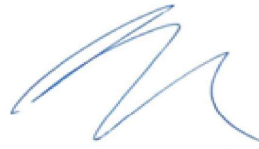
10. I also confirm that the Proposal Trustee and/or the Receiver has not received, nor expects to receive, nor has the Proposal Trustee and/or the Receiver been promised any remuneration or consideration other than the amounts claimed in the accounts.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, this
26th day of May 2022.



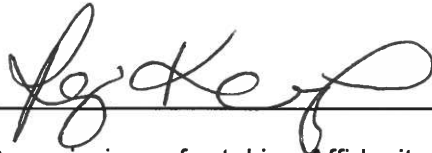
Commissioner for taking affidavits, etc.

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires January 27, 2024.



NOAH GOLDSTEIN

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF NOAH GOLDSTEIN
SWORN BEFORE ME THIS 26th DAY OF MAY, 2022

A handwritten signature in black ink, appearing to read 'Rajinder Kashyap', is written over a horizontal line.

A Commissioner for taking Affidavits, etc.

**Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires January 27, 2024.**

**ksv advisory inc.**

150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
T +1 416 932 6262
F +1 416 932 6266

ksvadvisory.com

INVOICE

Claireville Property Holdings Inc.
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

November 5, 2021

Invoice No.: 2385
HST No.: 818808768RT0001

Re: Claireville Property Holdings Inc. (the "Company")

For professional services rendered as proposal trustee (the "Proposal Trustee") for the period ended October 31, 2021 in connection with the Company's Notice of Intention to Make a Proposal ("NOI") proceedings filed on July 2, 2021 under subsection 50.4(1) of the *Bankruptcy and Insolvency Act* ("BIA"), including:

- Corresponding extensively with Prime Real Estate Group Inc. ("Prime"), the Company's property manager, regarding, *inter alia*, banking matters, ongoing services at the property and other issues;
- Corresponding extensively with Aird & Berlis LLP ("A&B"), the Proposal Trustee's legal counsel, regarding, *inter alia*, the stay extension motion returnable October 27, 2021 (the "October 27th Motion") and issues raised by numerous investors throughout October;
- Corresponding with TD Bank Canada ("TD") regarding, *inter alia*, weekly transfers of the balance of the Company's bank account to the Proposal Trustee's estate account;
- Reviewing and commenting on the Company's September HST return prepared by Prime;
- Corresponding with the Company's vendors regarding service continuance and ongoing payments;
- Corresponding with HUB International HKMB Limited ("HUB") regarding monthly extensions of the Company's insurance policy, including emails on October 25, 27 and 28, 2021;
- Corresponding regularly with CBRE regarding the Company's sale and investment solicitation process ("SISP");
- Reviewing periodic updates on the SISP provided by CBRE and discussing same with Cannect Mortgage Investment Corporation (the "DIP Lender");
- Assisting Prime to prepare a cash flow projection for the period from October 17, 2021 to December 18, 2021 and discussing the underlying assumptions ("NOI Cash Flows");

- Filing the NOI Cash Flows with the OSB, as required under the BIA;
- Preparing the Management's Report on Cash Flow Statement filed with the Cash Flow Projection and the Trustee's Report on Cash Flow Statement filed with the Cash Flow Projection;
- Corresponding routinely with the DIP Lender regarding the status of the CBRE process, cash flows and other issues;
- Preparing a cash flow variance analysis for the period September 19, 2021 to October 2, 2021 and October 3, 2021 to October 17, 2021 and sending the analyses to the DIP Lender;
- Corresponding with certain of the beneficial owners of the Company's leasehold interest regarding the status of the SISP and these proceedings;
- Corresponding with Aqua Greens Inc., a tenant of the Company, regarding monthly rent payments and correspondence from a construction lien claimant;
- Corresponding with a tenant in connection with a sublease and discussing these issues internally, with the DIP Lender and CBRE;
- Drafting the Proposal Trustee's Third Report to Court dated October 20, 2021 (the "Third Report") filed in support of the October 27th Motion;
- Preparing a fee affidavit regarding the Proposal Trustee's fees for the period ended September 30, 2021 and appending same to the Third Report;
- Reviewing A&B's fee affidavit for its fees for the period ended September 30, 2021 and appending same to the Third Report;
- Reviewing and commenting on all court materials filed in connection with the October 27th Motion, including the notice of motion and order;
- Attending court (virtually) on October 27, 2021;
- Monitoring the Company's receipts and disbursements on a daily basis;
- Reviewing invoices with Prime and preparing weekly disbursements;
- Responding to creditor and investor inquiries on a near daily basis; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total professional fees	\$	20,046.25
Out of pocket disbursements		110.63
HST		2,620.39
Total	\$	<u>22,777.27</u>

KSV Restructuring Inc.
Claireville Property Holdings Inc.

Time Summary

For the period from October 1, 2021 to October 31, 2021

Personnel	Hours	Rate (\$)	Amount (\$)
David Sieradzki	14.00	650	9,100.00
Noah Goldstein	7.50	650	4,875.00
Emily Klein	12.80	400	5,120.00
Other associates	6.05	150 - 175	951.25
Fees			20,046.25
Out of pocket disbursements			110.63
Total fees and disbursements			20,156.88

**ksv advisory inc.**

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

INVOICE

Claireville Property Holdings Inc.
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

December 7, 2021

Invoice No.: 2416
HST No.: 818808768RT0001

Re: Claireville Property Holdings Inc. (the "Company")

For professional services rendered as proposal trustee (the "Proposal Trustee") for the period ended November 30, 2021 in connection with the Company's Notice of Intention to Make a Proposal ("NOI") proceedings filed on July 2, 2021 under subsection 50.4(1) of the *Bankruptcy and Insolvency Act* ("BIA"), including:

- Corresponding extensively with Prime Real Estate Group Inc. ("Prime"), the Company's property manager, regarding, *inter alia*, banking matters, ongoing services at the property and other issues;
- Corresponding extensively with Aird & Berlis LLP ("A&B"), the Proposal Trustee's legal counsel, regarding, *inter alia*, Aqua Greens Inc. ("Aqua"), a tenant, rental arrears owing from Aqua, Aqua's proceedings under the *Farm Debt Mediation Act* ("FDMA") and the Company's sale and investment solicitation process ("SISP");
- Corresponding with TD Bank Canada ("TD") regarding, *inter alia*, weekly transfers of the balance of the Company's bank account to the Proposal Trustee's estate account;
- Reviewing and commenting on the Company's October HST return prepared by Prime;
- Corresponding with the Company's vendors regarding service continuance and ongoing payments;
- Corresponding with HUB International HKMB Limited ("HUB") regarding monthly extensions of the Company's insurance policy, including emails on November 25, 26 and 29, 2021;
- Corresponding with Canada Revenue Agency ("CRA") regarding the Company's outstanding HST returns, including a call on November 17, 2021;
- Corresponding regularly with CBRE regarding the SISP;
- Reviewing periodic updates on the SISP and the bid summary provided by CBRE and discussing same with Cannect Mortgage Investment Corporation (the "DIP Lender");

- Negotiating the agreement of purchase and sale with a potential purchaser and reviewing multiple drafts of same;
- Corresponding routinely with the DIP Lender regarding the status of the SISP, cash flows and other issues;
- Reviewing the DIP Lender's draft receivership application materials and corresponding with A&B, the DIP Lender and its legal counsel in respect thereof;
- Preparing cash flow variance analyses for the period October 17, 2021 to November 13, 2021 and October 31, 2021 to November 13, 2021 and sending the analyses to the DIP Lender;
- Corresponding with certain of the beneficial owners of the Company's leasehold interest regarding the status of the SISP and these proceedings;
- Corresponding with Agriculture and Agri-Food Canada regarding Aqua and its proceedings under the FDMA;
- Corresponding with a tenant in connection with a sublease and payment of rent, including a call on November 25, 2021;
- Monitoring the Company's receipts and disbursements on a daily basis;
- Reviewing invoices with Prime and preparing weekly disbursements;
- Responding to creditor and investor inquiries; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total professional fees	\$	22,441.25
Out of pocket disbursements		158.41
HST		<u>2,937.96</u>
Total	\$	<u><u>25,537.62</u></u>

KSV Restructuring Inc.
Claireville Property Holdings Inc.

Time Summary

For the period from November 1, 2021 to November 30, 2021

Personnel	Hours	Rate (\$)	Amount (\$)
David Sieradzki	12.00	650	7,800.00
Noah Goldstein	15.00	650	9,750.00
Emily Klein	9.70	400	3,880.00
Other associates	6.70	150 - 175	1,011.25
Fees			22,441.25
Out of pocket disbursements			158.41
Total fees and disbursements			22,599.66



ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

INVOICE

Claireville Property Holdings Inc.
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

December 20, 2021

Invoice No.: 2460
HST No.: 818808768RT0001

Re: Claireville Property Holdings Inc. (the “Company”)

For professional services rendered as proposal trustee (the “Proposal Trustee”) for the period ended December 14, 2021 in connection with the Company’s Notice of Intention to Make a Proposal (“NOI”) proceedings filed on July 2, 2021 under subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (“BIA”), including:

- Corresponding extensively with Prime Real Estate Group Inc. (“Prime”), the Company’s property manager, regarding, *inter alia*, banking matters, ongoing services at the property and other issues;
- Corresponding extensively with Aird & Berlis LLP (“A&B”), the Proposal Trustee’s legal counsel, regarding, *inter alia*, the Company’s sale and investment solicitation process (“SISP”) and the Receivership Application brought by Cannect Mortgage Investment Corporation (“Cannect”);
- Corresponding with Cannect’s legal counsel regarding all aspects of the Receivership Application;
- Reviewing the court materials filed in connection with the Receivership Application;
- Drafting the Proposal Trustee’s Fourth Report to Court dated December 8, 2021 filed in connection with the termination of the proposal proceedings and the transition to Receivership;
- Reviewing extensive correspondence in the days leading up to the Receivership Application between Cannect’s counsel and counsel to the landlord in connection with the Receivership Application and corresponding with A&B in respect thereof;
- Attending court (virtually) on December 14, 2021;
- Corresponding with the Company’s vendors regarding service continuance and ongoing payments;
- Corresponding with TD Bank Canada (“TD”) regarding, *inter alia*, weekly transfers of the balance of the Company’s bank account to the Proposal Trustee’s estate account;

- Preparing cash flow variance analyses for the periods October 17, 2021 to November 27, 2021, November 14, 2021 to November 27, 2021, October 17, 2021 to December 11, 2021, and November 28, 2021 to December 11, 2021 and sending the analyses to Connect;
- Negotiating and finalizing a Conditional Agreement of Purchase and Sale (“APS”) with a potential purchaser (the “Potential Purchaser”) dated December 2, 2021;
- Preparing an index of documents in the CBRE data room to provide to the Potential Purchaser;
- Corresponding extensively with the Potential Purchaser in connection with the APS and its diligence;
- Corresponding regularly with CBRE regarding the SISP;
- Corresponding with certain of the beneficial owners of the Company’s leasehold interest regarding the status of the SISP and these proceedings;
- Monitoring the Company’s receipts and disbursements on a daily basis;
- Reviewing invoices with Prime and preparing weekly disbursements;
- Responding to creditor and investor inquiries; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total professional fees	\$	18,253.75
Out of pocket disbursements		64.90
HST		<u>2,381.42</u>
Total	\$	<u>20,700.07</u>

KSV Restructuring Inc.
Claireville Property Holdings Inc.

Time Summary

For the period from December 1, 2021 to December 14, 2021

Personnel	Hours	Rate (\$)	Amount (\$)
David Sieradzki	10.50	650	6,825.00
Noah Goldstein	9.00	650	5,850.00
Emily Klein	12.70	400	5,080.00
Other associates	2.95	150 - 175	498.75
Fees			18,253.75
Out of pocket disbursements			64.90
Total fees and disbursements			18,318.65

**ksv advisory inc.**

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INVOICE

Claireville Property Holdings Inc.
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

January 11, 2022

Invoice No.: 2475

HST No.: 818808768RT0001

Re: Claireville Property Holdings Inc. (the "Company")

For professional services rendered during December 2021 by KSV Restructuring Inc. ("KSV") in its capacity as court-appointed receiver ("Receiver") of the Company, including:

- Corresponding extensively with Prime Real Estate Group Inc. ("Prime"), the Company's property manager, regarding, *inter alia*, banking matters, ongoing services at the property and other issues, including receivership transitional issues;
- Corresponding extensively with Aird & Berlis LLP ("A&B"), the Receiver's legal counsel, regarding, *inter alia*, the termination of the Company's proposal proceedings and the transition to receivership proceedings effective December 14, 2021;
- Reviewing and commenting on draft court materials filed and served on December 7, 2021 in connection with a receivership application brought by Cannect Mortgage Investment Corporation ("Cannect"), including:
 - the Affidavit of Marcus Tzaferis sworn on December 1, 2021; and
 - the draft court order.
- Attending virtually at court on December 14, 2021 for the hearing of Cannect's receivership application;
- Corresponding with the Company's vendors regarding service continuance and ongoing payments;
- Corresponding with TD Bank Canada ("TD") regarding, *inter alia*, weekly transfers of the balance of the Company's bank account to the Receiver's estate account;
- Corresponding with Prime and Cannect regarding the Company's hydro retrofit contracts;
- Corresponding extensively with a potential purchaser in connection with the transaction contemplated by an Agreement of Purchase and Sale ("APS"), principally the status of its diligence condition;

- Corresponding regularly with CBRE regarding the APS;
- Dealing extensively with a tenant which filed for protection under the Farm Debt Mediation Act, including attending a meeting of creditors and reviewing a draft proposal;
- Corresponding with HUB International HKMB Limited regarding monthly extensions of the Company's insurance policy, including a call on December 16, 2021;
- Reviewing and commenting on the Company's November HST return prepared by Prime;
- Drafting and filing the Notice and Statement of the Receiver as required under Sections 245 and 246 of the *Bankruptcy and Insolvency Act*;
- Drafting a Third-Party Guarantee Agreement between the Receiver and the Licensed Insolvency Trustee of the Company's bankrupt estate;
- Corresponding with certain of the beneficial owners of the Company's leasehold interest regarding the status of the Company's insolvency proceedings;
- Monitoring the Company's receipts and disbursements on a daily basis;
- Reviewing invoices with Prime and preparing weekly disbursements;
- Responding to creditor and investor inquiries; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total professional fees	\$	16,490.00
Out of pocket disbursements		280.52
HST		2,180.17
Total	\$	<u>18,950.69</u>

KSV Restructuring Inc.
Claireville Property Holdings Inc.

Time Summary

For the period ended December 31, 2021

Personnel	Hours	Rate (\$)	Amount (\$)
David Sieradzki	6.00	650	3,900.00
Noah Goldstein	13.50	650	8,775.00
Emily Klein	7.80	400	3,120.00
Other associates	4.55	150 - 175	695.00
Fees			16,490.00
Out of pocket disbursements			280.52
Total fees and disbursements			16,770.52



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INVOICE

Claireville Property Holdings Inc.
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

February 7, 2022

Invoice No.: 2502

HST No.: 818808768RT0001

Re: Claireville Property Holdings Inc. (the “Company”)

For professional services rendered during January 2022 by KSV Restructuring Inc. (“KSV”) in its capacity as court-appointed receiver (“Receiver”) of the Company, including:

- Corresponding extensively with Prime Real Estate Group Inc. (“Prime”), the Company’s property manager, regarding, *inter alia*, banking matters, ongoing services at the property and estoppel certificates for each tenant (the “Estoppel Certificates”), including calls and emails on January 4, 5, 6, 7, 11, 12, 13, 14, 17, 18, 19, 21, 24, 25, 26, 27, 28 and 31, 2022;
- Corresponding extensively with a potential purchaser in connection with the sale of the Company’s leasehold interest (the “Leasehold Interest”) contemplated by an Agreement of Purchase and Sale (“APS”), principally the status of its diligence condition and the Estoppel Certificates, including calls and emails on January 3, 5, 6, 7, 8, 11, 18, 19, 23, 24, 25, 30 and 31, 2022;
- Corresponding extensively with Aird & Berlis LLP (“A&B”), the Receiver’s legal counsel, regarding, *inter alia*, the APS;
- Reviewing and commenting on the Estoppel Certificates, including corresponding with several tenants and their legal counsel;
- Discussing the Estoppel Certificates with A&B;
- Corresponding with the Company’s vendors regarding service continuance and ongoing payments;
- Corresponding with TD Bank Canada regarding, *inter alia*, weekly transfers of the balance of the Company’s bank account to the Receiver’s estate account;
- Corresponding with Canada Revenue Agency regarding the status of the Company, including on January 5, 2022;
- Corresponding regularly with CBRE regarding the APS;

- Drafting a summary of projected net proceeds from the sale of the Leasehold Interest and providing this to Cannect Mortgage Investment Corporation ("Cannect");
- Corresponding with Fogler Rubinoff LLP, counsel to Cannect, regarding the status of the APS, including calls and emails on January 4, 6, 13, 14, 23, 24, 30 and 31, 2022;
- Corresponding with HUB International HKMB Limited regarding monthly extensions of the Company's insurance policy, including on January 20, 2022;
- Reviewing and commenting on the Company's December HST return prepared by Prime;
- Corresponding with certain of the beneficial owners of the Company's leasehold interest regarding the status of the Company's insolvency proceedings;
- Corresponding extensively with counsel to Farm Credit Canada regarding Aqua Greens Inc. ("AG"), an insolvent tenant;
- Attending calls on January 12 and 20, 2022 with counsel to AG regarding next steps in its insolvency process;
- Corresponding extensively with the potential purchaser regarding the status of AG;
- Attending a mediation for AG on January 12, 2022 conducted under the Farm Debt Mediation Act;
- Providing updates to Cannect on the status of the transaction;
- Considering an unsolicited offer for the Property and discussing same with A&B;
- Monitoring the Company's receipts and disbursements on a daily basis;
- Reviewing invoices with Prime and preparing weekly disbursements;
- Responding to creditor and investor inquiries; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total professional fees	\$	18,767.25
Out of pocket disbursements		219.39
HST		<u>2,468.26</u>
Total	\$	<u>21,454.90</u>

KSV Restructuring Inc.
Claireville Property Holdings Inc.

Time Summary

For the period ended January 31, 2022

Personnel	Hours	Rate (\$)	Amount (\$)
David Sieradzki	9.50	675	6,412.50
Noah Goldstein	12.25	675	8,268.75
Emily Klein	8.40	400	3,360.00
Other associates	4.35	160-200	726.00
Fees			18,767.25
Out of pocket disbursements			219.39
Total fees and disbursements			18,986.64

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INVOICE

Claireville Property Holdings Inc.
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

March 9, 2022

Invoice No.: 2539
HST No.: 818808768RT0001

Re: Claireville Property Holdings Inc. (the "Company")

For professional services rendered during February 2022 by KSV Restructuring Inc. ("KSV") in its capacity as court-appointed receiver ("Receiver") of the Company, including:

- Corresponding extensively with Prime Real Estate Group Inc. ("Prime"), the Company's property manager, regarding, *inter alia*, banking matters, ongoing services at the property and estoppel certificates for each tenant (the "Estoppel Certificates"), including calls and emails on February 1, 2, 3, 4, 7, 10, 11, 14, 16, 17 and 28, 2022;
- Corresponding extensively with a potential purchaser (the "Purchaser") in connection with the sale of the Company's leasehold interest (the "Leasehold Interest") contemplated by an Agreement of Purchase and Sale ("APS"), principally the conditions around the Estoppel Certificates and an estoppel certificate from the landlord;
- Drafting the Receiver's First Report to Court ("Receiver's First Report") dated March 2, 2022 to seek relief related to the APS and to solicit revised offers for the Leasehold Interest;
- Corresponding extensively with Aird & Berlis LLP ("A&B"), the Receiver's legal counsel, regarding, *inter alia*, the dispute with the Purchaser, the APS and the Receiver's First Report;
- Reviewing and commenting on multiple emails between the Purchaser and A&B;
- Reviewing and commenting on the Estoppel Certificates, including corresponding with several tenants and their legal counsel regarding same;
- Discussing the Estoppel Certificates with A&B;
- Providing updates to Cannect Mortgage Investment Corporation ("Cannect") on the status of the transaction and the Receiver's motion returnable March 22, 2022;
- Corresponding with the Company's vendors regarding service continuance and ongoing payments;

- Corresponding with TD Bank Canada regarding, *inter alia*, weekly transfers of the balance of the Company's bank account to the Receiver's estate account;
- Reviewing 2022 property tax statements;
- Corresponding routinely with Fogler Rubinoff LLP, counsel to Connect, regarding the status of the APS and the Receiver's First Report;
- Corresponding with HUB International HKMB Limited regarding monthly extensions of the Company's insurance policy, including on February 16, 2022;
- Reviewing and commenting on the Company's January HST return prepared by Prime;
- Corresponding with certain of the beneficial owners of the Company's leasehold interest regarding the status of the Company's insolvency proceedings;
- Corresponding extensively with counsel to Farm Credit Canada regarding Aqua Greens Inc. ("AG"), an insolvent tenant, including in respect of AG's receivership proceedings
- Monitoring the Company's receipts and disbursements on a daily basis;
- Reviewing invoices with Prime and preparing weekly disbursements;
- Responding to creditor and investor inquiries; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total professional fees	\$	29,792.50
Out of pocket disbursements		15.27
HST		3,875.01
Total	\$	<u>33,682.78</u>

KSV Restructuring Inc.
Claireville Property Holdings Inc.

Time Summary

For the period ended February 28, 2022

Personnel	Hours	Rate (\$)	Amount (\$)
David Sieradzki	18.00	675	12,150.00
Noah Goldstein	18.00	675	12,150.00
Emily Klein	12.00	400	4,800.00
Other associates	4.00	160-195	692.50
Fees			29,792.50
Out of pocket disbursements			15.27
Total fees and disbursements			29,807.77

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INVOICE

Claireville Property Holdings Inc.
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

April 11, 2022

Invoice No.: 2586

HST No.: 818808768RT0001

Re: Claireville Property Holdings Inc. (the "Company")

For professional services rendered during March 2022 by KSV Restructuring Inc. ("KSV") in its capacity as court-appointed receiver ("Receiver") of the Company, including:

- Corresponding extensively with Prime Real Estate Group Inc. ("Prime"), the Company's property manager, regarding, *inter alia*, banking matters, ongoing services at the property and other sundry issues;
- Corresponding extensively with a potential purchaser (the "Purchaser") in connection with the sale of the Company's leasehold interest (the "Leasehold Interest") contemplated by an Agreement of Purchase and Sale ("APS"), principally the conditions around the Estoppel Certificates and an estoppel certificate from the landlord;
- Reviewing and commenting on correspondence sent to the Purchaser by Aird & Berlis LLP ("A&B"), the Receiver's counsel, in respect of the APS;
- Reviewing the Purchaser's waiver of all conditions precedent to the APS;
- Attending at court on March 22, 2022;
- Reviewing and commenting on an Amending Agreement to the APS dated March 24, 2022;
- Reviewing and commenting on a declaration provided to the Purchaser which was sworn on March 24, 2022;
- Drafting the Receiver's Supplement to the First Report to Court (the "Supplemental Report") dated April 5, 2022, the purpose of which was to seek court approval for the transaction contemplated by the APS;
- Corresponding extensively with A&B in respect of the Supplemental Report;
- Providing regular updates to Cannect Mortgage Investment Corporation ("Cannect") on the status of the transaction;
- Preparing various distribution analyses at Cannect's request;

- Corresponding with the Company's vendors regarding service continuance and ongoing payments;
- Corresponding with TD Bank Canada regarding, *inter alia*, weekly transfers of the balance of the Company's bank account to the Receiver's estate account;
- Corresponding routinely with Fogler Rubinoff LLP, counsel to Connect, regarding the status of the APS;
- Corresponding with HUB International HKMB Limited regarding monthly extensions of the Company's insurance policy;
- Reviewing and commenting on the Company's monthly HST return prepared by Prime;
- Corresponding with certain of the beneficial owners of the Company's leasehold interest regarding the status of the Company's insolvency proceedings;
- Corresponding with counsel to Farm Credit Canada regarding Aqua Greens Inc. ("AG"), an insolvent tenant, including in respect of AG's receivership proceedings;
- Monitoring the Company's receipts and disbursements on a daily basis;
- Reviewing invoices with Prime and preparing weekly disbursements;
- Responding to creditor and investor inquiries; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total professional fees and disbursements	\$	25,398.15
HST		3,301.76
Total	\$	<u>28,699.91</u>

KSV Restructuring Inc.
Claireville Property Holdings Inc.

Time Summary

For the period ended March 31, 2022

Personnel	Hours	Rate (\$)	Amount (\$)
David Sieradzki	19.00	675	12,825.00
Noah Goldstein	11.00	675	7,425.00
Christian Vit	1.25	425	531.25
Emily Klein	8.20	400	3,280.00
Other associates	6.65	160-195	1,128.50
Fees			25,189.75
Out of pocket disbursements			208.40
Total fees and disbursements			25,398.15

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INVOICE

Claireville Property Holdings Inc.
c/o KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

May 10, 2022

Invoice No.: 2625

HST No.: 818808768RT0001

Re: Claireville Property Holdings Inc. (the "Company")

For professional services rendered during April 2022 by KSV Restructuring Inc. ("KSV") in its capacity as court-appointed receiver ("Receiver") of the Company, including:

- Corresponding extensively with Prime Real Estate Group Inc. ("Prime"), the Company's property manager, regarding, *inter alia*, banking matters, ongoing services at the property, other sundry issues and closing matters as it relates to a transaction with S. Paul Mantini (the "Purchaser") which was approved by the court on April 14, 2022 and closed on May 6, 2022 (the "Transaction");
- Corresponding extensively with the Purchaser in connection with all matters related to the Transaction, including negotiating the Statement of Adjustments and settling all of the closing documents;
- Drafting the supplement to the fifth report of the Receiver dated April 5, 2022 (the "Supplemental Report") filed in support of the Transaction;
- Reviewing comments on the Supplemental Report from Aird & Berlis LLP ("A&B") and discussing same with A&B;
- Reviewing and commenting on all court materials filed in connection with the Receiver's sale approval motion returnable April 14, 2022 (the "Sale Approval Motion"), including a draft notice of motion and order;
- Attending at court on April 14, 2022 for the Sale Approval Motion;
- Corresponding extensively with A&B in respect of closing the Transaction and reviewing and commenting on all closing documents;
- Providing regular updates to Cannect Mortgage Investment Corporation ("Cannect") and its legal counsel on the status of the Transaction;
- Preparing various distribution analyses at Cannect's request;
- Corresponding with Prime and certain of the Company's vendors regarding service continuance and ongoing payments;

- Corresponding with TD Bank Canada regarding, *inter alia*, weekly transfers of the balance of the Company's bank account to the Receiver's estate account;
- Corresponding with HUB International HKMB Limited regarding monthly extensions of the Company's insurance policy;
- Reviewing and commenting on the Company's monthly HST return prepared by Prime;
- Corresponding with certain of the beneficial owners of the Company's leasehold interest regarding the status of the Company's insolvency proceedings;
- Corresponding with counsel to Farm Credit Canada regarding Aqua Greens Inc. ("AG"), an insolvent tenant, including in respect of AG's receivership proceedings;
- Monitoring the Company's receipts and disbursements on a daily basis;
- Reviewing invoices with Prime and preparing weekly disbursements;
- Responding to creditor and investor inquiries; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total professional fees and disbursements	\$	28,489.41
HST		3,703.62
Total	\$	<u>32,193.03</u>

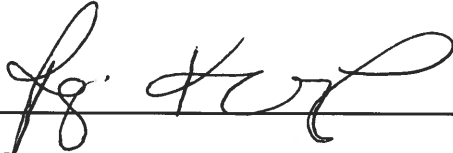
KSV Restructuring Inc.
Claireville Property Holdings Inc.

Time Summary

For the period ended April 30, 2022

Personnel	Hours	Rate (\$)	Amount (\$)
David Sieradzki	19.00	675	12,825.00
Noah Goldstein	14.50	675	9,787.50
Christian Vit	10.50	425	4,462.50
Other associates	7.95	160 - 200	1,359.75
Fees			28,434.75
Out of pocket disbursements			54.66
Total fees and disbursements			28,489.41

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF NOAH GOLDSTEIN
SWORN BEFORE ME THIS 26th DAY OF MAY, 2022

A handwritten signature in black ink, appearing to read 'Rajinder Kashyap', written over a horizontal line.

A Commissioner for taking Affidavits, etc.

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Restructuring Inc.
Expires January 27, 2024.

Claireville Property Holdings Inc.

Schedule of Professionals' Time and Rates

For the Period October 1, 2021 to April 30, 2022

Personnel	Title	Hours	Billing Rate (\$ per hour)	Amount (\$)
David Sieradzki	Managing Director	108.00	650 - 675	71,837.50
Noah Goldstein	Managing Director	100.75	650 - 675	66,881.25
Emily Klein	Associate	71.60	400	28,640.00
Christian Vit	Associate	11.75	425	4,993.75
Other staff and administrative		43.20	150-200	7,063.00
Total fees				179,415.50
Disbursements				1,112.18
				180,527.68
Total hours				335.30
Average hourly rate				\$ 535.09

Appendix “J”

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

B E T W E E N :

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

**AFFIDAVIT OF TAMIE DOLNY
(sworn May 25, 2022)**

I, **TAMIE DOLNY**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP is acting as counsel for KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**"), without security, of all of the assets, undertakings and properties (collectively, the "**Property**") of Claireville Property Holdings Inc. (the "**Debtor**").
2. Aird & Berlis LLP also acted as counsel for KSV Restructuring Inc., in its previous capacity as proposal trustee (in such capacity, the "**Proposal Trustee**") of the Debtor.
3. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the Proposal Trustee, detailing its services rendered and disbursements incurred, namely:
 - (a) an account dated November 30, 2021 in the amount of \$42,319.77 in respect of the period from September 30, 2021 to November 30, 2021; and

- (b) an account dated December 16, 2021 in the amount of \$12,740.29 in respect of the period from December 1, 2021 to December 14, 2021.
4. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the Receiver, detailing its services rendered and disbursements incurred, namely:
- (a) an account dated January 31, 2022 in the amount of \$26,263.08 in respect of the period from December 15, 2021 to January 31, 2022;
- (b) an account dated March 31, 2022 in the amount of \$43,283.85 in respect of the period from January 28, 2022 to March 30, 2022; and
- (c) an account dated May 12, 2022 in the amount of \$20,417.24 in respect of the period from April 3, 2022 to April 29, 2022,
- (collectively, the "**Statements of Account**"). Attached hereto and marked as **Exhibit "A"** to this Affidavit are copies of the Statements of Account. The average hourly rate of Aird & Berlis LLP is \$494.59.
5. Attached hereto and marked as **Exhibit "B"** to this Affidavit is a chart detailing the lawyers, law clerks and articling students who have worked on this matter.
6. This Affidavit is made in support of a motion to, *inter alia*, approve the attached accounts of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me at the City of
Toronto, in the Province of Ontario,
this 25th day of May, 2022


A commissioner, etc.

Serena Homery


TAMIE DOLNY

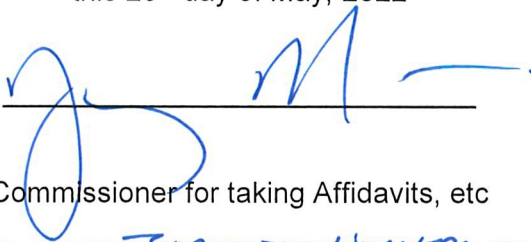
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF TAMIE DOLNY

Sworn before me

this 25th day of May, 2022

A handwritten signature in blue ink, consisting of a large, stylized 'J' or 'G' followed by a horizontal line and a flourish.

Commissioner for taking Affidavits, etc

Serom7 Nemerz

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 F 416.863.1515
airdberlis.com

KSV Advisory Inc.
2308-150 King Street West
Box 42
Toronto, ON
M5H 1J9

Attention: Mr. Noah Goldstein

Invoice No.: 731944

PLEASE WRITE INVOICE NUMBERS
ON THE BACK OF ALL CHEQUES
File No.: 41611/164933
Client No.: 41611
Matter No.: 164933

November 30, 2021

Re: BIA Proposal Proceedings of Claireville Property Holdings Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended November 30, 2021:

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
KBP	30/09/21	\$550.00	1.20	\$660.00	Attend calls with client regarding listing agreement; draft and circulate listing amending agreement.
BWC	12/10/21	\$475.00	0.20	\$95.00	Telephone call with J. Nemers re construction lien issues re validity of registration and effect of stay of proceedings
TMD	12/10/21	\$350.00	0.20	\$70.00	Update service list; Correspondence to J. Nemers
JTN	12/10/21	\$475.00	0.60	\$285.00	Receipt and review of letter from purported construction lien claimant; Respond to same; Email to client re same; Instruct T. Dolny re updating of service list to include same; Telephone call with B. Chung re construction lien-related matters
JTN	13/10/21	\$475.00	0.10	\$47.50	Email to B. Chung re construction lien-related matters
TMD	14/10/21	\$350.00	0.20	\$70.00	Email correspondence to K. Plunkett and J. Nemers re updated service list

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
TMD	14/10/21	\$350.00	0.50	\$175.00	Schedule calendar invite and court attendance with appropriate entities; Correspondence to K. Plunkett; Correspondence to court
JTN	14/10/21	\$475.00	0.10	\$47.50	Email exchanges re scheduling of hearing and related matters
KBP	14/10/21	\$550.00	0.20	\$110.00	Review and respond to emails and letter from lien claimant.
SEB	15/10/21	\$650.00	0.50	\$325.00	Emails and phone call from and to K. Plunkett re construction lien claim
JTN	15/10/21	\$475.00	0.20	\$95.00	Receipt and review of emails re matter re upcoming Court hearing and alleged construction lien claim
KBP	15/10/21	\$550.00	1.00	\$550.00	Review and respond to letter from Construction Lien claimant re Aqua Greens; email exchange with working group.
SEB	17/10/21	\$650.00	0.10	\$65.00	Email from K. Plunkett re construction lien claim
BWC	17/10/21	\$475.00	2.00	\$950.00	Review and consider client correspondence, documents, statement of claim re construction lien; Emails with J. Burke and K. Plunkett re timeliness of construction lien registration; Emails with J. Nemers, K. Plunkett
JTN	17/10/21	\$475.00	0.50	\$237.50	Email exchanges with K. Plunkett and B. Chung re construction lien-related enquiries
JTN	17/10/21	\$475.00	0.30	\$142.50	Receipt and review of draft sale process proposed by Receiver; Consider same in anticipation of tomorrow's conference call
KBP	17/10/21	\$550.00	0.30	\$165.00	Email exchanges with working group regarding Construction Lien claim; review summary.
TMD	18/10/21	\$350.00	3.60	\$1,260.00	Drafting Notice of Motion, Affidavit of Fees, Motion Record and Draft Order; Correspondence to K.

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Plunkett and J. Nemers enclosing first draft copies; Co-ordinating edits to documents; Correspondence to clerks
JTN	18/10/21	\$475.00	0.40	\$190.00	Email exchange with client re court materials for next week's hearing; Receipt and review of draft notice of motion and accompanying order; Email exchange with T. Dolny re corrections re same
KBP	18/10/21	\$550.00	0.80	\$440.00	Review and provide comments on draft materials for motion returnable October 27, 2021.
TMD	19/10/21	\$350.00	4.40	\$1,540.00	Correspondence to A. Cupic and K. Plunkett enclosing edits to Notice of Motion reflecting the Third Report; Correspondence regarding fee affidavit; Review Third Report and provide comments to K. Plunkett; Update Third Report with comments from J. Nemers; Revise invoice figures and dockets; Run various blacklines and communications for J. Nemers; Provide fee invoice revised calculations to J. Nemers and K. Plunkett
JTN	19/10/21	\$475.00	1.00	\$475.00	Engaged with review of, revisions to and suggested further drafting of Third Report
KBP	19/10/21	\$550.00	1.00	\$550.00	Review and draft court materials; email exchanges with client regarding same.
TMD	20/10/21	\$350.00	1.80	\$630.00	Correspondence to KSV with fee invoice and draft materials; Revise fee affidavit as applicable; Correspondence to assistant, K. Plunkett and J. Nemers on service; Compile motion record; Serve documents on all relevant parties; Compose service letters to co-tenancy parties and PPSA parties
SH	20/10/21	\$295.00	0.30	\$88.50	Emails to T. Dolny, J. Nemers, K. Plunkett and K. Cupic re service of

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					documents; Telephone call with A. Cupic re same
JEM	20/10/21	\$265.00	0.10	\$26.50	Order, review and report on profile
JTN	20/10/21	\$475.00	0.50	\$237.50	Engaged with matters re review, finalization and service of motion record for next week's hearing; Attend to related matters
KBP	20/10/21	\$550.00	1.00	\$550.00	Revise and finalize motion record for service and filing.
TMD	21/10/21	\$350.00	0.20	\$70.00	Email correspondence to A. Cupic regarding caselines and service
JTN	21/10/21	\$475.00	0.20	\$95.00	Attend to residual matters re posting and filing of Court materials
TMD	22/10/21	\$350.00	0.20	\$70.00	Email correspondence to law clerks regarding filing
PLW	22/10/21	\$225.00	0.40	\$90.00	Filed Motion Record for October 27 by email
JTN	25/10/21	\$475.00	0.10	\$47.50	Email exchanges with V. DaRe and client re status update and related matters
TMD	26/10/21	\$350.00	0.60	\$210.00	Correspondence to J. Nemers and K. Plunkett re Notice of Motion; Update Note of Motion form; Review correspondence to court regarding filing
JTN	26/10/21	\$475.00	4.10	\$1,947.50	Engaged with drafting of template agreement of purchase and sale and certain schedules thereto; Email exchange and telephone call with client re same; Telephone call with R. Rice re real estate components of same in light of implications of ground lease; Attend on conference call requested by DIP lender and its counsel; Prepare for tomorrow's hearing; Attend to related matters
KBP	26/10/21	\$550.00	0.60	\$330.00	Review and consider emails on leasehold interest, and sale process; email exchange with client and Foglers.

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
RDR	26/10/21	\$395.00	0.60	\$237.00	Telephone call from J. Nemers; Notes re: same to file;
TMD	27/10/21	\$350.00	0.20	\$70.00	Email correspondence to J. Nemers and A. Cupic re filing
JTN	27/10/21	\$475.00	2.90	\$1,377.50	Receipt and review of email from V. DaRe; Prepare for and attend at hearing; Receipt and review of His Honour's endorsement and Order; Arrange for service of same; Prepare responding letter to V. DaRe; Email exchanges with client re same; Engaged with revisions to, finalization of and sending of same
RDR	27/10/21	\$395.00	1.60	\$632.00	Reviewing APS; Reviewing PINs and notes re: same; Commenced review of documents pulled and file generally; Notes re items to pull and review from first PIN;
JTN	28/10/21	\$475.00	1.10	\$522.50	Email exchanges and telephone call with client re leasing situation with Aqua Greens; Receipt and review of documents re same; Telephone call with R. Rice re draft APS and related matters re Land Registry Office
KBP	28/10/21	\$550.00	0.20	\$110.00	Review and respond to emails from client regarding Aqua Greens.
RDR	28/10/21	\$395.00	2.90	\$1,145.50	Revising APS; Running blackline to same; Reviewing Co-Tenancy and other agreements per folder and notes re: same; Revising APS re same; Reviewing orders; Pulling security instruments from first PIN title and reviewing same; Email to J. Nemers re initial changes; Telephone call with J. Nemers; Notes re same for revised APS; Reviewing model approval and vesting order and notes for call with OnLand; commenced drafting schedules;

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JTN	29/10/21	\$475.00	0.10	\$47.50	Telephone call with client re draft APS; Email exchange with R. Rice re same
RDR	29/10/21	\$395.00	1.70	\$671.50	Telephone calls to OnLand; Reviewing registration guide and teraview information packages re same; Revised APS per comments from J. Nemers; Pulled new PINs and reviewed same; Pulled additional instruments from title and reviewed same; Drafting schedules;
JTN	30/10/21	\$475.00	0.10	\$47.50	Email exchange with R. Rice re draft APS
JTN	31/10/21	\$475.00	1.00	\$475.00	Engaged with review and consideration of draft schedules to APS and related content; Email exchanges and telephone call with R. Rice re same
RDR	31/10/21	\$395.00	1.80	\$711.00	Completing schedules; Pulling final security instruments for review; Revising schedules per same; Reviewing blackline APS and amended same; Email to J. Nemers re: blackline and notes re instruments and new assignment of rents registered and decisions regarding the Claims;
RDR	31/10/21	\$395.00	1.20	\$474.00	Telephone call with J. Nemers re: APS, schedules, and notes re same; Revised APS per call and emailed revised APS and blackline to J. Nemers;
RDR	31/10/21	\$395.00	0.20	\$79.00	Revised per email from J. Nemers; Revised per comments from J. Nemers and email agreement;
JEM	01/11/21	\$265.00	0.10	\$26.50	Order, review and report on PPSA search
JTN	01/11/21	\$475.00	1.00	\$475.00	Engaged with further revisions to and drafting of template APS; Email exchanges with client re same; Receipt and review of PPSA search results re tenant; Email exchange with client re same

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
KBP	01/11/21	\$550.00	0.50	\$275.00	Review and consider emails from client regarding Aqua Greens; email exchange with J. Nemers regarding same.
JEM	02/11/21	\$265.00	0.20	\$53.00	Order, review and report on profile; Review and report on certified PPSA search
JTN	02/11/21	\$475.00	1.70	\$807.50	Engaged with drafting of default letter re Aqua Greens; Email exchanges and telephone calls with client re same and related issues; Receipt and review of letter from J. Bunting to E. White; Finalize and issue letter re Aqua Greens; Attend to related matters re same
KBP	02/11/21	\$550.00	0.30	\$165.00	Email exchanges with working group regarding rent demand for Aqua Greens; and other administrative matters.
BWC	03/11/21	\$475.00	0.10	\$47.50	Emails with K. Plunkett re expiration of construction lien, review and consider additional information and documents re lien work
JTN	03/11/21	\$475.00	0.30	\$142.50	Email exchanges with working group re developments re Aqua Greens; Receipt and review of email from M. Drolet re same
KBP	03/11/21	\$550.00	0.30	\$165.00	Review and respond to emails from working group regarding O/S arrears for rent re Aqua Greens; discuss same with client re demands.
JTN	04/11/21	\$475.00	0.10	\$47.50	Email exchange with P. Fesharaki re Aqua Greens
KBP	04/11/21	\$550.00	1.00	\$550.00	Review and consider correspondence from FCC's counsel regarding demands for rent; review and consider rent arrears documents from client; review FSs on co-tenancies.
JTN	05/11/21	\$475.00	1.70	\$807.50	Attend on conference call with, and receipt and review of

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					correspondence from, FCC's counsel re Aqua Greens; Telephone calls with client re same; Email exchanges with client re same; Email exchanges with client, R. Rice and CBRE re sublease-related questions; Telephone call with R. Rice re same; Attend to related matters
KBP	05/11/21	\$550.00	1.00	\$550.00	Attend call with TGF team to discuss FCC and rent defaults; review and respond to emails from client regarding rent arrears from tenants.
RDR	05/11/21	\$395.00	0.50	\$197.50	Email response to J. Nemers; Reviewing chain of emails and sublease document; Telephone call from J. Nemers re: offer, sublease, ground lease, correspondence., etc;
KBP	06/11/21	\$550.00	0.30	\$165.00	Attend call with R. Kennedy to discuss FCC demands and lease arrangement.
JTN	08/11/21	\$475.00	0.90	\$427.50	Email exchanges with E. White and N. Goldstein re tomorrow's bid deadline; Discussion with K. Plunkett re FCC; Telephone call with N. Goldstein re same and related matters; Multiple email exchanges with client and K. Plunkett re Aqua Greens
KBP	08/11/21	\$550.00	1.00	\$550.00	Review and consider emails from FCC; attend calls with TGF; draft email re lease issues.
JTN	09/11/21	\$475.00	1.00	\$475.00	Email exchanges with client and K. Plunkett re FCC and Aqua Greens; Receipt and review of email from E. White; Receipt and review of letter of intent from possible bidder; Consider terms of same; Email exchanges with client re same and possible next steps; Attend to related matters as needed
KBP	09/11/21	\$550.00	1.20	\$660.00	Attend call with TGF to discuss Aqua Greens rent arrears and FCC enforcement steps; email exchanges

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					with client regarding same; review and consider LOI terms from prospective.
JTN	10/11/21	\$475.00	0.20	\$95.00	Discussion with K. Plunkett re status re Aqua Greens' rent and ground lease sale process
KBP	10/11/21	\$550.00	1.00	\$550.00	Letter to FCC regarding request for lease; email exchanges with client regarding Aqua Greens; review and respond to client regarding sale process.
JTN	11/11/21	\$475.00	1.20	\$570.00	Engaged with revisions to draft LOI; Email exchanges with client re same; Engaged with high-level review of lease re Aqua Greens
KBP	11/11/21	\$550.00	0.90	\$495.00	Review and consider bid summary; email to FCC; attend calls with client to discuss LOI from BJ client; review comments.
JTN	12/11/21	\$475.00	0.30	\$142.50	Email exchanges with client re revised LOI and go-forward options re same
KBP	12/11/21	\$550.00	0.90	\$495.00	Review and consider mark-up of LOI; discuss rent arrears.
JTN	15/11/21	\$475.00	1.00	\$475.00	Email exchanges with client re further revised LOI; Engaged with revisions to and further drafting of template APS to reflect same
KBP	15/11/21	\$550.00	0.90	\$495.00	Review and consider emails from client team regarding LOI and APS from prospective purchaser.
JTN	16/11/21	\$475.00	0.40	\$190.00	Receipt and review of executed LOI; Email exchange with client and V. DaRe re same; Email exchange with client re same and related matters; Receipt and review of email from client to potential purchaser re APS
KBP	16/11/21	\$550.00	0.40	\$220.00	Review and consider APS; email exchange with client regarding sale process and updates

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
KBP	17/11/21	\$550.00	0.40	\$220.00	Review and respond to emails from client regarding rent arrears and purchase agreement terms
JTN	18/11/21	\$475.00	1.10	\$522.50	Receipt and review of comments re draft APS received from proposed purchaser; Email exchange and telephone calls with client re same; Receipt and review of notice re Farm Debt Mediation Act re Aqua Greens; Email exchanges with client re same
KBP	18/11/21	\$550.00	0.30	\$165.00	Review and consider notice of application under FDMA of Aqua Greens; email to client regarding same.
JTN	19/11/21	\$475.00	0.30	\$142.50	Telephone call with K. Plunkett re draft APS, Aqua Greens and related matters
KBP	19/11/21	\$550.00	1.00	\$550.00	Review and consider emails from client regarding FDMA filing by Aqua Greens; email exchanges with J. Nemers regarding same; review and consider updated APA from Bennett Jones; email exchanges with client regarding same.
KBP	20/11/21	\$550.00	0.30	\$165.00	Review and consider email from client regarding Aqua Greens rent arrears and FDMA filing;
JTN	22/11/21	\$475.00	1.60	\$760.00	Attend on conference call with purchaser re draft APA; Telephone call with client re same and Aqua Greens; Discussion with K. Plunkett re same; Attend on conference call with DIP Lender and its counsel; Engaged with revisions to draft letter re Aqua Greens; Email exchange with client re same
KBP	22/11/21	\$550.00	1.00	\$550.00	Draft demand letter re post-filing rent to Aqua Greens.
JTN	23/11/21	\$475.00	1.80	\$855.00	Engaged with revisions to and further drafting of APA to address purchaser's comments and client's comments; Email exchanges with

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					client re same; Email exchanges with client re letter to M. Poliak re Aqua Greens; Revise, finalize and issue same; Receipt and review of email from V. DaRe; Attend to related matters as needed
JTN	24/11/21	\$475.00	1.20	\$570.00	Receipt and review of further markup to APA from purchaser; Consider same; Email exchanges and telephone call with client re same; Engaged with further revisions to and drafting of same
JTN	25/11/21	\$475.00	1.90	\$902.50	Telephone call with M. Poliak re Aqua Greens; Telephone call with client re same; Telephone call and email exchanges with client re draft APS; Engaged with further revisions to same; Email to proposed purchaser re same; Email exchanges with V. DaRe, client and court office re December 14 hearing and nature thereof; Attend to related matters as needed
KBP	25/11/21	\$550.00	1.00	\$550.00	Review and respond to emails regarding Aqua Greens FDMA proceedings; attend calls with client to discuss rent arrears; review and consider emails regarding APA.
JTN	26/11/21	\$475.00	0.30	\$142.50	Receipt and review of letter from M. Gosselin re Farm Debt Mediation Act; Email to client re same; Telephone call with K. Plunkett re same and APS
JTN	27/11/21	\$475.00	0.10	\$47.50	Receipt and review of email from purchaser
JTN	29/11/21	\$475.00	0.20	\$95.00	Email exchanges with client re APA; Telephone call with purchaser re same
JTN	30/11/21	\$475.00	0.50	\$237.50	Receipt and review of further mark-up to draft APS by purchaser; Consider same; Email exchanges and telephone call with client re same

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
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TOTAL:			78.50	\$36,327.00	
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OUR FEE	\$36,327.00
HST at 13%	\$4,722.51

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Due Diligence-Gov Fee	\$16.00
Notice of Motion/Application	\$50.00
Search Under P.P.S.A.	\$16.00

Total Agency Costs	\$82.00
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Subject to HST

Due Diligence	\$22.00
Photocopies - Local	\$61.00
Deliveries/Parss	\$848.56
Imaging/Scanning	\$3.25
Teraview Search	\$107.50
Service Provider Fee	\$9.00
Photocopies	\$0.25

Total Disbursements	\$1,051.56
HST at 13%	\$136.70

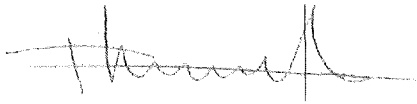
AMOUNT NOW DUE	\$42,319.77
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SUMMARY

SUMMARY

Name	Year of Call	Hours	Rate	Value
Kyle B. Plunkett (KBP)	30/07/11	20.00	\$550.00)	\$11,000.00)
Brian W. Chung (BWC)	01/07/14	2.30	\$475.00)	\$1,092.50)
Tamie M. Dolny (TMD)	01/09/19	11.90	\$350.00)	\$4,165.00)
Jeremy T. Nemers (JTN)	01/07/14	32.10	\$475.00)	\$15,247.50)
Sam E. Babe (SEB)	01/09/04	0.60	\$650.00)	\$390.00)
Samantha Hans (SH)		0.30	\$295.00)	\$88.50)
Jenaya E. McLean (JEM)		0.40	\$265.00)	\$106.00)
Patrick L. Williams (PLW)		0.40	\$225.00)	\$90.00)
Rachel D. Rice (RDR)	18/09/17	10.50	\$395.00)	\$4,147.50)

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



Kyle B. Plunkett
/ph
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 F 416.863.1515
airdberlis.com

KSV Advisory Inc.
2308-150 King Street West
Box 42
Toronto, ON
M5H 1J9

Attention: Mr. Noah Goldstein

Invoice No.: 733894

PLEASE WRITE INVOICE NUMBERS
ON THE BACK OF ALL CHEQUES
File No.: 41611/164933
Client No.: 41611
Matter No.: 164933

December 16, 2021

Re: BIA Proposal Proceedings of Claireville Property Holdings Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended December 14, 2021:

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JTN	01/12/21	\$475.00	1.00	\$475.00	Telephone call and email exchange with client re tenant-related matter; Telephone call with client and Prime re same; Receipt and review of documents re same; Telephone call with client re impressions of same; Telephone call with K. Plunkett re next steps
KBP	01/12/21	\$550.00	0.30	\$165.00	Review and consider rent dispute issue with Repack Canada; email exchange with J. Nemers.
JTN	02/12/21	\$475.00	0.20	\$95.00	Receipt and review of signed APS; Telephone call with client
KBP	02/12/21	\$550.00	1.00	\$550.00	Attend call with client to discuss demand letter; review and lease agreement and consent arrangement.
JTN	03/12/21	\$475.00	0.50	\$237.50	Receipt and review of draft materials from V. DaRe re receivership; Email exchanges with client re same;

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Telephone call with N. Goldstein re same
KBP	03/12/21	\$550.00	1.00	\$550.00	Revise and draft letter to Repack Canada.
JTN	06/12/21	\$475.00	1.60	\$760.00	Engaged with revisions to and further drafting of Court orders proposed by V. DaRe; Telephone calls and email exchanges with client re same; Engaged with review of and revisions to draft Fourth Report; Attend to related matters
KBP	06/12/21	\$550.00	1.00	\$550.00	Review and consider emails from client on draft letter; revise and circulate letter to Repack Canada;
JTN	07/12/21	\$475.00	1.00	\$475.00	Receipt and review of receivership materials from V. DaRe; Telephone calls with V. DaRe and client re same and related matters; Receipt and review of updated Proposal Trustee's report for service tomorrow; Attend to related matters
KBP	07/12/21	\$550.00	1.10	\$605.00	Finalize letter to tenant and circulate; email exchanges with client regarding DIP lender motion; review materials.
TMD	08/12/21	\$350.00	0.20	\$70.00	Email correspondence to K. Plunkett and KSV re: Potential Renewables
JTN	08/12/21	\$475.00	0.50	\$237.50	Telephone call with V. DaRe re enquiries received from F. Tayar; Engaged with matters re finalization and service of Fourth Report; Receipt and review of invitation to Aqua Greens meeting; Email exchange with client re same; Email materials to M. Poliak
KBP	08/12/21	\$550.00	0.60	\$330.00	Review and respond to email from client regarding FDMA mediation and next steps; email exchange with J. Nemers regarding same.
PLW	08/12/21	\$225.00	0.40	\$90.00	Submitted 4th Report of the Trustee

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JTN	09/12/21	\$475.00	0.20	\$95.00	Receipt and review of updated Aqua Greens FDMA meeting invitation from M. Currelly; Email exchanges with client and V. DaRe
KBP	09/12/21	\$550.00	0.30	\$165.00	Review and consider emails from V. DaRe regarding application, and APS.
JTN	10/12/21	\$475.00	0.40	\$190.00	Telephone call and email exchange with V. DaRe; Upload proposal trustee's report to Caselines; Email to His Honour attaching Confidential Appendix
JTN	11/12/21	\$475.00	3.00	\$1,425.00	Receipt and review of email from V. DaRe re position being taken by M. Starnino; Telephone call with M. Starnino; Email exchanges and telephone calls with client and V. DaRe re same; Receipt and review of revised draft endorsement from M. Starnino; Engaged with drafting and issuance of lengthy reply email re same; Receipt and review of further reply email from V. DaRe re same; Attend to related matters
KBP	11/12/21	\$550.00	1.00	\$550.00	Review and consider emails from LL counsel regarding opposition to Receivership application; email exchanges with J. Nemers regarding same.
JTN	12/12/21	\$475.00	0.10	\$47.50	Receipt and review of email from V. DaRe; Email exchange with client
JTN	13/12/21	\$475.00	2.00	\$950.00	Receipt and review of emails from V. DaRe and M. Starnino re tomorrow's hearing and related matters; Consider same; Discussion with client re same; Prepare and submit response to M. Starnino; Telephone call with V. DaRe; Attend to related matters re tomorrow's hearing and related matters
KBP	13/12/21	\$550.00	1.10	\$605.00	Review and consider emails from V. DaRe regarding application and order terms; email exchange with client team regarding Aqua Greens

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					proceedings; review and consider email from LL counsel regarding sale process.
JTN	14/12/21	\$475.00	1.60	\$760.00	Prepare for and attend at hearing; Telephone call with client; Telephone call with V. DaRe; Telephone call with M. Starnino; Receipt and review of notice of first stay extension re Aqua Greens
KBP	14/12/21	\$550.00	0.70	\$385.00	Review and consider emails from working group regarding sale transaction and motion; review and consider notice from FDMA administrator;
TOTAL:			20.80	\$10,362.50	

Name	Year of Call	Hours	Rate	Value
Jeremy T. Nemers (JTN)	01/07/14	12.10	\$475.00	\$5,747.50
Kyle B. Plunkett (KBP)	30/07/11	8.10	\$550.00	\$4,455.00
Tamie M. Dolny (TMD)	01/09/19	0.20	\$350.00	\$70.00
Patrick L. Williams (PLW)		0.40	\$225.00	\$90.00

OUR FEE	\$10,362.50
HST at 13%	\$1,347.13

DISBURSEMENTS

Subject to HST

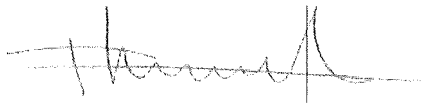
Photocopies - Local	\$26.50
Deliveries/Parss	\$885.59
Total Disbursements	\$912.09
HST at 13%	\$118.57

AMOUNT NOW DUE	\$12,740.29
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SUMMARY

Name	Year of Call	Hours	Rate	Value
Jeremy T. Nemers (JTN)	01/07/14	12.10	\$475.00	\$5,747.50
Kyle B. Plunkett (KBP)	30/07/11	8.10	\$550.00	\$4,455.00
Tamie M. Dolny (TMD)	01/09/19	0.20	\$350.00	\$70.00
Patrick L. Williams (PLW)		0.40	\$225.00	\$90.00

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



Kyle B. Plunkett
/ph
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.
46953580.1

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
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KSV Advisory Inc.
2308-150 King Street West
Box 42
Toronto, ON
M5H 1J9

Attention: Mr. Noah Goldstein

Invoice No.: 738591

PLEASE WRITE INVOICE NUMBERS
ON THE BACK OF ALL CHEQUES
File No.: 41611/170730
Client No.: 41611
Matter No.: 170730

January 31, 2022

Re: Receivership of Claireville Property Holdings Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended January 31, 2022:

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JTN	15/12/21	\$475.00	0.10	\$47.50	Follow-up email to WFK Law re certain records
KBP	15/12/21	\$550.00	0.60	\$330.00	Review and respond to emails from client team regarding administrative matters, including Aqua Greens FDMA filing and sale process.
JTN	16/12/21	\$475.00	0.20	\$95.00	Telephone call with N. Goldstein re Aqua Greens; Further follow-up email to WFK Law re certain records
KBP	16/12/21	\$550.00	1.00	\$550.00	Prepare and attend mediation for Aqua Greens FDMA proceedings; email exchange with client regarding same.
JTN	17/12/21	\$475.00	0.20	\$95.00	Telephone call with N. Goldstein re Aqua Greens; Attend to related tasks
JTN	20/12/21	\$475.00	0.10	\$47.50	Email exchange with client re matters re APS

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JTN	21/12/21	\$475.00	0.50	\$237.50	Email exchanges and telephone call with client and DIP Lender's counsel re status update and related matters
JTN	22/12/21	\$475.00	0.30	\$142.50	Email exchange with client re timing matters re APS; Calculate same
JTN	23/12/21	\$475.00	0.10	\$47.50	Email exchange with client and DIP lender's counsel re Aqua Greens
JTN	24/12/21	\$475.00	0.30	\$142.50	Telephone call with J. Fried and N. Goldstein re Aqua Greens and related matters
JTN	29/12/21	\$475.00	0.60	\$285.00	Email exchanges with client re adjustment-related mechanisms in APS; Receipt and review of emails from J. Fried, M. Karoly and client re data room request by landlord; Email to working group re same and NDA; Attend to related matters
KBP	29/12/21	\$550.00	0.30	\$165.00	Review and consider emails from purchaser; email exchange with client.
JTN	31/12/21	\$475.00	0.10	\$47.50	Receipt and review of executed NDA purportedly on behalf of landlord; Email exchange with working group to confirm same
JTN	03/01/22	\$525.00	0.10	\$52.50	Receipt and review of emails from client and purchaser re due diligence condition
KBP	03/01/22	\$595.00	0.30	\$178.50	Review and consider draft report; review and consider guarantee and updates on sale.
JTN	04/01/22	\$525.00	0.20	\$105.00	Email exchange with client re status; Email exchange with client and DIP lender's counsel
JTN	05/01/22	\$525.00	1.60	\$840.00	Receipt and review of offer from Wimbledon Purple; Consider same; Email exchanges with client re same; Discussion with N. Goldstein re same; Attend to related matters

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
KBP	05/01/22	\$595.00	1.00	\$595.00	Review and consider APS from LL; email exchanges with client to discuss same.
SRM	06/01/22	\$425.00	0.20	\$85.00	Review email, conduct prelim, order, review and report on corporate profile for Wimbledon Purple Holdings Inc
JTN	06/01/22	\$525.00	1.80	\$945.00	Telephone calls and email exchanges with client re Wimbledon offer; Receipt and review of emails from DIP lender's counsel re same; Receipt and review of notice of waiver of due diligence condition from purchaser; Discussion with client re same; Email exchange with purchaser and its counsel re form of tenant estoppel certificate; Email to R. Rice re preparation of landlord estoppel certificate; Attend to related matters
KBP	06/01/22	\$595.00	0.70	\$416.50	Email exchanges with client regarding conditions precedent for offer; review updated draft APS; email exchange with client.
JTN	07/01/22	\$525.00	1.30	\$682.50	Receipt and review of materials re Aqua Green; Receipt and review of voicemail from M. Starnino re bids; Telephone call with N. Goldstein re same; Discussion with M. Starnino; Telephone call with N. Goldstein re same; Receipt and review of draft tenant estoppel certificate from purchaser; Telephone call with R. Rice re same; Attend to related matters as needed
RDR	07/01/22	\$450.00	0.20	\$90.00	Reviewed email correspondence; Telephone call from J. Nemers receiving instructions re estoppels to draft and to review and amend per leases;
JTN	09/01/22	\$525.00	0.10	\$52.50	Email exchange with client and R. Rice
JTN	10/01/22	\$525.00	1.20	\$630.00	Receipt and review of draft landlord estoppel certificate and thoughts

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					from R. Rice re draft tenant estoppel certificate drafted by purchaser; Consider same; Telephone calls with R. Rice re same; Telephone call with client re same; Email to client re same; Attend to related matters
RDR	10/01/22	\$450.00	3.90	\$1,755.00	Reviewing ground lease and APS definitions; Drafting landlord estoppel; Adding NTDs to revised; Reviewed amending agreement; Revising definition of Lands per amending agreement; Reviewing draft; Email draft to J. Nemers; Reviewing estoppel certificate; Reviewing leases and notes re: same on delivery of statements; Revising notes; Email to J. Nemers re issues; Revisions and email to J. Nemers re same; Telephone call with J. Nemers; Set up call and items for discussion; Telephone call from J. Nemers; Revised estoppel, drafted list of leases missing and draft email for client; Email to J. Nemers; Telephone call from J. Nemers; Revised landlords certificate; Revising Email; Email to N. Goldstein and D. Sieradzki;
JTN	11/01/22	\$525.00	0.50	\$262.50	Email exchanges and telephone calls with client re estoppel certificates and related matters; Receipt and review of one-day extension to landlord offer; Consider same; Email exchanges with client re same
KBP	11/01/22	\$595.00	0.30	\$178.50	Review and respond to emails regarding response to LL offer; attend call with N. Goldstein.
JTN	12/01/22	\$525.00	0.10	\$52.50	Email exchange with K. Plunkett re landlord
JTN	13/01/22	\$525.00	1.30	\$682.50	Email exchanges with DIP lender's counsel re status of APS and related matters; Receipt and review of request from landlord; Consider same; Discussion with R. Rice re same; Emails with client re same;

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Receipt and review of second stay extension notice re Aqua Greens; Email exchange with client re same
RDR	13/01/22	\$450.00	0.50	\$225.00	Reviewing emails from J. Nemers; Reviewing Ground Lease and Amending Agreements; Telephone call from J. Nemers;
JTN	14/01/22	\$525.00	0.20	\$105.00	Email exchanges with client and R. Rice re enquiry from subtenant; Consider same
RDR	14/01/22	\$450.00	0.30	\$135.00	Reviewed correspondence; Reviewed Ground Lease; Telephone call from J. Nemers re: same; Response to clients re ground lease and inspection request;
JTN	19/01/22	\$525.00	0.20	\$105.00	Email exchanges with client and M. Poliak re Aqua Greens
JTN	20/01/22	\$525.00	0.70	\$367.50	Telephone call with client and M. Poliak re Aqua Greens; Telephone call with client re same and related matters; Email exchange with client re enquiry raised by subtenant's counsel re proposed extension agreement and response thereto
JTN	21/01/22	\$525.00	0.10	\$52.50	Receipt and review of email from client re status re tenant estoppel certificates
JTN	23/01/22	\$525.00	1.00	\$525.00	Receipt and review of enquiry from DIP lender's counsel; Consider same; Email exchanges with client re same and related matters re estoppel certificates
JTN	24/01/22	\$525.00	2.90	\$1,522.50	Email exchanges with DIP lender's counsel and client; Receipt and review of certain completed tenant estoppel certificates; Receipt and review of enquiry from tenant's counsel re same; Consider same; Email exchange with client and R. Rice re same and related matters; Engaged with drafting of next notice of motion and corresponding

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					ancillary order; Attend to related tasks
JTN	25/01/22	\$525.00	0.10	\$52.50	Email exchange with R. Rice and client re estoppel certificate enquiry from subtenant's counsel
RDR	25/01/22	\$450.00	0.20	\$90.00	Reviewing email correspondence; Reviewing Concord Lease and extracting pertinent section; Searching for Notice and Direction and confirming same time as sublease; Drafted email to J. Nemers, N. Goldstein and D. Sieradzki re: same;
SRM	26/01/22	\$425.00	0.20	\$85.00	Review email; Order, review and report on profile for Concord Products & Blow Holdings Ltd
JTN	26/01/22	\$525.00	2.90	\$1,522.50	Receipt and review of email from A. Conte as forwarded by client re construction lien matter; Consider same and review historical correspondence with A. Conte re same; Email exchange with K. Plunkett re same; Prepare responding email for client re same; Email exchanges with client re same; Receipt and review of email exchange between client and M. Poliak re Aqua Greens; Email exchange with client re same; Receipt and review of subtenant enquiry re purported ROFR; Engaged with review of sublease and ground lease and consider same; Email exchanges and telephone calls with client and R. Rice re same; Order and receipt and review of corporate profile report for subtenant; Attend to related matters
KBP	26/01/22	\$595.00	1.00	\$595.00	Email exchange with client team regarding Aqua Greens; review and consider email from Construction lien claimant; email exchange with N. Goldstein.

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
RDR	26/01/22	\$450.00	1.00	\$450.00	Research for J. Nemers re: option in lease, single building, ground lease, Planning Act, etc;
RDR	26/01/22	\$450.00	0.60	\$270.00	Telephone call from J. Nemers re: lease ROFO;
PFB	27/01/22	\$295.00	3.90	\$1,150.50	Receive instruction from R Rice regarding research into the enforcement of rights of first refusal or options; Telephone call with S Dugas regarding research of same; Research on rights of first refusal; Email to R Rice with findings and caselaw
SD	27/01/22	\$295.00	3.80	\$1,121.00	Research whether Concords right of first opportunity is in contravention of the Planning Act
JTN	27/01/22	\$525.00	2.70	\$1,417.50	Email exchanges and telephone call with R. Rice re purported subtenant ROFR; Engaged with drafting of letter to subtenant's counsel re same; Email to client re same; Receipt and review of student research re certain matters re same; Consider same; Receipt and review of email from C. Francis re document request re landlord estoppel certificate; Email exchange with client and R. Rice re same
KBP	27/01/22	\$595.00	0.60	\$357.00	Review and consider draft letter response to tenant regarding ROFR; email exchanges with client regarding same; review and consider emails from updates from J. Nemers.
RDR	27/01/22	\$450.00	4.30	\$1,935.00	Continued research for J. Nemers; Reviewing other leases for purchase rights; Drafted email to J. Nemers; Reviewing other leases; with J. Nemers; Reviewing other leases; Setting out detailed memo re further research points and Instructions to students; Telephone call with P. Biswas re: further questions about research topics; Telephone call from S. Dugas providing instructions and

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					background, answering questions; Telephone call from S. Dugas;
JTN	28/01/22	\$525.00	0.60	\$315.00	Attend on conference call with client re matters re estoppel certificates; Finalize and issue letter to D. Parente re purported ROFR; Email exchange with C. Francis re requested documents re landlord estoppel certificate; Email exchange with client re related matters
JTN	29/01/22	\$525.00	0.10	\$52.50	Email to client re matters re D. Parente
JTN	30/01/22	\$525.00	0.10	\$52.50	Receipt and review of email from J. Fried
JTN	31/01/22	\$525.00	0.70	\$367.50	Email exchanges with client and J. Fried; Email exchange with client re D. Parente; Email to D. Parente; Email exchange with client and C. Francis; Receipt and review of executed landlord estoppel certificate; Consider same; Email exchanges with client re same and response from P. Mantini; Telephone call with client re same
JTN	31/01/22	\$525.00	0.50	\$262.50	Further email exchanges with client re landlord estoppel certificate and communications with P. Mantini re same; Receipt and review of email from D. Parente re tenant estoppel certificate; Receipt and review of proposed changes to same by D. Parente; Consider same; Email to client re same
KBP	31/01/22	\$595.00	0.40	\$238.00	Review and consider estoppel cert from LL; email exchanges with client regarding same.
TOTAL:			48.80	\$23,207.50	

OUR FEE	\$23,207.50
HST at 13%	\$3,016.98

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Due Diligence-Gov Fee \$16.00

Subject to HST

Due Diligence \$20.00

HST at 13% \$2.60

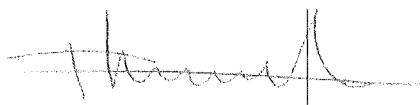
AMOUNT NOW DUE

\$26,263.08

SUMMARY

Name	Year of Call	Hours	Rate	Value
Jeremy T. Nemers (JTN)	01/07/14	23.50	\$519.68	\$12,212.50
Kyle B. Plunkett (KBP)	30/07/11	6.20	\$581.21	\$3,603.50
Shannon R. Morris (SRM)		0.40	\$425.00	\$170.00
Rachel D. Rice (RDR)	18/09/17	11.00	\$450.00	\$4,950.00
Portia F. Biswas (PFB)		3.90	\$295.00	\$1,150.50
Simon Dugas (SD)		3.80	\$295.00	\$1,121.00

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



Kyle B. Plunkett
/ph
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference. 47463246.1

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 F 416.863.1515
airdberlis.com

KSV Advisory Inc.
2308-150 King Street West
Box 42
Toronto, ON
M5H 1J9

Attention: Mr. Noah Goldstein

Invoice No.: 745908

PLEASE WRITE INVOICE NUMBERS
ON THE BACK OF ALL CHEQUES
File No.: 41611/170730
Client No.: 41611
Matter No.: 170730

March 31, 2022

Re: Receivership of Claireville Property Holdings Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended March 30, 2022:

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
RDR	28/01/22	\$450.00	0.10	\$45.00	Reviewing title memo; Email to all;
JTN	01/02/22	\$525.00	1.60	\$840.00	Telephone call with D. Parente; Email exchanges with client re estoppel certificates and P. Mantini; Attend on conference call with client re same and related matters; Receipt and review of updated tenant estoppel certificate re Transportation Canada; Consider same; Email exchange with client re same; Receipt and review of additional tenant estoppel certificate
JTN	02/02/22	\$525.00	2.80	\$1,470.00	Receive instruction from client re D. Parente; Engaged with revisions to D. Parente's mark-up of draft estoppel certificate re Concord; Email to D. Parente re same and related matters; Email to client re same; Multiple email exchanges and telephone call with B. Webster re Transportation sublease and estoppel certificate; Multiple email exchanges with Prime and client re same; Receipt and review of

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Transportation sublease; Consider same; Attend to related matters
KBP	02/02/22	\$595.00	0.50	\$297.50	Review and respond to emails from client group regarding estoppels and sale agreement.
JTN	03/02/22	\$525.00	0.70	\$367.50	Email exchanges with Prime, B. Webster, client and TGF re Transportation, Concord and Aqua Greens; Telephone calls with client; Receipt and review of formal notice of termination of stay re Aqua Greens
KBP	03/02/22	\$595.00	0.60	\$357.00	Review and consider emails from LL counsel regarding estoppels; review and consider emails from tenants regarding estoppels; review email from TGF regarding FDMA termination.
JTN	04/02/22	\$525.00	0.20	\$105.00	Email exchanges with client re Mantini and Concord; Follow-up email to Concord's counsel
JTN	06/02/22	\$525.00	0.10	\$52.50	Email exchanges with client
JTN	07/02/22	\$525.00	1.60	\$840.00	Attend on conference call with client re purchase agreement and related matters; Email to and telephone call with DIP Lender's counsel re same; Receipt and review of emails from D. Parente; Email exchange with client re Aqua Greens; Email to P. Mantini; Attend to related matters re same; Receipt and review of FCC's receivership application record re Aqua Greens; Consider same; Email exchange with client re same
KBP	07/02/22	\$595.00	0.60	\$357.00	Review and consider FCC application; discuss same with N. Goldstein.
JTN	08/02/22	\$525.00	1.70	\$892.50	Attend on conference call with P. Mantini, S. Zweig and client re purchase agreement and matters re estoppel certificates; Telephone call with N. Goldstein re same; Engaged with further mark-up to Concord

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					draft estoppel certificate; Email to D. Parente re same; Email exchanges with client re Aqua Greens; Email exchange with TGF re same; Attend to related matters as needed
JTN	09/02/22	\$525.00	1.50	\$787.50	Receipt and review of further mark-up of tenant estoppel certificate from D. Parente; Consider same; Email to D. Parente re same; Receipt and review of comments to landlord estoppel certificate from P. Mantini; Consider same; Engaged with drafting of email to C. Frances re same; Email exchange and telephone calls with client re same; Issue email to C. Frances; Email exchange with DIP Lender's counsel; Attend to related tasks
KBP	09/02/22	\$595.00	0.30	\$178.50	Review and consider updated estoppel certificates from LL and tenants.
JTN	10/02/22	\$525.00	1.00	\$525.00	Receipt and review of tenant estoppel certificate re Xylem; Receipt and review of email from P. Mantini re same; Consider same; Email exchange with client re same; Telephone call and email exchange with FCC's counsel re tomorrow's hearing re Aqua Greens; Prepare for tomorrow's hearing re Aqua Greens; Receipt and review of FCC's factum; Attend to related matters
KBP	10/02/22	\$595.00	0.60	\$357.00	Review and consider emails from TGF team; review factum and court materials.
JTN	11/02/22	\$525.00	2.90	\$1,522.50	Prepare for and attend at hearing re Aqua Greens; Post-hearing call with FCC's counsel; Post-hearing call with client; Receipt and review of notice of appearance re Xylem; Instruct E. Baltkois re updating of service list; Email exchange with client re same; Email exchange with client re outstanding response from landlord's counsel; Email to C. Francis re same; Receipt and review

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					of Her Honour's reasons from today's hearing; Email exchange and telephone call with client re same; Receipt and review of email from DIP Lender's counsel; Email to P. Mantini re results of landlord and tenant certificate exercises and request confirmation of purchaser's position re closing re same; Attend to related matters
KBP	11/02/22	\$595.00	0.30	\$178.50	Review and consider emails regarding adjournment; email exchanges with client regarding same.
JTN	14/02/22	\$525.00	0.20	\$105.00	Email exchange with P. Mantini; Consider same
JTN	15/02/22	\$525.00	3.70	\$1,942.50	Email exchange with TGF re status update enquiry re Aqua Greens; Receipt and review of email from P. Mantini; Consider same and response thereto; Attend on conference call with client re same; Engaged with drafting of lengthy response to P. Mantini; Email to client re same
JTN	16/02/22	\$525.00	3.40	\$1,785.00	Attend at part two of receivership hearing re Aqua Greens; Receipt and review of Her Honour's endorsement granting receivership; Multiple email exchanges and telephone calls with client re P. Mantini; Engaged with revisions to and issuance of response to P. Mantini; Attend to related matters and considerations re same
JTN	17/02/22	\$525.00	1.00	\$525.00	Receipt and review of further email from P. Mantini; Consider same; Telephone call with K. Plunkett re same; Telephone call with client re same
KBP	17/02/22	\$595.00	1.00	\$595.00	Review and consider emails from P. Mantini regarding sale process; review and respond to emails from client regarding same and next steps.

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JTN	18/02/22	\$525.00	1.50	\$787.50	Email exchanges with client and email exchanges and telephone call with DIP Lender's counsel re P. Mantini
KBP	18/02/22	\$595.00	1.20	\$714.00	Review and consider email from clients regarding Sale Process and advice and direction motion; email exchange with J. Nemers; attend call with N. Goldstein to discuss general administration.
JTN	22/02/22	\$525.00	1.30	\$682.50	Engaged with drafting of notice of motion and related tasks re dispute with P. Mantini; Email to client re same
JTN	23/02/22	\$525.00	0.10	\$52.50	Telephone call and email to N. Goldstein re ground lease
JTN	24/02/22	\$525.00	0.30	\$157.50	Email exchange with client re P. Mantini; Receipt and review of email from D. Parente; Email to D. Parente
KBP	24/02/22	\$595.00	1.00	\$595.00	Review and consider draft court materials; email to J. Nemers re sale process and advice and direction motion.
JTN	25/02/22	\$525.00	6.50	\$3,412.50	Engaged with review of, consideration of, revisions to and further drafting of draft report to Court; Attend on conference call with client re same and related matters; Email exchanges with client
JTN	26/02/22	\$525.00	0.50	\$262.50	Receipt and review of revised draft report from client; Email exchanges with client and K. Plunkett re same
KBP	26/02/22	\$595.00	1.20	\$714.00	Review and provide comments on draft first report of receiver.
JTN	27/02/22	\$525.00	0.30	\$157.50	Receipt and review of comments re draft report from K. Plunkett; Email to client re same
JTN	28/02/22	\$525.00	0.90	\$472.50	Email exchanges with client re draft report; Instruct S. Moniz re preparation of motion record re

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					same; Engaged with revisions to notice of motion; Engaged with drafting of order
JTN	01/03/22	\$525.00	2.80	\$1,470.00	Receipt and review of email from P. Mantini; Consider same; Email exchange with client re same; Email exchanges with DIP Lender's counsel; Email exchanges with client re same; Engaged with detailed review of physical assembly of motion record and matters related thereto; Instruct S. Moniz re same; Engaged with further review of draft report; Email comments to client re same; Discussion with K. Plunkett; Engaged with revisions to draft notice of motion; Attend to related tasks
KBP	01/03/22	\$595.00	0.60	\$357.00	Review and consider comments on draft report from Foglers; review and respond to emails from client regarding same.
JTN	02/03/22	\$525.00	1.80	\$945.00	Engaged with further review of and revisions to draft report and motion record; Attend to matters re service of same and related tasks; Email exchanges with client and P. Mantini; Telephone call with client re Aqua Greens
KBP	02/03/22	\$595.00	0.70	\$416.50	Review and consider final report for service; review and consider emails from client.
JTN	03/03/22	\$525.00	1.60	\$840.00	Engaged with matters re scheduling of motion; Email exchanges and telephone call with client re same; Email to service list re same; Email to P. Mantini re same; Receipt and review of email from C. Francis; Reply to same; Arrange for delivery of confidential appendices to client
KBP	03/03/22	\$595.00	0.60	\$357.00	Review and consider emails from Foglers regarding report; various emails with client regarding purchaser emails and motion.

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JTN	04/03/22	\$525.00	0.90	\$472.50	Email exchanges with P. Mantini and client
PLW	04/03/22	\$240.00	0.40	\$96.00	Submitted Motion Record for filing online
JTN	07/03/22	\$525.00	0.40	\$210.00	Engaged with review of and revisions to draft lease amending agreement re Transportation Canada re renewal option extension by one month
JTN	08/03/22	\$525.00	0.10	\$52.50	Receipt and review of email from J. Fried; Email to client re same
KBP	08/03/22	\$595.00	0.30	\$178.50	Email exchange with client regarding emails from DIP lender counsel;
JTN	09/03/22	\$525.00	0.40	\$210.00	Attend on conference call with DIP Lender's counsel; Email exchanges with P. Mantini and C. Francis; Email to B. Webster; Email exchange with co-tenant
KBP	09/03/22	\$595.00	0.60	\$357.00	Attend call with Foglers team regarding updates and motion to approve alternative sale; email exchanges with client team regarding same.
KBP	09/03/22	\$595.00	0.30	\$178.50	Review and consider emails from P. Mantini; email exchange with client.
JTN	14/03/22	\$525.00	0.20	\$105.00	Telephone call with N. Goldstein; Follow-up email to P. Mantini; Email to client re same; Receipt and review of email from J. Fried
KBP	14/03/22	\$595.00	0.40	\$238.00	Review and consider emails from DIP lender counsel regarding motion; email exchange with client team regarding same.
JTN	15/03/22	\$525.00	0.20	\$105.00	Email exchange with L. Alexopoulos re ground lease; Email exchanges with client re same and P. Mantini
JTN	17/03/22	\$525.00	1.00	\$525.00	Attend on Claireville portion of conference call with J. Dietrich and group; Telephone call with client re same; Email exchange with C.

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Francis re status update re waiting for response from P. Mantini; Receipt and review of email providing certain historical information regarding same; Consider same
KBP	17/03/22	\$595.00	0.50	\$297.50	Review and consider email from P. Mantini; review and consider emails from client regarding other stakeholders.
JTN	18/03/22	\$525.00	2.50	\$1,312.50	Attend to multiple email exchanges with P. Mantini and client re waiver of estoppel conditions and related matters; Attend on conference call with client re same; Telephone call with K. Plunkett re same; Email to service list re same; Arrange for revision of draft order in light of today's developments; Attend to related tasks
KBP	18/03/22	\$595.00	1.00	\$595.00	Prepare and attend call regarding updates on Mantini Offer and other business arrangements with M. Gross; review and respond to emails from working group.
JTN	20/03/22	\$525.00	0.20	\$105.00	Email exchange with P. Mantini; Email to client re same; Email to Her Honour enclosing Confidential Appendices for Tuesday's motion
SRM	21/03/22	\$425.00	0.20	\$85.00	Review email; Order, review and report on corporate profile for 200 Town Centre Court Inc
JTN	21/03/22	\$525.00	0.50	\$262.50	Email exchanges with P. Mantini; Emails to client; Prepare for tomorrow's hearing
JTN	22/03/22	\$525.00	3.30	\$1,732.50	Prepare for and attend at hearing and matters related thereto; Engaged with drafting of sworn declaration of P. Mantini re M. Gross; Engaged with drafting of amending and assumption agreement; Email exchanges with client and P. Mantini re same

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
KBP	22/03/22	\$595.00	0.30	\$178.50	Review and consider emails from client team regarding motion and ancillary relief, and next steps regarding AVO.
JTN	23/03/22	\$525.00	2.00	\$1,050.00	Receipt and review of mark-ups provided by P. Mantini to amending agreement and declaration; Email exchanges with P. Mantini and client rejecting the former and considering the latter; Engaged with further revisions to declaration; Email to P. Mantini and client re same; Attend to related matters; Receipt and review of Her Honour's Order and endorsement from yesterday's hearing; Email to service list re same; Arrange for physical confidential appendices to be sent to court per terms of endorsement; Attend to related matters
PLW	23/03/22	\$240.00	0.40	\$96.00	Submitted Order of March 22, 2022 for entry
JTN	24/03/22	\$525.00	0.30	\$157.50	Email exchanges with P. Mantini and client re amending agreement and sworn declaration; Email exchanges with client re related matters; Arrange for execution of same
JTN	25/03/22	\$525.00	0.10	\$52.50	Receipt and review of client execution of amending agreement re P. Mantini; Email to P. Mantini re same
JTN	28/03/22	\$525.00	0.30	\$157.50	Telephone call with Xygem's counsel re status of sale and impact on subtenants
JTN	30/03/22	\$525.00	0.10	\$52.50	Telephone call with client re status of draft supplementary report re AVO
TOTAL:			66.20	\$35,381.50	

OUR FEE
 HST at 13%

\$35,381.50
\$4,599.60

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Due Diligence-Gov Fee \$8.00

Subject to HST

Photocopies - Local	\$235.25
Imaging/Scanning	\$1.25
Deliveries/Parss	\$2,665.71
Due Diligence	\$10.00
Binding and Tabs	\$3.50

Total Disbursements	\$2,915.71
HST at 13%	\$379.04


AMOUNT NOW DUE

\$43,283.85

SUMMARY

Name	Year of Call	Hours	Rate	Value
Rachel D. Rice (RDR)	18/09/17	0.10	\$450.00	\$45.00
Jeremy T. Nemers (JTN)	01/07/14	52.50	\$525.00	\$27,562.50
Kyle B. Plunkett (KBP)	30/07/11	12.60	\$595.00	\$7,497.00
Patrick L. Williams (PLW)		0.80	\$240.00	\$192.00
Shannon R. Morris (SRM)		0.20	\$425.00	\$85.00

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



Kyle B. Plunkett
/ph
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.
48201838.1

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 F 416.863.1515
airdberlis.com

KSV Advisory Inc.
2308-150 King Street West
Box 42
Toronto, ON
M5H 1J9

Attention: Mr. Noah Goldstein

Invoice No.: 751020

PLEASE WRITE INVOICE NUMBERS
ON THE BACK OF ALL CHEQUES
File No.: 41611/170730
Client No.: 41611
Matter No.: 170730

May 12, 2022

Re: Receivership of Claireville Property Holdings Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended April 29, 2022

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JTN	03/04/22	\$525.00	0.10	\$52.50	Email exchange with client re draft supplementary report
JTN	04/04/22	\$525.00	5.50	\$2,887.50	Engaged with review of, revisions to and further drafting of Supplement to First Report; Engaged with review of, revisions to and further drafting of notice of motion; Engaged with review of, revisions to and further drafting of AVO; Attend to related matters; Email exchanges with client re same; Receipt and review of email from B. Webster re Transportation Canada lease amendment
KBP	04/04/22	\$595.00	1.10	\$654.50	Review and provide comments on draft Supplemental Report; discuss same with J. Nemers.
JTN	05/04/22	\$525.00	1.90	\$997.50	Engaged with matters re revising, proofreading, finalization, serving and filing of motion record; Email exchanges with client re same; Email exchanges with A. Conte re purported lien; Email exchanges with client re same; Attend to matters re same; Email exchange

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					with C. Francis; Email exchange with Court re hearing date
KBP	05/04/22	\$595.00	0.40	\$238.00	Review and consider comments on supplemental report.
RDR	05/04/22	\$450.00	0.20	\$90.00	Email from J. Nemers and response re same; Discussion with A. Rosalin; Reviewing PINs and email from A. Rosalin;
AER	05/04/22	\$365.00	0.20	\$73.00	Receipt and review of instructions; Attend to pulling PIN; Review of PIN; Email re registrations
PLW	05/04/22	\$240.00	0.40	\$96.00	Submitted Motion Record for filing online
JTN	06/04/22	\$525.00	0.40	\$210.00	Email exchange with Court office re scheduling; Prepare and issue Zoom invite; Email to service list re same; Email exchange with client
JTN	07/04/22	\$525.00	0.90	\$472.50	Telephone call with R. Rice re instructions re closing documents and related matters; Telephone call with co-tenant re status update; Email to client re same
RDR	07/04/22	\$450.00	0.70	\$315.00	Emails to and from J. Nemers; Telephone call from J. Nemers receiving instructions;
JTN	11/04/22	\$525.00	0.30	\$157.50	Attend to uploading of material to Caselines for Thursday's hearing; Email to His Honour re Confidential Appendices re same
JTN	13/04/22	\$525.00	1.00	\$525.00	Prepare for tomorrow's hearing; Receipt and review of comment on draft Order from C. Francis; Consider same; Email exchanges with client, C. Francis and Service List re same
KBP	13/04/22	\$595.00	0.30	\$178.50	Review and respond to emails from client regarding updates on motion and changes to order.
RDR	13/04/22	\$450.00	1.50	\$675.00	Drafting closing documents;

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JTN	14/04/22	\$525.00	1.00	\$525.00	Engaged with revisions to draft Order and posting of same to Caselines; Prepare for and attend at hearing; Email to client and P. Mantini re results thereof and consequential closing date; Attend to related tasks
KBP	14/04/22	\$595.00	1.00	\$595.00	Review and consider endorsement and emails from stakeholders; discuss updates with client.
PLW	14/04/22	\$240.00	0.40	\$96.00	Submitted Order of April 14, 2021 for entry
JTN	16/04/22	\$525.00	0.10	\$52.50	Receipt and review of email from A. Iqbal re enquiry re Mantini APS
JTN	17/04/22	\$525.00	0.20	\$105.00	Email exchange with client re draft statement of adjustments; Email to A. Iqbal
JTN	18/04/22	\$525.00	0.30	\$157.50	Receipt and review of email from J. Fried; Telephone call with client; Engaged with matters re updating of service list and service of Order and endorsement on non-email component of service list
RDR	18/04/22	\$450.00	1.50	\$675.00	Drafting closing documents; Email to J. Nemers re update;
JTN	19/04/22	\$525.00	0.10	\$52.50	Email exchange with client re draft statement of adjustments
JTN	20/04/22	\$525.00	1.30	\$682.50	Receipt and review of email from P. Mantini re draft statement of adjustments; Email exchange with client re same; Engaged with review of draft closing documents; Attend on conference call with R. Rice re revisions to same and related matters
DG	21/04/22	\$335.00	0.50	\$167.50	Call with R. Rice and A. Rosalin re Closing Matters
JTN	21/04/22	\$525.00	0.30	\$157.50	Email exchanges with client and R. Rice re matters re draft statement of adjustments and related matters

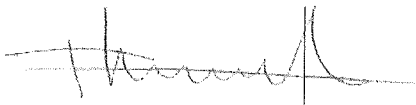
LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
AER	21/04/22	\$365.00	0.30	\$109.50	Conference call with R. Rice and D. Guzzi re file
JTN	22/04/22	\$525.00	1.50	\$787.50	Telephone call and email exchanges with client and R. Rice re statement of adjustments and related matters; Engaged with review of same; Email to P. Mantini re same and other closing documents; Attend to related tasks
KBP	22/04/22	\$595.00	1.00	\$595.00	Discuss updates on sale transaction with J. Nemers; review and consider closing package.
AER	22/04/22	\$365.00	0.30	\$109.50	Receipt and review on instructions from R. Rice; Review of tax certificates; Update draft Statement of Adjustments; Email re same
JTN	23/04/22	\$525.00	0.10	\$52.50	Receipt and review of email from P. Mantini
KBP	23/04/22	\$595.00	0.40	\$238.00	Review and consider email from Purchaser re SOA and closing deliverables; email exchange with J. Nemers.
JTN	25/04/22	\$525.00	0.30	\$157.50	Email exchanges with client and P. Mantini; Email exchange with Y. Alexopolous; Receipt and review of certain supplementary materials re draft statement of adjustments
KBP	25/04/22	\$595.00	0.60	\$357.00	Review and respond to email from Tenant regarding sale consent; email exchange with client team.
JTN	26/04/22	\$525.00	0.40	\$210.00	Receipt and review of email from client re property taxes; Email exchanges with client and Y. Alexopoulos
KBP	26/04/22	\$595.00	0.40	\$238.00	Review and respond to emails from opposing counsel; review emails from purchaser.
JTN	27/04/22	\$525.00	0.60	\$315.00	Engaged with high-level review of Aqua Greens' receivership motion record and receiver's report appended therein; Receipt and

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					review of email from Y. Alexopoulos to P. Mantini; Email exchanges with client and R. Rice re property taxes; Telephone call with R. Rice re same
JTN	28/04/22	\$525.00	0.80	\$420.00	Receipt and review of mark-ups to closing documents from P. Mantini; Email exchanges with client and R. Rice re same; Consider same; Email exchanges with working group re outstanding issues re closing
KBP	28/04/22	\$595.00	1.00	\$595.00	Email exchange with client team regarding price adjustments; review and consider comments on draft transaction documents.
JTN	29/04/22	\$525.00	1.00	\$525.00	Email exchanges and attend on conference call with client re outstanding matters re closing; Attend to related matters
KBP	29/04/22	\$595.00	1.00	\$595.00	Attend call with client team to discuss purchase price adjustments and closing deliverables; review and consider emails from client group.
TOTAL:			31.30	\$16,193.00	
OUR FEE					\$16,193.00
HST at 13%					\$2,105.09
DISBURSEMENTS					
COST INCURRED ON YOUR BEHALF AS AN AGENT					
Notice of Motion/Application					\$320.00
Subject to HST					
Photocopies - Local					\$132.50
Deliveries/Parss					\$1,379.67
Agency Fee					\$80.00
Total Disbursements					\$1,592.17
HST at 13%					\$206.98
AMOUNT NOW DUE					\$20,417.24

SUMMARY

Name	Year of Call	Hours	Rate	Value
Jeremy T. Nemers (JTN)	01/07/14	18.10	\$525.00	\$9,502.50
Kyle B. Plunkett (KBP)	30/07/11	7.20	\$595.00	\$4,284.00
Rachel D. Rice (RDR)	18/09/17	3.90	\$450.00	\$1,755.00
Ashton E. Rosalin (AER)		0.80	\$365.00	\$292.00
Patrick L. Williams (PLW)		0.80	\$240.00	\$192.00
Daniella Guzzi (DG)	01/09/21	0.50	\$335.00	\$167.50

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



Kyle B. Plunkett
/ph
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

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48704804.1

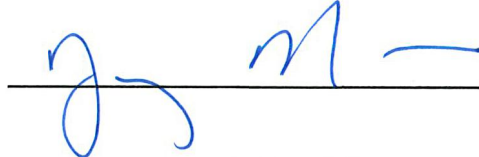
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF TAMIE DOLNY

Sworn before me

this 25th day of May, 2022

A handwritten signature in blue ink, appearing to read "Jeremy Winters", is written over a horizontal line.

Commissioner for taking Affidavits, etc

Jeremy Winters

STATEMENT OF RESPONSIBLE INDIVIDUALS

Aird & Berlis LLP's professional fees herein are made with respect to the following individuals

Lawyer	Call to Bar	Hrly Rate	Total Time	Value
Nemers, J.	2014	\$475.00 (2021)	46.70	\$22,182.50
		\$525.00 (2022)	91.60	\$48,090.00
Plunkett, K. B.	2011	\$550.00 (2021)	30.00	\$16,500.00
		\$595.00 (2022)	24.10	\$14,339.50
Dolny, T. M.	2019	\$350.00 (2021)	12.10	\$4,235.00
Chung, B. W.	2014	\$475.00 (2021)	2.30	\$1,092.50
Babe, S. E.	2004	\$650.00 (2021)	0.60	\$390.00
Rice, R. D.	2017	\$395.00 (2021)	10.50	\$4,147.50
		\$450.00 (2022)	15.00	\$6,750.00
Guzzi, D.	2021	\$335.00 (2022)	0.50	\$167.50
Clerk/Student	Call to Bar	Hrly Rate	Total Time	Value
Williams, P.	N/A	\$225.00 (2021)	0.80	\$180.00
		\$240.00 (2022)	1.60	\$384.00
Morris, S.	N/A	\$425.00 (2022)	0.60	\$255.00
Hans, S.	N/A	295.00 (2021)	0.30	\$88.50
McLean, J. E.	N/A	\$265.00 (2021)	0.40	\$106.00
Biswas, P. F.	N/A	\$295.00 (2022)	3.90	\$1,150.50
Dugas, S.	N/A	\$295.00 (2022)	3.80	\$1,121.00
Rosalin, A. E.	N/A	\$365.00 (2022)	0.80	\$292.00

**Standard hourly rates listed. However, in certain circumstances adjustments to the account were made.*

CANNECT MORTGAGE INVESTMENT CORPORATION

-and-

CLAIREVILLE PROPERTY HOLDINGS INC.

Applicant

Respondents

Court File No. CV-21-00672999-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

AFFIDAVIT OF TAMIE DOLNY

AIRD & BERLIS LLP

Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Kyle Plunkett (LSO # 61044N)

Tel: (416) 865-3406
Fax: (416) 863-1515
Email: kplunkett@airdberlis.com

Jeremy Nemers (LSO # 66410Q)

Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for the Court-appointed Receiver