



**First Report of
KSV Kofman Inc.
as Receiver of Certain Property of Generx
(Byward Hall) Inc.**

October 5, 2017

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COURT FILE NO. CV-17-11832-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

KINGSETT MORTGAGE CORPORATION

APPLICANT

- AND -

GENERX (BYWARD HALL) INC.

RESPONDENT

**FIRST REPORT OF
KSV KOFMAN INC.
AS RECEIVER**

OCTOBER 5, 2017

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") as receiver ("Receiver") of the real property known as 256 Rideau Street, Ottawa and 211 Besserer Street, Ottawa (collectively, the "Real Property") and all other property, assets, and undertakings of Generx (Byward Hall) Inc.¹ (the "Company") related to the Real Property (together with the Real Property, the "Property").
2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on June 27, 2017 (the "Receivership Order"), KSV was appointed as the Receiver of the Property.
3. The primary purpose of these proceedings is to conduct a sale process for the Property under the supervision of the Court-appointed Receiver ("Sale Process").

¹ Formerly known as Textbook (256 Rideau Street) Inc.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information on the receivership proceedings;
 - b) summarize the results of the Sale Process;
 - c) summarize a proposed transaction (the “Transaction”) with 9840508 Canada Inc. (the “Purchaser”), a newly incorporated affiliate of Ashcroft Homes (“Ashcroft”), a residential developer, for the sale of the Purchased Assets (as described below) pursuant to an Agreement of Purchase and Sale dated September 18, 2017 between the Receiver and the Purchaser (the “APS”);
 - d) set out the Receiver’s recommendation to make distributions (the “Distributions”) to:
 - i. KingSett Mortgage Corporation (“KingSett”) to repay the full amount extended by KingSett to the Receiver under the Receiver’s Borrowings Charge (as defined in the Receivership Order);
 - ii. Subject to reserving for the full amount of SRM Architects Inc.’s (“SRM”) lien claim (the “Lien Reserve”), to KingSett to repay up to the full amount owing to KingSett under its mortgages on the Real Property; and
 - iii. SRM and/or KingSett in the amount of the Lien Reserve upon further Order of the Court or a joint written direction from SRM and KingSett;
 - e) provide an overview of the Receiver’s activities since the date of the Receivership Order;
 - f) provide the rationale for the Receiver being discharged upon the filing of a certificate with this Court (the “Discharge Certificate”);
 - g) recommend the Court issue an order or orders:
 - i. approving the Transaction;
 - ii. vesting title in and to the Purchased Assets in the Purchaser free and clear of all liens, claims and encumbrances, except the Permitted Encumbrances (as defined in the APS), upon filing a certificate confirming, among other things, completion of the Transaction;
 - iii. authorizing and directing the Receiver to make the Distributions;
 - iv. sealing the confidential appendix to this Report until further Order of the Court;
 - v. approving the Receiver’s activities as described in this Report;

- vi. approving the fees and disbursements of the Receiver and its legal counsel, Bennett Jones LLP (“Bennett Jones”), from the commencement of these proceedings to August 31, 2017, plus an accrual of \$150,000 for fees incurred or to be incurred by the Receiver and Bennett Jones to the completion of these proceedings, exclusive of HST and disbursements (the “Fee Accrual”);
- vii. discharging the Receiver upon the filing of the Discharge Certificate; and
- viii. upon the Receiver's discharge, releasing the Receiver 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 any gross negligence or wilful misconduct on the Receiver's part.

2.0 Background

1. The Company purchased the Real Property in November, 2015 for \$11 million.
2. The Real Property is vacant land. The Company intended to develop a student housing project on the Real Property.
3. The Company's officers and directors are John Davies (“Davies”) and Walter Thompson (“Thompson”).

2.1 Trustee Corporations and Davies Developers' Proceedings

1. Pursuant to an order of the Court dated October 27, 2016, Grant Thornton Limited was appointed Trustee (“Trustee”) of eleven entities² which raised monies from investors through syndicated mortgage investments (collectively, the “Trustee Corporations”). Eight of the Trustee Corporations then advanced these monies on a secured basis pursuant to loan agreements (“Loan Agreements”) between a Trustee Corporation and the Receivership Companies (as defined below) and four other related entities (collectively with the Receivership Companies, the “Davies Developers”).

² Textbook Student Suites (525 Princess Street) Trustee Corporation, Textbook Student Suites (555 Princess Street) Trustee Corporation, Textbook Student Suites (Ross Park) Trustee Corporation, 2223947 Ontario Limited, MC Trustee (Kitchener) Ltd., Scollard Trustee Corporation, Textbook Student Suites (774 Bronson Avenue) Trustee Corporation, 7743718 Canada Inc., Keele Medical Trustee Corporation, Textbook Student Suites (445 Princess Street) Trustee Corporation and Hazelton 4070 Dixie Road Trustee Corporation

2. Pursuant to an order made by the Court on February 2, 2017, as amended by orders made on April 28, 2017 and May 2, 2017, KSV was appointed receiver and manager of the real property registered on title as being owned by, and of all of the assets, undertakings and properties acquired for or used in relation to the real property of, Scollard Development Corporation (“Scollard”), Memory Care Investments (Kitchener) Ltd. (“Kitchener”), Memory Care Investments (Oakville) Ltd. (“Oakville”), 1703858 Ontario Inc. (“Burlington”), Legacy Lane Investments Ltd. (“Legacy Lane”), Textbook (555 Princess Street) Inc. (“555 Princess”) and Textbook (525 Princess Street) Inc. (“525 Princess” and collectively with the other entities, the “Receivership Companies”).
3. Davies is the sole director and officer of Scollard, Kitchener, Oakville, Burlington and Legacy Lane. Thompson and Davies are the sole directors and officers of 555 Princess and 525 Princess.
4. As set out in KSV’s Third Report to Court dated May 16, 2017 in its capacity as receiver and manager of certain property of the Receivership Companies (the “Third Report”), 555 Princess, Kitchener and Burlington transferred \$3.7 million to the Company in contravention of the provisions of the Loan Agreements entered into by 555 Princess, Kitchener and Burlington. The monies were advanced to finance the Company’s purchase of the Real Property. A copy of the Third Report is attached as Appendix “A”, without appendices.
5. On May 17, 2017, KSV brought an *ex parte* motion for an order permitting it to register Certificates of Pending Litigation (“CPLs”) on title to the Real Property. On May 17, 2017, the Court granted the order and the CPLs were registered on title shortly thereafter.
6. As the Receiver advised it would do in its Pre-Filing Report to Court dated June 13, 2017, a copy of which is attached (without appendices) as Appendix “B” (the “Pre-Filing Report”), following the issuance of the Receivership Order, the Receiver vacated the CPLs and dismissed the related action as these actions were no longer required since the Real Property was being sold pursuant to a Court supervised sale process and any distributions would be subject to Court approval.

3.0 Sales Process

3.1 Sale Process Overview

1. The Receivership Order (attached as Appendix “C”) approved the Sale Process, including the retention of SVN Rock Advisors Inc. (“SVN”) as the listing agent for the Property.

2. A summary of the Sale Process is as follows:

Pre-marketing Phase

- a) Following the issuance of the Receivership Order, the Receiver and SVN assembled information to be used by interested parties for due diligence purposes;
- b) SVN and/or the Receiver prepared:
 - an investment summary detailing the opportunity (the “Investment Summary”);
 - a confidentiality agreement (“CA”);
 - a virtual data room, which contained, *inter alia*, various reports and other information concerning the development, such as environmental reports, architectural drawings and a summary of the Company’s development plan;
 - a form of asset purchase agreement which the Receiver recommended interested parties use when submitting an offer - a copy of this document was made available in the data room; and
 - a Confidential Information Memorandum (“CIM”), which included a summary of the Property and details concerning the Sale Process. The CIM advised purchasers that offers with limited conditions or no conditions were preferred.

Marketing Phase

- a) On July 26, 2017, SVN sent the Investment Summary to over 800 parties in its database, including student housing developers;
- b) The CA was attached to the Investment Summary. Interested parties were required to sign the CA in order to obtain a copy of the CIM and access to the data room;
- c) The listing was posted on Toronto Real Estate Board Multiple Listing Services (“MLS”); and
- d) The Real Property was advertised on July 27, 2017 in the national edition of *The Globe and Mail* newspaper.

Bid Deadline

- a) The Sale Process approved as part of the Receivership Order did not set a deadline for submitting offers. As there are a limited number of potential purchasers for student development projects, the Receiver determined that it would be appropriate to canvass the market and gauge feedback from interested parties prior to setting a bid deadline;
- b) From the commencement of the receivership to the offer date, the Receiver corresponded on a near daily basis with SVN to receive marketing updates;
- c) On August 30, 2017, the Receiver met with SVN and KingSett to review the marketing process and to consider a bid deadline;
- d) Based on the feedback from SVN, and in consultation with KingSett, the Receiver determined that the market had been appropriately canvassed and set a bid date of September 19, 2017 (the “Bid Deadline”), being approximately seven weeks from the commencement of the marketing process; and
- e) All parties contacted by SVN during the marketing process were advised of the Bid Deadline. In order to facilitate comparison of the offers received, all parties were also encouraged to submit their offers in the form of the asset purchase agreement provided in the data room, and to blackline any changes made to that agreement.

3.2 Sale Process Results

1. Four parties submitted offers for the Property. A summary of the offers received is provided in Confidential Appendix “1” (the “Offer Summary”). The Receiver’s rationale for requesting that the Offer Summary be sealed is provided in Section 3.3 below.
2. On September 20, 2017, the Receiver accepted the offer from the Purchaser. The only material condition to the Purchaser’s offer is Court approval.
3. Prior to the receivership proceedings, the Company (through Thompson) received an offer to re-finance a portion of the Company’s debt from RA Global Europe (“RA Europe”). The re-financing was subject to several conditions and required the Court to lift the CPLs. For reasons detailed in the Endorsement of Justice Myers dated June 27, 2017 (the “Endorsement”), the Court did not permit the Company to move forward with the re-financing offer and instead made the Receivership Order. A copy of the Endorsement is attached as Appendix “D”. Neither Thompson nor RA Global made another offer during the Sale Process.

3.3 Confidentiality

1. The Receiver respectfully requests that the Offer Summary be filed with the Court on a confidential basis and be sealed as the document contains confidential information. If the Offer Summary is not sealed, the information may negatively impact realizations on the Property in the event that the Transaction does not close. The Receiver is not aware of any party that will be prejudiced if the information is sealed. Accordingly, the Receiver believes the proposed sealing is appropriate in the circumstances.

4.0 Transaction³

1. A summary of the Transaction is as follows:
 - **Purchaser:** 9840508 Canada Inc., an affiliate of Ashcroft;
 - **Purchased Assets:** all of the Receiver's and the Company's right, title and interest in the following:
 - (i) prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Real Property;
 - (ii) the Real Property;
 - (iii) the Plans;
 - (iv) the Permits in connection with the Real Property, to the extent transferable; and
 - (v) all intellectual property, if any, owned by the Company with respect to the development that was proposed to be completed;
 - **Purchase Price:** \$9.5 million. The Purchase Price is to be adjusted on closing for property taxes and other adjustments standard for a real estate transaction;
 - **Deposit:** the Purchaser has paid a deposit of \$1,425,000, representing 15% of the purchase price;
 - **Excluded Assets:** (i) books and records that do not exclusively or primarily relate to the Purchased Assets; (ii) tax refunds; and (iii) all contracts entered into by the Company;
 - **Representation and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an "as is, where is" basis, with limited representations and warranties;
 - **Closing:** 30 days after the issuance of the Approval and Vesting Order;

³ Terms not defined in this section have the meaning provided to them in the APS.

- **Material Conditions:**
 - (i) there shall be no order issued by a Governmental Authority against either the Company or the Purchaser or involving the Purchased Assets that prevents completion of the Transaction;
 - (ii) there shall be no new work orders or similar orders and no new Encumbrances registered on title to the Real Property or affecting title to the Real Property arising or registered after the date of the APS, which cannot be vested out pursuant to an Approval and Vesting Order;
 - (iii) there shall be no new environmental issue that causes a material adverse effect on the Real Property and there should not be any other material adverse change to the condition or operation of the Real Property; and
 - (iv) the Court shall have issued the Approval and Vesting Order.
- **Termination:** the APS can be terminated:
 - (i) upon mutual written agreement of the Receiver and the Purchaser;
 - (ii) if any of the conditions in favour of the Purchaser or Receiver are not waived or satisfied; and
 - (iii) if prior to closing: (a) the Purchased Assets are substantially damaged or destroyed. Substantial damage is deemed to have occurred if the loss or damage to the Purchased Assets exceeds 15% of the Purchase Price; or b) all or a material part of the Real Property is expropriated by a Governmental Authority.

2. A copy of the APS is attached as Appendix "E".

4.1 Recommendation

1. For the following reasons, the Receiver recommends that the Court issue an order approving the Transaction and vesting title to the Purchased Assets in the Purchaser:
 - a) the Sale Process was conducted in accordance with the terms of the Receivership Order, which approved the Sale Process;
 - b) the value of the Transaction represents the highest and best offer received;
 - c) the market was widely canvassed using several techniques, including direct solicitation of prospective purchasers by SVN, a newspaper advertisement in a national publication and the listing of the property on MLS. SVN marketed this opportunity to student housing developers across Ontario and Ottawa-based developers;

- d) the principals of the Company, who objected to the Receivership Order being granted on the basis that, among other things, they could obtain new financing and repay KingSett, had an opportunity to participate in the Sale Process but did not submit any offers, including any financing offers;
- e) SVN has a focus on student housing developers and residential rental markets. It is also familiar with the Ottawa real estate markets. SVN is of the view that the Transaction is the best available in these circumstances;
- f) absent the Transaction, a protracted marketing period will be necessary. The ongoing professional fees and other costs will erode the proceeds available for distribution with no certainty that a superior transaction could be completed;
- g) KingSett, the principal secured creditor of the Company, has consented to the Transaction; and
- h) the Trustee, who could be the beneficiary of a proprietary claim in the Real Property, has been advised of the Transaction and has not expressed any opposition to the Transaction, notwithstanding that it will receive no recovery from it.

5.0 Distribution

5.1 Secured Creditors

5.1.1 KingSett

1. KingSett is owed approximately \$9 million, comprised of approximately \$8.9 million under two mortgages and approximately \$100,000 advanced to the Receiver under the Receiver's Borrowings Charge. Fees and interest continue to accrue under the KingSett facilities.

5.1.2 Liens

1. According to the Land Titles Office (Toronto), two liens totalling \$903,656.92 have been registered on title against the Real Property pursuant to the *Construction Lien Act*, R.S.O. 1990, c. C.30, as amended.
2. SRM has registered a construction lien claim against the Property in the amount of \$845,265.54. The Receiver's counsel has discussed the claim with each of SRM and KingSett, and understands that there is a dispute between the parties with respect to the priority of the lien claim. Accordingly, the Receiver proposes to create a reserve for the full amount of the lien, and proposes to only distribute the Lien Reserve upon further Order of the Court or upon receipt of a joint written direction by SRM and KingSett.

3. Doran Contractors Limited (“Doran”) has registered a construction lien claim against the Property in the amount of \$61,391.38. The Receiver understands that Doran has not asserted that its claim has priority over KingSett’s mortgages, and accordingly the Receiver does not intend to create any reserve with respect to the Doran lien claim.

5.2 Proposed Distribution

1. As set out in the Pre-Filing Report, in the event there is a priority dispute between KSV, as receiver, in respect of the claims underlying the CPL and KingSett’s security, KSV advised the Court that it would not determine the priority issue as it would find itself in a conflict position. However, KSV does not believe there is a priority issue between the KingSett mortgages and the claims underlying the CPL as the KingSett mortgages appear to rank in priority to those claims.
2. Prior to the receivership, KSV’s counsel, Bennett Jones, prepared an opinion on the validity and enforceability of KingSett’s security. The opinion provides that, subject to the standard assumptions and qualifications contained therein, KingSett holds a valid and perfected security interest in the Company’s business and assets as set out in its security documents, and that KingSett’s mortgages with respect to the Real Property constitute a valid and enforceable charge. A copy of the security opinion will be made available to the Court should it wish to review it.
3. The Trustee, which represents the secured creditors of the Receivership Companies, has been advised of the Receiver’s views regarding priority and has been served with a copy of this motion. The Receiver understands that the Trustee is not objecting to the relief being sought at this motion.
4. It appears that there will not be any proceeds available for distribution to any creditors other than KingSett and potentially SRM. Accordingly, the Receiver is seeking the Court’s authority to make the following distributions upon closing of the Transaction:
 - a) first, to repay KingSett the full amount it extended under the Receiver’s Borrowings Charge;
 - b) second, subject to holding back the Lien Reserve, to repay to KingSett up to the full amount owing to KingSett under its mortgages on the Real Property; and
 - c) third, the amount of the Lien Reserve to SRM and/or KingSett upon further Order of the Court or upon receipt by the Receiver of a joint written direction from SRM and KingSett.
5. Other than the Receiver's Charge, the Receiver is not aware of any claim that may rank in priority to KingSett and SRM.

6.0 Professional Fees

1. The fees (excluding disbursements and HST) of the Receiver and Bennett Jones from the commencement of the proceedings to August 31, 2017 total \$54,501.75 and \$24,857.00, respectively. Detailed invoices are provided in affidavits filed by representatives of the Receiver and Bennett Jones which are provided in Appendices “E” and “F”, respectively.
2. The average hourly rate for the Receiver and Bennett Jones for the referenced billing period was \$512.23 and \$670.00, respectively.
3. The Receiver is of the view that the hourly rates charged by Bennett Jones are consistent with the rates charged by large law firms practicing in the area of insolvency and restructuring in the Toronto market, and that the fees charged are reasonable in the circumstances.
4. The Receiver believes that the Fee Accrual should be sufficient to cover its fees and the fees of Bennett Jones to the completion of these proceedings.

7.0 Overview of the Receiver’s Activities

1. Since the commencement of these receivership proceedings, the Receiver’s activities have included the following:
 - preparing a receivership action plan;
 - corresponding with Bennett Jones;
 - attending at Court in connection with the Receivership application;
 - attending at the Company’s office to obtain its books and records;
 - corresponding with SVN concerning all matters related to the Sale Process;
 - reviewing information provided by the Company’s representatives in connection with the Property, including:
 - site plan details;
 - financial forecasts for the project;
 - environmental and other reports;
 - corresponding with KingSett and its legal counsel;
 - negotiating and executing a commitment letter with KingSett to finance the receivership proceedings;

- reviewing information provided by Thompson regarding a financing offer from RA Global and corresponding early in these proceedings with Thompson and KingSett regarding same;
- preparing the Notice and Statement of the Receiver pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;
- opening a receivership bank account;
- negotiating and executing a listing agreement with SVN;
- reviewing and commenting on the CA;
- reviewing and commenting on a draft form of Asset Purchase Agreement prepared by Bennett Jones;
- reviewing and commenting on the Investment Summary prepared by SVN;
- reviewing and commenting on several drafts of a CIM prepared by SVN;
- reviewing a draft advertisement for the Property to be placed in *The Globe and Mail* (National Edition) Newspaper;
- reviewing and commenting on a draft approval and vesting order;
- corresponding with several parties interested in purchasing the Property and referring same to SVN;
- reviewing all offers submitted as part of the Sale Process;
- executing the APS;
- paying receivership expenses;
- reviewing the security opinion prepared by Bennett Jones;
- reviewing issues related to the lien claims discussed in this Report;
- placing on the Receiver's website copies of all materials filed in these proceedings;
- providing updates to the Trustee and KingSett regarding the Sale Process and other issues;
- drafting this Report and the Pre-Filing Report; and
- addressing all other matters pertaining to the administration of these receivership proceedings.

8.0 Discharge of the Receiver

1. The Receiver is requesting that it be discharged upon the filing of the Discharge Certificate as, subject to completion of the Transaction and distributing the proceeds therefrom, its duties and responsibilities under the Receivership Order will have been materially completed.
2. The Receiver intends to file the Discharge Certificate once all post-closing matters are dealt with, including making the Distributions and paying any unpaid post-filing expenses.

9.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Kofman Inc".

**KSV KOFMAN INC.
IN ITS CAPACITY AS RECEIVER OF CERTAIN PROPERTY OF
GENERX (BYWARD HALL) INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”



**Third Report of
KSV Kofman Inc.
as Receiver and Manager of Certain Property
of Scollard Development Corporation, Memory
Care Investments (Kitchener) Ltd., Memory
Care Investments (Oakville) Ltd., 1703858
Ontario Inc., Legacy Lane Investments Ltd.,
Textbook (525 Princess Street) Inc. and
Textbook (555 Princess Street) Inc.**

May 16, 2017

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COURT FILE NO: CV-17-11689-00CL

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

IN THE MATTER OF THE RECEIVERSHIP OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD., 1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) INC.

AND IN THE MATTER OF A MOTION PURSUANT TO SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED

**THIRD REPORT OF
KSV KOFMAN INC.
AS RECEIVER AND MANAGER**

MAY 16, 2017

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") as receiver and manager of the real property ("Real Property") registered on title as being owned by Scollard Development Corporation ("Scollard"), Memory Care Investments (Kitchener) Ltd. ("Kitchener"), Memory Care Investments (Oakville) Ltd. ("Oakville"), 1703858 Ontario Inc. ("Burlington"), Legacy Lane Investments Ltd. ("Legacy Lane"), Textbook (525 Princess Street) Inc. ("525 Princess") and Textbook (555 Princess Street) Inc. ("555 Princess") (each of the foregoing a "Company", and collectively the "Companies"), and of all of the assets, undertakings and properties of the Companies acquired for or used in relation to the Real Property (together with the Real Property, the "Property").

2. Pursuant to an order of the Ontario Superior Court of Justice (“Court”) dated October 27, 2016, Grant Thornton Ltd. was appointed Trustee (“Trustee”) of eleven entities¹ (collectively, the “Trustee Corporations”) which raised monies from investors through syndicated mortgage investments. The Trustee Corporations then advanced these monies on a secured basis pursuant to loan agreements between the Trustee Corporation and the applicable Davies Developer (as defined below).
3. On January 21, 2017, the Trustee brought a motion for an order (“Receivership Order”) appointing KSV as receiver and manager (“Receiver”) of the property owned by Scollard. On February 2, 2017, the Court made the Receivership Order.
4. On April 18, 2017, the Trustee brought a motion, *inter alia*, seeking orders:
 - a) amending and restating the Receivership Order to include the real property registered on title as being owned by Kitchener, Oakville, Burlington, Legacy Lane, 525 Princess and 555 Princess, as well as all of the assets, undertakings and properties of these entities acquired for or used in relation to their real property (the “Amended and Restated Receivership Order”); and
 - b) compelling John Davies and the eleven mortgagors to the Trustee Corporations for which John Davies is a principal (collectively, the “Davies Developers” and each a “Davies Developer”) to immediately deliver to the Trustee all bank statements for the Davies Developers (the “Production Order”). The Trustee has provided the Receiver with copies of the documents produced to the Trustee pursuant to the Production Order.
5. On April 28, 2017, the Court made the Amended and Restated Receivership Order and the Production Order. The Amended and Restated Receivership Order was further amended and restated by a Court order made on May 2, 2017 to rectify certain clerical errors.

1.1 Restrictions

1. In preparing this Report, the Receiver has reviewed the following information:
 - a) unaudited financial information of the Companies, including financial statements;
 - b) accounting records and bank statements for Scollard, Kitchener, Oakville, Burlington, Legacy Lane, 525 Princess, 555 Princess, which were provided to the Receiver by management of the Companies; and

¹ Textbook Student Suites (525 Princess Street) Trustee Corporation, Textbook Student Suites (555 Princess Street) Trustee Corporation, Textbook Student Suites (Ross Park) Trustee Corporation, 2223947 Ontario Limited, MC Trustee (Kitchener) Ltd., Scollard Trustee Corporation, Textbook Student Suites (774 Bronson Avenue) Trustee Corporation, 7743718 Canada Inc., Keele Medical Trustee Corporation, Textbook Student Suites (445 Princess Street) Trustee Corporation and Hazelton 4070 Dixie Road Trustee Corporation

- c) bank statements for Textbook Ross Park Inc. (“Ross Park”), Textbook (445 Princess Street) Inc. (“445 Princess”) and Textbook (774 Bronson Avenue) Inc. (“Bronson”)², which were provided by management of the Davies Developers to the Trustee pursuant to the Production Order, and which were provided subsequently by the Trustee to the Receiver.
2. The Receiver has not performed an audit of the foregoing information. The financial information discussed herein is preliminary and remains subject to further review. The Receiver is only partially through its review of the information noted above. The Receiver expresses no opinion or other form of assurance with respect to the financial information presented in this Report.
3. The Receiver does not have access to the books and records of Rideau.
4. The Receiver has not discussed or corresponded with John Davies or Walter Thompson regarding this Report, including in respect of its findings.

2.0 Rideau Property

1. Textbook (256 Rideau Street) Inc. (“Rideau”) is neither subject to these receivership proceedings nor is it a Davies Developer.
2. Rideau is the registered owner of real properties municipally described as 256 Rideau Street, Ottawa and 211 Besserer Street, Ottawa (jointly, the “Ottawa Property”).
3. The officers and directors of Rideau are John Davies and Walter Thompson, who are also the sole officers and directors of 525 Princess, 555 Princess, 445 Princess, Bronson and Ross Park. John Davies is the sole officer and director of Kitchener, Burlington, Oakville, Scollard and Legacy Lane. Corporate profile reports for each of these entities are provided in Appendix “A”.
4. As the Receiver has not been able to review the books and records of Rideau, the Receiver does not have knowledge of the ownership structure of Rideau.

2.1 Purchase of the Property

1. According to title searches, the Ottawa Property was purchased by Rideau for \$11 million on or around November 6, 2015. Kingsett Mortgage Corporation has two mortgages totalling \$8.25 million registered on title to the Ottawa Property. The mortgages were registered on title on November 6, 2015. Copies of the title searches for the Ottawa Property are collectively attached as Appendix “B”.

² None of these entities is subject to the receivership proceedings.

2. The Receiver is performing a review of the receipts and disbursements for each of the Companies. In performing this exercise, the Receiver identified that on October 27, 2015, shortly prior to Rideau's acquisition of the Ottawa Property, 555 Princess transferred \$1.39 million to Rideau, and Kitchener transferred \$111,000 to Rideau, both by way of cheque.³
3. In addition, the Trustee has advised the Receiver that on October 27, 2015, Ross Park⁴ transferred \$1.25 million to Rideau by way of cheque. The Receiver has reviewed the Ross Park bank statements and cancelled cheque and has confirmed this payment.
4. In all cases, the cheques were signed by John Davies. A copy of the relevant bank statements and cancelled cheques for 555 Princess, Kitchener and Ross Park are provided in Appendix "C".
5. As the Receiver has not been able to review the books and records of Rideau, the Receiver cannot know with certainty the use of the funds which were transferred to Rideau on October 27, 2015. As is described below, however, the timing and amount of the transfer causes the Receiver to suspect that the funds transferred to Rideau were used to help finance the acquisition of the Ottawa Property.

2.2 Other Payments to Rideau

1. The Receiver has also identified that \$61,200 was transferred to Rideau by 555 Princess, 525 Princess and Burlington subsequent to Rideau's acquisition of the Ottawa Property, as follows:

(unaudited; \$)	
Date of Payment	Amount
<i>555 Princess</i>	
December 17, 2015	36,000
May 31, 2016	7,000
	43,000
<i>525 Princess</i>	
June 20, 2016	16,000
<i>Burlington</i>	
November 5, 2015 ⁵	2,200
Total	61,200

³ These transfers (and the subsequent transfers by certain of the Companies referred to below) were recorded in the applicable Companies' general ledger as "loans" to Textbook Student Suites Inc. or Textbook Suites Inc. (or just "Textbook" in the case of Kitchener), notwithstanding that the funds appear to have been transferred from the applicable entity directly to Rideau.

⁴ Ross Park is not subject to these receivership proceedings, as noted above.

⁵ Payment made on the date the Ottawa Property was purchased. This payment is reflected in Burlington's bank statement as an "online banking payment". No details are provided in the bank statement regarding the recipient. Burlington's general ledger reflects that this payment was made to Rideau.

2. Copies of the relevant bank statements and cancelled cheques for each of the payments in the table above are provided in Appendix "D".
3. The Trustee has advised the Receiver that \$839,700 was transferred to Rideau by 445 Princess, Bronson and Ross Park subsequent to the acquisition of the Ottawa Property, as follows:

(unaudited; \$)	
Date of Payment	Amount
<i>445 Princess</i>	
July 27, 2016	35,000
August 3, 2016	37,000
August 4, 2016	5,000
August 16, 2016	33,000
August 25, 2016	370,000
August 26, 2016	60,000
September 1, 2016	3,000
September 7, 2016	21,000
September 15, 2016	2,600
September 22, 2016	2,000
September 29, 2016	61,000
September 30, 2016	8,000
October 12, 2016	2,300
October 12, 2016	30,000
October 28, 2016	61,000
November 3, 2016	33,000
December 13, 2016	2,600
	766,500
<i>Bronson</i>	
April 1, 2016	30,000
April 29, 2016	25,000
May 2, 2016	1,200
	56,200
<i>Ross Park</i>	
February 29, 2016	17,000
Total	839,700

4. The Receiver has reviewed the bank statements and cancelled cheques in respect of the foregoing. Copies of the relevant bank statements and cancelled cheques for the payments in the table above are provided in Appendix "E".

5. Pursuant to Section 7.02 (g) of the loan agreements referred to above entered into by the Companies, 445 Princess, Bronson and Ross Park with the various Trustee Corporations in connection with the syndicated mortgage investments (the "Loan Agreements"), the Companies, 445 Princess, Bronson and Ross Park each covenanted not to use the loan proceeds from the Trustee Corporations for any purpose other than the development and construction of such entity's respective real estate project, with certain limited carve-outs⁶ provided in certain of the Loan Agreements. One such carve-out is "for the purposes of earning interest income on funds which are not immediately required to be expended by the Borrower." The Receiver has reviewed the income statements provided to it by the relevant Companies, and notes that there has been no interest received or accrued with respect to the transfers to Rideau. The Receiver has also not seen any other document or information to suggest interest was payable on such transfers. Copies of each of the Loan Agreements are provided in Appendix "F".
6. The Receiver has not corresponded or discussed with John Davies or Walter Thompson the purpose of the above transfers; Mr. Davies could potentially provide an explanation for such transfers. However, the Receiver can think of no commercial or legitimate purpose for the transfers in violation of the covenants.
7. In discussions with a realtor on May 10, 2017 in connection with the Receiver's intention to market the Real Property, the realtor advised the Receiver that it had recently been contacted in respect of a potential engagement to sell the Ottawa Property.
8. Based on the information presented in this Report, and after discussions with counsel, the Receiver believes it and the Trustee have a proprietary interest in the Ottawa Property, and the Receiver is commencing an action against Rideau to assert its proprietary interest in the Ottawa Property and seek certificates of pending litigation and related relief.

3.0 Conclusion

1. In order to take steps to protect the interests of the Receiver, 555 Princess, Kitchener and the other entities noted herein that advanced funds to Rideau in contravention of the express provisions of the Loan Agreements, the Receiver believes that it is appropriate that the Court issue an order authorizing the Receiver to file certificates of pending litigation on title to the Ottawa Property. Such relief is particularly important and time sensitive given the Receiver's understanding that the Ottawa Property is being (or is about to be) marketed for sale.

⁶ In addition to the carve-out set out above, Section 7.02 (g) of certain of the Loan Agreements provide an additional carve-out for any other use specified in the Loan Agreements. The Receiver and its counsel have reviewed each of the Loan Agreements and does not believe the transfers are permitted by any other sections of the Loan Agreements.

* * *

All of which is respectfully submitted,

KSV Kofman Inc

**KSV KOFMAN INC.
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
CERTAIN PROPERTY OF SCOLLARD DEVELOPMENT CORPORATION, MEMORY CARE
INVESTMENTS (KITCHENER) LTD., MEMORY CARE INVESTMENTS (OAKVILLE) LTD.,
1703858 ONTARIO INC., LEGACY LANE INVESTMENTS LTD., TEXTBOOK (525 PRINCESS
STREET) INC. AND TEXTBOOK (555 PRINCESS STREET) INC.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “B”



**Report of
KSV Kofman Inc.
as Proposed Receiver of Certain Property of
Generx (Byward Hall) Inc.**

June 13, 2017

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

BETWEEN:

KINGSETT MORTGAGE CORPORATION

APPLICANT

- AND -

GENERX (BYWARD HALL) INC.

RESPONDENT

**REPORT OF
KSV KOFMAN INC.
AS PROPOSED RECEIVER**

JUNE 13, 2017

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") as proposed receiver of the real property ("Real Property") registered on title as being owned by Generx (Byward Hall) Inc.¹ (the "Company") and of all of the Company's assets, undertakings and properties acquired for or used in relation to the Real Property (together with the Real Property, the "Property"). KSV has consented to act as receiver of the Property. A copy of KSV's consent is attached as Appendix "A".
2. The principal purpose of the proposed receivership proceedings is to conduct a sale process for the Property under the supervision of a Court-appointed receiver.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information on the proposed receivership proceedings;
 - b) summarize a recommended process pursuant to which the Property is to be marketed for sale, including the retention of SVN Rock Advisory Inc. ("SVN") to act as listing agent ("Sale Process");

¹ Formerly known as Textbook (256 Rideau Street) Inc.

- c) summarize the terms under which KSV proposes to borrow up to \$200,000 under Receiver Certificates (the “Receiver’s Borrowings”) from KingSett Mortgage Corporation (“KingSett”), which has two mortgages on the Real Property totalling \$8.25 million, before interest, fees and costs that continue to accrue; and
- d) recommend that the Court issue an order:
 - approving the Sale Process;
 - approving the terms of the Receiver’s Borrowings; and
 - sealing the confidential appendix.

2.0 Background

1. The Company purchased the Real Property in November, 2015 for \$11 million. The municipal addresses of the Real Property are 256 Rideau Street and 211 Besserer Street, Ottawa, Ontario. The Real Property is vacant land. The Company intended to develop student housing residences on the Real Property.
2. The Company’s officers and directors are John Davies (“Davies”) and Walter Thompson (“Thompson”).
3. In addition to KingSett’s mortgages, there are two construction liens registered on title to the Real Property totalling approximately \$906,000.

2.1 Trustee Corporations and Davies Developers’ Proceedings

1. Pursuant to an order of the Ontario Superior Court of Justice (“Court”) dated October 27, 2016, Grant Thornton Limited was appointed Trustee (“Trustee”) of eleven entities² which raised monies from investors through syndicated mortgage investments (collectively, the “Trustee Corporations”). Eight of the Trustee Corporations then advanced these monies on a secured basis pursuant to loan agreements (“Loan Agreements”) between a Trustee Corporation and the Receivership Companies (as defined below) and four other related entities (collectively, the “Davies Developers”).

² Textbook Student Suites (525 Princess Street) Trustee Corporation, Textbook Student Suites (555 Princess Street) Trustee Corporation, Textbook Student Suites (Ross Park) Trustee Corporation, 2223947 Ontario Limited, MC Trustee (Kitchener) Ltd., Scollard Trustee Corporation, Textbook Student Suites (774 Bronson Avenue) Trustee Corporation, 7743718 Canada Inc., Keele Medical Trustee Corporation, Textbook Student Suites (445 Princess Street) Trustee Corporation and Hazelton 4070 Dixie Road Trustee Corporation

2. Pursuant to an order made by the Court on February 2, 2017, as amended by orders made on April 28, 2017 and May 2, 2017, KSV was appointed receiver and manager of the real property registered on title as being owned by, and of all of the assets, undertakings and properties acquired for or used in relation to the real property of, Scollard Development Corporation (“Scollard”), Memory Care Investments (Kitchener) Ltd. (“Kitchener”), Memory Care Investments (Oakville) Ltd. (“Oakville”), 1703858 Ontario Inc. (“Burlington”), Legacy Lane Investments Ltd. (“Legacy Lane”), Textbook (555 Princess Street) Inc. (“555 Princess”) and Textbook (525 Princess Street) Inc. (“525 Princess” and collectively with the other entities, the “Receivership Companies”).
3. Davies is the sole director and officer of Scollard, Kitchener, Oakville, Burlington and Legacy Lane. Thompson and Davies are the sole directors and officers of 555 Princess and 525 Princess.
4. As set out in KSV’s Third Report to Court dated May 16, 2017 in its capacity as receiver and manager of certain property of the Receivership Companies (the “Third Report”), 555 Princess, Kitchener and Burlington transferred \$3.7 million to the Company in contravention of the provisions of the Loan Agreements entered into by 555 Princess, Kitchener and Burlington. The monies appear to have been advanced in connection with the Company’s purchase of the Real Property. A copy of the Third Report is attached as Appendix “B”, without appendices.
5. On May 17, 2017, KSV brought an *ex parte* motion for an order permitting it to register a Certificate of Pending Litigation (“CPL”) on title to the Real Property. On May 17, 2017, the Court granted the order (the “May 17th Order”) and the CPL was registered on title shortly thereafter. A copy of the May 17th Order is attached as Appendix “C”.
6. As of the date of this Report, no party has contested the making of the May 17th Order nor any aspect of the Third Report.
7. At the time of the May 17th Order, KingSett was in the process of commencing a sale of the Real Property as it had:
 - a) made written demand for payment on the Company of the full amount outstanding under its mortgages and served a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act*, and
 - b) served a Notice of Sale under Mortgage pursuant to the *Mortgages Act*, R.S.O. 1990, c. M.40, with a deadline date for payment of April 19, 2017.
8. Due to the complexity resulting from the Davies Developers’ insolvency proceedings and the filing of the CPL, KingSett determined that it is appropriate that the Real Property be sold in a Court-supervised process.
9. The appointment of KSV as the receiver of the Property will result in efficiencies for the benefit of all creditors due to its knowledge of the business and affairs of the Davies Developers.

10. In the event that there is a priority dispute between KSV, as receiver, in respect of the claims underlying the CPL and KingSett's security, KSV would appoint a claims officer to resolve the dispute - KSV would not determine the priority issue as it would find itself in a conflict position. KSV does not, however, believe there is a priority issue between KingSett's mortgages and the claims underlying the CPL as KingSett's mortgages appear to rank in priority to those claims. Additionally, KSV's legal counsel, Bennett Jones LLP, has provided KSV with an opinion confirming the validity and enforceability of KingSett's mortgages, subject to standard qualifications and assumptions.
11. If appointed receiver, KSV intends to forthwith vacate the CPL and dismiss the related action as the actions will no longer be required since the Real Property will be sold pursuant to a Court supervised sale process under its direction, and no proceeds will be distributed without the approval of KSV and the Court.

3.0 Sales Process

1. KSV recommends that SVN be retained as the listing agent. SVN has extensive experience selling student housing projects and is familiar with the Real Property and the intended project. SVN sold the Real Property to the Company. SVN and KSV have agreed to the commission structure provided in the listing agreement ("Listing Agreement") and KingSett has consented to it. The commission payable to SVN increases with the value of the transaction, creating alignment between SVN and the Company's creditors. The commission rates reflect the complexity of selling the Real Property.
2. The Listing Agreement includes a carve-out for certain transactions for which SVN would not earn a commission, including a redemption of KingSett's security. Additionally, SVN would not earn a commission on a transaction that was recently presented to KingSett by one of the Company's principals.
3. A copy of the Listing Agreement, redacted for SVN's commission structure, is attached as Appendix "D". An unredacted version of the Listing Agreement is attached as Confidential Appendix "1". KSV proposes to file the unredacted Listing Agreement on a sealed basis for the reasons provided below.

3.1 Confidentiality

1. KSV respectfully requests that the unredacted Listing Agreement be filed with the Court on a confidential basis and be sealed ("Sealing Order") as it contains confidential information, including the commission structure. If these documents are not sealed, the information in these documents may negatively impact realizations on the Real Property. KSV is not aware of any party that will be prejudiced if the information is sealed. KSV believes the proposed Sealing Order is appropriate in the circumstances.

3.2 Sale Process

1. The recommended Sale Process is summarized in the table below.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Due diligence	➤ SVN to review all available documents concerning the Real Property, including environmental reports and planning and development reports.	Week 1
Finalize marketing materials	➤ SVN and KSV to: <ul style="list-style-type: none"> ○ prepare a development summary; ○ populate an online data room; ○ prepare a confidentiality agreement (“CA”); and ○ prepare a Confidential Information Memorandum (“CIM”). 	
Prospect Identification	➤ SVN to develop a master prospect list. SVN will qualify and prioritize prospects. ➤ SVN will also have pre-marketing discussions with targeted developers.	
<i>Phase 2 – Marketing</i>		
Stage 1	➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ offering summary and marketing materials printed; ○ publication of the acquisition opportunity in <i>The Globe and Mail</i> (National Edition); ○ telephone and email canvass of leading prospects; and ○ meet with and interview bidders. 	Weeks 2-3
Stage 2	➤ SVN to provide detailed information to qualified prospects which sign the CA, including the CIM and access to the data room; ➤ SVN to facilitate all diligence by interested parties; ➤ SVN will canvass the market and then determine a bid date in conjunction with KSV; and ➤ KSV will prepare a Vendor’s form of Purchase and Sale Agreement (“PSA”)	Week 4 - TBD
Stage 3	➤ Prospective purchasers to submit PSAs or other proposals.	TBD

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 3 – Offer Review and Negotiations</i>		
	<ul style="list-style-type: none"> ➤ Proposal short listing and approval ➤ 2nd Round Bids - Prospective purchasers may be asked to re-submit PSAs 	TBD
Selection of Successful Bids	<ul style="list-style-type: none"> ➤ Select successful bidder and finalize definitive documents. 	TBD
Sale Approval Motion and Closing	<ul style="list-style-type: none"> ➤ Motion for sale approval and close transaction 	TBD

2. The table reflects that the bid date has not yet been determined. It is intended that after SVN completes its initial marketing efforts (anticipated to be around the end of the fourth week of the Sale Process), KSV would establish the deadline for submitting offers.
3. Additional attributes of the Sale Process include:
 - a) the Property will be marketed on an “as is, where is” basis;
 - b) KSV will have the right to reject any and all offers, including the highest offer;
 - c) if the highest and best offer received does not generate proceeds sufficient to repay KingSett in full, and KingSett does not consent to the proposed transaction, KSV will terminate the Sale Process. KingSett will then have the option to credit bid its debt to purchase the Property. If this occurs, provided the highest and best offer provided by SVN was a closeable offer (“Closeable Offer”), SVN will still be entitled to the commission it would have generated from the Closeable Offer; and
 - d) any transaction will be subject to Court-approval.

3.3 Sale Process Recommendation

1. KSV recommends that the Court issue an order approving the Sale Process for the following reasons:
 - a) SVN’s team has experience selling student housing projects and its commission is structured to incentivize it to maximize recoveries;
 - b) the Sale Process is a fair, open and transparent process intended to canvass the market broadly on an orderly (non-fire sale) basis in order to obtain the highest and best price;

- c) there will be no delay commencing the process – SVN is familiar with the Real Property and the intended project;
 - d) the Sale Process is flexible and will allow KSV to set the bid date and establish such other procedures it believes necessary to maximize value; and
 - e) KingSett has consented to the Sale Process.
2. Based on the foregoing, KSV believes that the terms of the Listing Agreement are reasonable in the circumstances. KSV recommends the Court approve the Sale Process and the retention of SVN as listing agent.

4.0 Receiver's Borrowings

1. KingSett has advised KSV that it is prepared to fund the receivership proceedings under Receiver's Certificates.
2. A summary of the key terms of the KingSett facility is as follows:
 - a) Amount: up to \$200,000;
 - b) Term: one year;
 - c) Repayment: any time, with three business days written notice to the Lender;
 - d) Interest rate: 11.5% per annum, compounded monthly;
 - e) Commitment fee: 2% of the total facility (\$4,000). Given the size of the facility, the commitment fee is immaterial;
 - f) Draws and Security: funds are to be advanced by way of Receiver's Certificates. Advances are to be secured by way of a Court-ordered charge on the Property which charge shall only be subordinate to the Receiver's Charge;
 - g) Subsequent Loans: in the event the Receiver seeks a subsequent loan, the receiver will first offer the opportunity to KingSett; and
 - h) Conditions: the only condition is that the Court approve the Commitment Letter and make the proposed receivership order.
3. KingSett's commitment letter had not been executed at the time this Report was finalized. A copy of the commitment letter will be available for the Court on the return of the application should it wish to see it.

4.1 Recommendation re Receiver's Borrowings

1. KSV considered the following factors regarding the terms of the Receiver's Borrowings:
 - a) it will provide KSV with liquidity to fund these proceedings (KSV has advised KingSett that additional borrowings may be required depending on the duration of the Sale Process); and
 - b) KSV is of the view that the terms of the facility are consistent with other recent real estate restructurings in which it is involved (including those involving the Receivership Companies). If the Court approves the terms of the Receiver's Borrowings, KSV does not intend to solicit other financing proposals. In this regard, given the small size of the facility, the fees incurred running such a process would exceed the savings, if any, achieved by that process.
2. Based on the foregoing, KSV believes that the terms of the KingSett facility are reasonable in the circumstances.

5.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.
IN ITS CAPACITY AS PROPOSED RECEIVER OF
GENERX (BYWARD HALL) INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “C”

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE

)

TUESDAY, THE 27th

JUSTICE MYERS

)

DAY OF JUNE, 2017

)



KINGSETT MORTGAGE CORPORATION

Applicant

- and -

GENERX (BYWARD HALL) INC.

Respondent

IN THE MATTER OF THE RECEIVERSHIP OF GENERX (BYWARD HALL) INC.

AND IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by 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 Kofman Inc. ("**KSV**") as receiver (in such capacity, the "**Receiver**") without security, of the real property known as 256 Rideau Street, Ottawa, Ontario and 211 Besserer Street, Ottawa, Ontario (collectively, hereinafter referred to as the "**Real Property**"), the legal description of which is further set out **Schedule "A"** to this Order, and all other property, assets and undertakings of Generx (Byward Hall) Inc. ("**Rideau**" or the "**Debtor**") related thereto (collectively, the "**Property**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Justin Walton, sworn June 9, 2017, and the Exhibits thereto, the Pre-Filing Report of KSV dated June 13, 2017, (the “**Pre-Filing Report**”), and the Affidavits of Walter Thompson sworn June 14, 2017 and June 26th, 2017, and, on hearing the submissions of counsel for the Applicant, Counsel for the Respondent, Counsel for KSV, and Counsel for the Trustee of the Tier 1 Trustee Corporations, no one else appearing although duly served as appears from the affidavit of service of Lea Nebel sworn June 13, 2017, 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 is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

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 the Property, including all proceeds thereof.

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 engage consultants, appraisers, agents, experts, auditors, accountants, managers, property managers, real estate agents, brokers, listing agent, counsel and such other persons (each a “**Consultant**”) 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;
- (d) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets as the Receiver deems reasonably necessary in order to carry out the powers conferred on Receiver in this Order;
- (e) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor with respect to the Property, including, without limitation, rent owing to the Debtor from the Property and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor, including, as may be necessary, to collect funds currently or hereafter in the hands of the Debtor or any Person (as defined below) related thereto;
- (f) 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; 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 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;
- (g) in accordance with paragraphs 29 to 32 herein, to market any or all of the Property, 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;

- (h) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court, 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;
- (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 the Applicant, 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;
- (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 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;
- (m) 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; and
- (n) 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 its current and former directors (including Walter Thompson and John Davies), 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 (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 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.

NO PROCEEDINGS AGAINST THE RECEIVER

7. **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

8. **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.

9. **THIS COURT ORDERS** that no party, other than the Receiver or its Consultants shall advertise, market for sale or sell all or any part of the Property, without the written consent of the Receiver and Applicant, or 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 or in respect of the Property 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 all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. 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.

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, limited to the amount of \$300,000 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. With respect to any amounts in excess of \$300,000, the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a further charge (the "**Subordinated 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 the Subordinated Receiver's Charge shall form a charge on the Property immediately subordinate to the security in favour of the Applicant, but in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person ranking subordinate to the security in favour of the Applicant.

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its 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 \$200,000 (or such greater amount as this Court may by further Order authorize) (the "**Authorized Sum**") 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 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 the Receiver be at liberty and is hereby empowered to borrow the Authorized Sum from the Applicant by way of the Commitment Letter (as described in the Pre-Filing Report) (the "**Identified Borrowings**") which Identified Borrowings shall benefit from the Receiver's Borrowings Charge on the same terms and conditions as provided in paragraph 21 of this Order, and which Commitment Letter and the terms and conditions thereof be and are hereby approved by this Court.

23. **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; however, the Applicant shall be entitled but not obligated to register the Receiver's Borrowings Charge on title to the Real Property.

24. **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.

25. **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 from the lender named in the Commitment Letter and any and all Receiver's Certificates evidencing the same or any part thereof shall, up to a principal amount of \$200,000, rank on a pari passu basis, unless otherwise

agreed to by the holders of any prior issued Receiver's Certificates, and any additional 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 but immediately subordinate to the borrowings in favour of the Applicant under those Receiver's Certificates, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the Receiver be at liberty to serve 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 electronic 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 notice by courier, personal delivery or electronic 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.

27. **THIS COURT ORDERS** that the Applicant, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at <http://www.ksvadvisory.com/insolvency-cases/textbook-555-princess-street-inc/>

✓ generx-byward-hall-inc / ✓

ENGAGEMENT OF LISTING AGENT

28. **THIS COURT ORDERS** that Listing Agreement dated June 13, 2017, between the Receiver and SVN Rock Advisors Inc. ("SVN"), attached as Confidential **Appendix "1"** to the Pre-Filing Report (the "**Listing Agreement**") is hereby approved, and the Receiver and SVN are hereby authorized to carry out and perform their respective obligations under the Listing Agreement (including payment of the amounts due to be paid to SVN pursuant to the terms of the Listing Agreement).

APPROVAL OF SALE PROCESS

29. **THIS COURT ORDERS AND DECLARES** that the sale process (the "**Sale Process**"), as described in Section 3.0 of the Pre-Filing Report, be and is hereby approved.

30. **THIS COURT ORDERS** that the Receiver and SVN be and are hereby authorized and directed to perform their obligations under and in accordance with the Sale Process, including under the terms of the Listing Agreement, and to take such further steps as they consider necessary or desirable in carrying out the Sale Process as described in the Pre-Filing Report, be and are hereby approved and ratified.

31. **THIS COURT ORDERS** that the Receiver and its affiliates, partners, directors, employees, agents and controlling person shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Receiver, as applicable, in performing its obligations under the Sale Process (as determined by this Court).

32. **THIS COURT ORDERS** that in connection with the Sale Process and pursuant to clause 7(3)(c) of the *Personal Information and Electronic Documents Act* (Canada), the Receiver and SVN are authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers or offers and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more transactions (each, a “**Transaction**”). Each prospective purchaser or offeror to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Receiver or SVN, as applicable; (ii) destroy all such information; or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The transacting party with respect to 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 Company, and shall return all other personal information to the Receiver or SVN, as applicable, or ensure that all other personal information is destroyed.

*and the defendant's
and the defendant's
and the defendant's
and the defendant's*

33. **THIS COURT ORDERS** that **Confidential Appendix “1”** to the Pre-Filing Report shall be sealed pending a further order of this Court.

DP

GENERAL

34. **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.

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

36. **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.

37. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, 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.

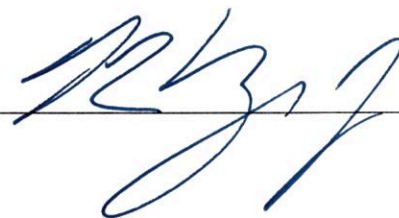
38. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

39. **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.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUN 27 2017

PER / PAR



SCHEDULE "A"
LEGAL DESCRIPTION OF THE REAL PROPERTY

PIN: 04210-0004 (LT)

Address: 256 Rideau Street, Ottawa, Ontario

PIN: 04210-0009 (LT)

Address: 211 Besserer Street, Ottawa, Ontario

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

THIS IS TO CERTIFY that KSV Kofman Inc., the receiver (the "Receiver") of certain real property registered on title as being owned by Generx (Byward Hall) Inc. (the "Debtor") and that is listed on Schedule "A" hereto (collectively, the "Real Property") and of all the assets, undertakings and properties of the Debtor acquired for or used in relation to the Real Property (together with the Real Property, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, 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 \$200,000 which the Receiver is authorized to borrow under and pursuant to the Order.

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.

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

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.

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.

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 _____, 20__.

KSV KOFMAN INC., solely in its capacity
as Receiver of the Property, and not in its personal
capacity

Per: _____
Name:
Title:

**SCHEDULE "A" TO THE RECEIVER'S CERTIFICATE
LEGAL DESCRIPTION OF THE REAL PROPERTY**

PIN: 04210-0004 (LT)

Address: 256 Rideau Street, Ottawa, Ontario

PIN: 04210-0009 (LT)

Address: 211 Besserer Street, Ottawa, Ontario

KINGSETT MORTGAGE CORPORATION

and

GENERX (BYWARD HALL) INC.

IN THE MATTER OF THE RECEIVERSHIP OF GENERX (BYWARD HALL) INC.

AND IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**
Proceeding commenced at Toronto

**ORDER
(Appointing Receiver)**

BLANEY MCMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

David T. Ullmann (LSUC #423571)
Tel: (416) 596-4289
Fax: (416) 594-2437

Lea Nebel (LSUC #45484C)
Tel: (416) 593-3914
Fax: (416) 594-2437

Alexandra Teodorescu (LSUC #63889D)
Tel: (416) 596-4279
Fax: (416) 594-2437

Lawyers for the Applicant

Appendix “D”

June 27/17

For Handwritten reviews attached
order signed appointing a 'Reviewer
as usual.

MJC

Court File Number: CV-17-11832-0002

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

KINGSETT MORTGAGE CORPORATION
Plaintiff(s)

AND

GENERX (BYWARD HALL) INC.
Defendant(s)

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Facsimile No:

- 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):

THE IT IS 1ST AND 2ND MORTGAGES ^{OWED} ~~APPROX.~~ APPROX. \$8.8 MILLION TODAY. THE MORTGAGES ARE IN DEFAULT. PROPER DEFAULT AND BIA NOTICES HAVE BEEN GIVEN. THE IT GAVE NOTICE OF SALE TO LET IT MOVE PRIVATELY TO SELL THE SUBJECT LAND. THE STATUTORY 35 DAYS HAVE EXPIRED. IN THE INTERIM, THE RECEIVER OF A NUMBER OF ENTITIES, WAS OBTAINED AND REGISTERED ON TITLE A CPL SUPPORTING CLAIMS TO TRACE \$1.5 MILLION INTO THE

June 27/16
Date


Judge's Signature

Additional Pages 7

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

SUBJECT PROPERTY THAT WAS ALLEGEDLY MISAPPROPRIATED BY COMMON MANAGEMENT OF THE COMPANIES IN RECEIVERSHIP AND THE Δ MORTGAGOR IN THIS CASE.

THE Δ SEEKS TO LIFT THE CPL AND OPPOSES THE RECEIVERSHIP. IT SAYS THE JUST AND CONVENIENT OUTCOME IS FOR IT TO REFINANCE TO PAY OUT THE Π AND TO SECURE THE RECEIVER'S CLAIMS.

THE Π SAYS THAT AS THE RECEIVER REPRESENTS ENTITIES WITH PUBLIC INVESTORS WHO APPEAR TO HAVE SUFFERED ~~LOSSES~~ LOSSES OF FUNDS DUE TO MISAPPROPRIATION, A COURT-SUPERVISED PROCESS IS REQUIRED TO ENSURE THAT A TRANSPARENT VALUE-MAXIMIZING SALE OCCURS TO PROTECT NOT JUST Π BUT \$1 MILLION IN LIEN-CLAIMANTS AND THE INTERESTS OF THE RECEIVER AND PUBLIC INVESTORS. THE TRUSTEE APPOINTS OVER A NUMBER OF RELATED ENTITIES AT THE MOTION OF

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

THE REGULATOR AGREES. ALL CREDITORS WANT AN ASSURANCE OF A COURT-BASED PROCESS WITH TRANSPARENCY AND ACCOUNTABILITY TO ALL INTERESTED PARTIES.

THE Δ FEARS THAT A FIRE-SALE BY A ~~RE~~ RECEIVER WILL DESTROY ITS "EQUITY" IN THE SUBJECT PROPERTY. I PUT THE WORD IN QUOTATION MARKS AS THE RECEIVER ~~IS~~ HAS SHOWN THAT MOST, IF NOT ALL, OF THE SUPPOSED EQUITY IS IN FACT FUNDS MISAPPROPRIATED FROM RELATED ENTITIES IN RECEIVERSHIP OR TRUSTESHIP.

THE Δ 'S EVIDENCE IS THAT THE LIQUIDATION VALUE OF THE SUBJECT PROPERTY IS AROUND \$11 MILLION. ~~B~~ IF I LIFT THE CPL, Δ HAS A LENDER WHO WILL ADVANCE UP TO \$3 MILLION UNDER A NEW 3RD MORTGAGE. THAT MONEY WILL BE USED TO BRING THE MORTGAGES UP-TO-DATE, TO PAY \$250,000 INTO COURT AS PART SECURITY FOR THE

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

RELEASERS TO CLAIM OF \$1.5 MILLION
(AT ^{TAT} CURRENT TIME) AND TO PROVIDE A
SECURITY DEPOSIT OF \$2 MILLION TO
ANOTHER LENDER WHO AGREES TO
ADVANCE \$15.5 MILLION ON AN UNSECURED
BASIS IN 45 DAYS.

A LENDER WILLING TO MAKE AN
UNSECURED ADVANCE OF MORE THAN THE
CURRENT FAIR MARKET VALUE OF THE SUBJECT
PROPERTY SOUNDS LIKE AN EXCELLENT
OPPORTUNITY. IN FACT IT SOUNDS TOO GOOD
TO BE TRUE. EVEN A QUICK REVIEW OF
THE PROPOSED LOAN AGREEMENT SHOWS IT
HAS MORE HOLE THAN SWISS CHEESE.
THE Δ IS ALREADY IN DEFAULT OF THE
AGREEMENT JUST DUE TO THESE PROBLEMS.
THERE IS A MATERIAL ADVERSE CHANGE
CONDITION THAT LETS THE PROPOSED LENDER
WALK AWAY ON SUBJECTIVE GROUNDS. THERE IS
NO CERTAINTY AT ALL OF THE PROPOSED TRANSACTION CLOSING

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

IN GRANTING THE Δ AN ADVANCEMENT
ON JUNE 15, 2017, THE COURT GRANT IT TWELVE
DAYS TO RE-FINANCE. A CONDITION WAS
DEAL 45 DAYS HENCE SUBJECT TO AN
EARLIER \$3 MILLION BORROWING ON UNDISCLOSED
TERMS ~~IS~~ IS NOT ~~THE~~ A RE-FINANCING
THAT CAN INSTILL CONFIDENCE IN THE CREDITORS
OR THE COURT AS TO THE LIKELIHOOD OF
CLOSING.

BUT IS THERE PREJUDICE IN TRYING?
THE RECEIVER FAIRLY NOTES THAT IF ITS
CLAIMS COME BEHIND THOSE OF TR AND THE
LENS, THERE IS LITTLE EQUITY AVAILABLE
FOR IT AT ~~THE~~ ^{THE} \$11 MILLION VALUE ASSERTED
BY Δ . THE \$250,000 PAYMENT INTO
COURT ~~BY~~ PROMISED TODAY FALLS FAR
SHORT OF SECURING ITS CLAIM. THE NEW
\$3 MILLION ADVANCE AND MORTGAGE ALLOWS
MANAGEMENT TO SUEK ~~THE EQUITY~~
WHAT LITTLE EQUITY MIGHT REMAIN FROM

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

THE BODY OF THE Δ . TRUST RECEIVERS
CLAIMS ARE PREJUDICED AND PROBABLY
PULSED OUT OF THE MONEY IF Δ DOES
NOT COMPLETE ITS RE-FINANCING AND THEN
SUCCESSFULLY DEVELOP THE PROPERTY.

PLZ, TRUST HAS LOST FAITH IN
MANAGEMENT. IT HAS GIVEN THEM
AMPLE TIME AND RECEIVED MULTIPLE
OFFERS FROM MANAGEMENT THAT HAVE NOT
COME TO FRUITION IN A SUCCESSFUL
REFINANCING. THE TRUST NOTES THAT Δ IS
EFFECTIVELY SEEKING A 95+ DAY ADJOURN-
MENT WHEN THIS MOTION WAS MADE
PEREMPTORY ON Δ ON JUNE 15, 2017.

IN MY VIEW IT IS JUST AND
CONVENIENT TO APPOINT A RECEIVER TO RUN
THE PROPOSED SALE WITH COURT SUPERVISION.
THERE ARE TOO MANY DISPARATE INTERESTS
AT PLAY FOR A PRIVATE SALE PROCESS TO
RUN SMOOTHLY WITHOUT PUTTING OTHER INTERESTS

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

AT RISK. THE SECURITY PROPOSED FOR THE RECEIVER'S CLAIM OF \$250,000 PLUS AN UNDERTAKING TO TOP THAT AMOUNT UP IN 45 DAYS IF THE PROPOSED UNSURETY ADVANCE IS MADE, EXPOSES THE RECEIVER TO THE PREJUDICE OF SUBORDINATION IN THE FAR MORE LIKELY EVENT THAT A PROPOSAL THAT APPEARS TO BE TOO GOOD TO BE TRUE PROVES TO BE JUST THAT.

MOREOVER, THE POSITION OF THE ~~LENDER~~ IS PREJUDICED IF MANAGEMENT REMAINS IN PLACE. ~~LENDER'S POSITION IS PREJUDICED~~ AS ABOVE, THERE ARE GOOD GROUNDS TO SUPPORT A LENDER'S LOSS OF CONFIDENCE IN MANAGEMENT, REQUIRING THE LENDER TO STAND DOWN AT THE SUFFERANCE OF MANAGEMENT UNDERTAKING THE LENDER'S LEGAL RIGHTS.

IT FOLLOWS THAT I WILL SIGN THE RECEIVERSHIP ORDER AS SOUGHT. THE AS PROPOSAL TO LIST THE CPL IS DISMISSED AS

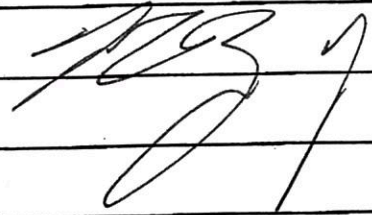
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Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

17007 BUT I WOULD HAVE DISMISSED IT
ON THE MERITS IN ANY EVENT.



Appendix “E”

AGREEMENT OF PURCHASE AND SALE

BETWEEN

KSV KOFMAN INC.

in its capacity as court-appointed receiver
of all the real property registered on title as being owned by Textbook (256 Rideau Street) Inc.
and of all the assets, undertakings and properties of Generx (Byward Hall) Inc. (formerly known
as Textbook (256 Rideau Street) Inc.) acquired for or used in relation to such real property,
and not in its personal capacity or in any other capacity

- and -

9840508 Canada Inc.

Dated: ~~August 31, 2017~~


Sept 18, 2017 



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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this 31st day of August, 2017.

BETWEEN:

18 September 
KSV KOFMAN INC. ("KSV"), in its capacity as court-appointed receiver of all the real property registered on title as being owned by Textbook (256 Rideau Street) Inc. and of all the assets, undertakings and properties of Generx (Byward Hall) Inc. (formerly known as Textbook (256 Rideau Street) Inc.) acquired for or used in relation to such real property, and not in its personal capacity or in any other capacity

(in such capacity, the "Receiver")

- and -

9840508 Canada Inc.

(the "Purchaser")

RECITALS

- A. **WHEREAS** pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on June 27, 2017 (the "Receivership Order"), the Receiver was appointed as the court-appointed receiver of all of the lands and premises municipally described as 256 Rideau Street and 211 Besserer Street, Ottawa, Ontario (collectively, the "Lands") and all of the present and after-acquired assets, undertaking and properties of Generx (Byward Hall) Inc. (formerly known as Textbook (256 Rideau Street) Inc.) (the "Debtor") acquired for or used in relation to the Lands (collectively, together with the Lands, the "Property");
- B. **AND WHEREAS** pursuant to the Receivership Order the Receiver was authorized to, among other things, market the Purchased Assets (as defined hereafter) and apply for an order of the Court approving the sale of the Purchased Assets and vesting in and to a purchaser all the Debtor's right, title and interest in and to the Purchased Assets;
- C. **AND WHEREAS** pursuant to the Receivership Order a strategic process was approved by the Court and implemented by the Receiver;
- D. **AND WHEREAS** the Purchaser wishes to purchase and the Receiver wishes to sell the Purchased Assets upon the terms and subject to the conditions set out herein;

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

ARTICLE 1
DEFINED TERMS

1.1 Definitions

In this Agreement:

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

"Accounts Payable" means all amounts relating to the Business owing to any Person which are incurred in connection with the purchase of goods or services in the ordinary course of business;

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

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

"Approval and Vesting Order" means the approval and vesting order issued by the Court approving this Agreement and the transactions contemplated by this Agreement, and authorizing and directing the Receiver to complete the Transaction and conveying to the Purchaser all of each of the Receiver's and the Debtor's right, title and interest, if any, in and to the Purchased Assets free and clear of all Encumbrances other than the Permitted Encumbrances, and which order shall be in a form substantively similar to the draft order attached as Schedule "A" hereto;

"Books and Records" means the files, documents, instruments, surveys, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise) pertaining to the Purchased Assets that have been or will be delivered by the Receiver to the Purchaser at or before Closing; provided, however, that "Books and Records" shall not include any bank or accounting records;

"Business" means the business carried on by the Debtor with respect to the Property;

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

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

any of the foregoing or any proceeding relating to any of the foregoing, related to the Debtor or the Real Property, and "Claim" means any one of them;

"Closing" means the successful completion of the Transaction;

"Closing Date" means the ^{30th} day following the date the purchaser waives the preliminary conditions in favour of the purchaser, provided that if that Date is not a Business Day, then the first Business Day thereafter; *to the courts acceptance of this offer.*

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

"Confidential Information" has the meaning given in Section 6.1 herein;

"Contracts" means all of the contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which the Debtor is a party and which relate to the Business, provided that the Unit Purchase Agreements shall not be included as Contracts;

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

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

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

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

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

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

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

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

(c) the Contracts;

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

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

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

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

"**Lands**" has the meaning set out in the recitals hereof, the legal descriptions of which Lands are attached as Schedule "C" hereto, and includes all rights and benefits appurtenant thereto;

"**LRO**" means the Land Registry Office for the Land Titles Division of Ottawa-Carlton (No. 4);

"**Notice**" has the meaning given in Section 16.3 herein;

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

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

"**Permitted Encumbrances**" means all those Encumbrances described in Schedule "B" hereto;

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

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

"**Property**" has the meaning set out in the recitals hereof;

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

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



- (a) the full benefit of all prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Real Property;
- (b) the Real Property;
- (c) the Plans;
- (d) the Permits, but only to the extent transferable to the Purchaser or the Purchaser's permitted assignees; and
- (e) all intellectual property, if any, owned by the Debtor with respect to the development to be completed on the Lands,

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

"Purchaser" means 9840508 Canada Inc.;

"Purchaser Representatives" has the meaning given in Section 6.1 herein;

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

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

"Receivership Order" has the meaning set out in the recitals hereof;

"Receiver's Solicitors" means Bennett Jones LLP;

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

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

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

ARTICLE 2 **SCHEDULES**

2.1 Schedules

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

<u>Schedule</u>	<u>Description</u>
-----------------	--------------------



Schedule A	Approval and Vesting Order
Schedule B	Permitted Encumbrances
Schedule C	Legal Description of Lands

ARTICLE 3
AGREEMENT TO PURCHASE

3.1 Purchase and Sale of Purchased Assets

- (a) Relying on the representations and warranties herein, the Receiver hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, all right, title and interest of the Receiver and the Debtor in and to the Purchased Assets free and clear of all Encumbrances, other than the Permitted Encumbrances.
- (b) Subject to the Closing, the Receiver hereby remises, releases and forever discharges to, and in favour of, the Purchaser, all of its rights, claims and demands whatsoever in the Purchased Assets.
- (c) This Agreement or any document delivered in connection with this Agreement shall not constitute an assignment of any rights, benefits or remedies (in this Section 3.1(c), collectively, the "Rights") under any Permits that form part of the Purchased Assets and which are not assignable by the Receiver to the Purchaser without the required consent of the other party or parties thereto (collectively, the "Third Party"). To the extent any such consent is required and not obtained by the Receiver prior to the Closing Date, then, to the extent permitted by Applicable Law:
 - (i) the Receiver will, at the request, direction and cost of the Purchaser, acting reasonably, assist the Purchaser, in a timely manner and using commercially reasonable efforts, in applying for and obtaining all consents or approvals required under the Permits in a form satisfactory to the Receiver and the Purchaser, acting reasonably;
 - (ii) the Receiver will only deal with or make use of such Rights in accordance with the directions of the Purchaser;
 - (iii) at the Purchaser's cost, the Receiver will use its commercially reasonable efforts to take such actions and do such things as may be reasonably and lawfully designed to provide the benefits of the Permits to the Purchaser, including holding those Permits in trust for the benefit of the Purchaser or acting as agent for the Purchaser pending such assignment; and
 - (iv) in the event that the Receiver receives funds with respect to those Permits, the Receiver will promptly pay over to the Purchaser all such funds collected by the Receiver, net of any outstanding costs directly related to the assignment in respect of such Permits.



The provisions of this Section 3.1 shall not merge but shall survive the completion of the Transaction. Notwithstanding the forgoing, nothing herein shall prohibit the Receiver, in its sole, absolute and unfettered discretion, from seeking to be discharged as receiver of the Debtor at any time after Closing. The parties hereto hereby acknowledge and agree that the covenants of the Receiver contained in this Section 3.1 shall terminate concurrently with the discharge of the Receiver as receiver of the Debtor.

3.2 Excluded Assets

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

3.3 Excluded Liabilities

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

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

ARTICLE 4
PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price

The purchase price for the Purchased Assets shall be the aggregate of Nine Million Five Hundred Thousand (\$9,500,000) dollars (the "Purchase Price").

4.2 Deposit

Within two (2) Business Days after the Acceptance Date, the Purchaser shall pay to the Receiver's Solicitors, in trust, a deposit by wire or certified cheque of One Hundred Thousand Dollars (\$100,000) to be followed by a further One Million Three Hundred Twenty-Five Dollars (1,325,000) upon waiver or fulfilment of the conditions set forth in Section 8.5 hereof (the "Deposit") which Deposit shall be held in accordance with the provisions of this Agreement pending completion or other termination of this Agreement and shall be applied against and towards the Purchase Price due on completion of the Transaction on the Closing Date.

4.3 Satisfaction of Purchase Price

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

- (a) the Deposit shall be applied against the Purchase Price; and
- (b) the balance of the Purchase Price, subject to adjustments contained in this Agreement, shall be paid by wire or certified cheque on Closing by the Purchaser to the Receiver's Solicitors or as the Receiver's Solicitors may otherwise direct in writing.

4.4 Allocation of Purchase Price

The Parties, acting reasonably and in good faith, covenant to use best efforts to agree to allocate the Purchase Price among the Purchased Assets in a mutually agreeable manner on or prior to the Closing Time, provided that failure of the Parties to agree upon an allocation shall not result in the termination of this Agreement but rather shall result in the nullity of the application of this Section 4.4 of the Agreement such that each Party shall be free to make its own reasonable allocation.

4.5 Adjustment of Purchase Price

- (a) The Purchase Price shall be adjusted as of the Closing Time for any realty taxes and local improvement rates and charges (including interest thereon), utilities and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a receivership sale. The Receiver shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval no later than five (5) Business Days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined

as of the Closing Date, an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably, and such estimate shall serve as a final determination. Notwithstanding any other term in this Agreement, in no event shall the Purchaser be responsible for any charges, fees, Taxes, costs or other adjustments in any way relating to the period prior to the Closing Date or relating to the Excluded Liabilities or to any matters or assets other than the Purchased Assets for the period from and after the Closing Date.

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

ARTICLE 5 **TAXES**

5.1 Taxes

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

ARTICLE 6 **ACCESS AND CONFIDENTIALITY**

6.1 Confidentiality

Prior to Closing, the Purchaser shall maintain in confidence and not disclose to any Person this Agreement or the terms thereof or any information or documentation obtained, prepared or summarized by the Purchaser or its representatives (collectively, the "**Confidential Information**"), except, on a need to know basis, to those individuals employed by the Purchaser, its professional consultants, including the Purchaser's legal counsel, and to those Persons who have agreed in writing in favour of the Receiver and Purchaser not to disclose any Confidential Information (collectively, the "**Purchaser Representatives**"). The Purchaser will ensure that each Purchaser Representative treats the Confidential Information as confidential and any failure of a Purchaser Representative to do so will be a breach of this Agreement by the Purchaser.

6.2 Authorizations

Upon request, the Receiver shall provide the Purchaser with authorizations executed by the Receiver and addressed to the appropriate municipal building department, zoning department and fire department and to any other Governmental Authority, authorizing the release of any and all

information on file in respect of the Purchased Assets, but such authorization shall not authorize any inspections by any Governmental Authority.

ARTICLE 7

CLOSING ARRANGEMENTS

7.1 Closing

Closing shall take place at the Closing Time at the offices of the Receiver's lawyers, Bennett Jones LLP, located in Toronto, Ontario, or at such other time or at such other place as the Parties may agree in writing.

7.2 Tender

Any tender of documents or money under this Agreement may be made upon the Parties or their respective lawyers, and money shall be tendered by wire transfer of immediately available funds to the account specified by the receiving Party. The Receiver and the Purchaser acknowledge and agree that insofar as the tender of any documents to be electronically registered is concerned, the tender of same will be deemed to be effective and proper when the solicitor for the party tendering has completed all steps required by Teraview in order to complete the Transaction that can be performed or undertaken by the tendering party's solicitor without the cooperation or participation of the other party's solicitor, and specifically when the tendering party's solicitor has electronically "signed" the transfer/deed and any other Closing document, if any, to be electronically registered for completeness and granted access to the other party's solicitor to same, but without the necessity of the tendering party's solicitor actually releasing such document(s) to the other party's solicitor for registration.

7.3 Receiver's Closing Deliverables

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

- (a) a copy of the issued and entered Approval and Vesting Order and the attached Receiver's Certificate;
- (b) a statement of adjustments prepared in accordance with Section 4.5 hereof, to be delivered not less than five (5) Business Days prior to Closing;
- (c) to the extent applicable, an assignment and assumption agreement with respect to all Permits and to the extent not assignable, an agreement that the Receiver will hold same in trust for the Purchaser in accordance with the provisions of Section 3.1(c);
- (d) a certificate signed by a senior officer of the Receiver confirming that the Receiver is not a non-resident of Canada within the meaning of section 116 of the ITA and that, to the best of the Receiver's knowledge, the Debtor is not a non-resident of Canada within the meaning of the said section 116;

- (e) a certificate from the Receiver, dated as of the Closing Date, certifying:
 - (i) that, except as disclosed in the certificate, the Receiver has not been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction; and
 - (ii) that all representations, warranties and covenants of the Receiver contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time;
- (f) an acknowledgement, dated as of the Closing Date, that each of the conditions in Section 8.1 hereof have been fulfilled, performed or waived as of the Closing Time; and
- (g) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Purchaser, acting reasonably, or by Applicable Law or any Governmental Authority.

7.4 Purchaser's Closing Deliverables

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

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

7.5 Receiver's Certificate

Upon receipt of written confirmation from the Purchaser that all of the conditions contained in Section 8.3 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Receiver of all of the conditions contained in Section 8.1, the Receiver shall forthwith deliver to the Purchaser the Receiver's Certificate comprising Schedule "A" of the Approval and Vesting Order, and shall file same with the Court.

ARTICLE 8 **CONDITIONS PRECEDENT TO CLOSING**

8.1 Conditions in Favour of the Receiver

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

- (a) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (b) all the covenants of the Purchaser contained in Article 10 to be performed on or before the Closing Date shall have been duly performed by the Purchaser;
- (c) there shall be no order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets enjoining, preventing or restraining the completion of the Transaction; and
- (d) the Court shall have issued the Approval and Vesting Order.

8.2 Conditions in Favour of Receiver Not Fulfilled

If any of the conditions contained in Section 8.1 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Receiver, then the Receiver may, at its sole discretion (other than as stipulated below), and without limiting any rights or remedies available to it at law or in equity:

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

8.3 Conditions in Favour of the Purchaser

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



- (a) all the representations and warranties of the Receiver contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (b) all the covenants of the Receiver under this Agreement to be performed on or before the Closing Date shall have been duly performed by the Receiver;
- (c) there shall be no order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets enjoining, preventing or restraining the completion of the Transaction;
- (d) from the Acceptance Date to Closing, there shall have been no new work orders, deficiency notices, notices of violation or non-compliance or similar orders, and no new Encumbrances registered on title to the Lands or matters affecting the title to the Lands arising or registered after the Acceptance Date, in each case which are not otherwise vested-out pursuant to the Approval and Vesting Order;
- (e) from the Acceptance Date to Closing, there shall not have been any emission, release, discharge, disposal, or other deposit of a hazardous substance occurring on or which has migrated onto the Lands which has a material adverse effect on the Lands, and there shall not have been any material adverse change in the condition or operation of the Lands; and
- (f) the Court shall have issued the Approval and Vesting Order.

8.4 Conditions in Favour of Purchaser Not Fulfilled

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

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

8.5 Preliminary Conditions in Favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is further conditional upon the satisfaction of the following conditions on or before the Thirtieth (30th) day following the



Acceptance Date, which conditions are inserted for the sole benefit of the Purchaser and may be waived in whole or in part at the Purchaser's sole option:


- (a) upon the Purchaser ascertaining to its complete satisfaction that all plans, reports, studies, certifications, surveys, items of intellectual property and other written materials as are necessary for the construction of the Purchaser's intended project are available to the Purchaser and that any costs associated with obtaining the rights to use such materials are reasonable in the Purchaser's sole discretion;
- (b) that the purchaser can enter into or take an assignment of legally enforceable crane-swing agreements and underpinning agreements with the abutting owners and that such agreements are on terms satisfactory to the Purchaser in its sole discretion;
- (c) that the Purchaser can obtain financing for its intended project on terms satisfactory to the Purchaser in its sole discretion;

failing any of which, this Agreement shall become null and void and the Deposit, or such amount as has been paid, shall be returned in full, without penalty or deduction.

ARTICLE 9
REPRESENTATIONS & WARRANTIES OF THE RECEIVER

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

- (a) the Receiver has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action on the part of the Receiver, subject to the Approval and Vesting Order. This Agreement is a valid and binding obligation of the Receiver enforceable in accordance with its terms;
- (b) the Receiver has been duly appointed as the receiver of the Real Property by the Receivership Order and such Receivership Order is in full force and effect and has not been stayed, and the Receiver has the full right, power and authority to enter into this Agreement, perform its obligations hereunder and convey all right, title and interest of the Receiver and the Debtor in and to the Purchased Assets;
- (c) the Receiver is not a non-resident of Canada for the purposes of the ITA; and
- (d) subject to any charges created by the Receivership Order, the Receiver has done no act itself to encumber or dispose of the Purchased Assets and is not aware of any action or process pending or threatened against the Debtor that may affect its ability to convey any of the Purchased Assets as contemplated herein.



ARTICLE 10
REPRESENTATIONS & WARRANTIES OF THE PURCHASER

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

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

ARTICLE 11
COVENANTS

11.1 Mutual Covenants

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

11.2 Receiver Covenants

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

ARTICLE 12 POSSESSION AND ACCESS PRIOR TO CLOSING

12.1 Possession of Purchased Assets

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

12.2 Risk

- (a) The Purchased Assets shall be and remain at the risk of the Receiver until Closing and at the risk of the Purchaser from and after Closing.
- (b) If, prior to Closing, the Purchased Assets are substantially damaged or destroyed by fire, casualty or otherwise, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within fifteen (15) calendar days after notification to the Purchaser by the Receiver of the occurrence of such damage or destruction (or prior to the Closing Date if such occurrence takes place within fifteen (15) calendar days of the Closing Date), in which event this Agreement shall be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. For the purposes of this Section 12.2(b), substantial damage or destruction shall be deemed to have occurred if the loss or damage to the Purchased Assets exceeds fifteen percent (15%) of the total Purchase Price (inclusive of the Deposit).
- (c) If, prior to the Closing Date, all or a material part of the Lands is expropriated or a notice of expropriation or intent to expropriate all or a material part of the Lands is issued by any Governmental Authority, the Receiver shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within three (3) Business Days after the Purchaser receives Notice in writing from the Receiver of such expropriation, elect to either: (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation shall be



payable to the Purchaser and all right, title and interest of the Receiver or Debtor to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis; or (ii) terminate this Agreement and not complete the Transaction, in which case all rights and obligations of the Receiver and the Purchaser (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and the Deposit shall be returned to the Purchaser forthwith.

ARTICLE 13
AS IS, WHERE IS

13.1 Condition of the Purchased Assets

The Purchaser acknowledges that the Receiver is selling and the Purchaser is purchasing the Purchased Assets on an "*as is, where is*" and "*without recourse*" basis as the Purchased Assets shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent. The Purchaser further acknowledges and agrees that it has entered into this Agreement on the basis that neither the Receiver nor the Debtor has guaranteed or will guarantee title to or marketability, use or quality of the Purchased Assets, that the Purchaser will conduct such inspections of the condition and title to the Purchased Assets as it deems appropriate and will satisfy itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose, environmental compliance, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Receiver to sell, assign, convey or transfer same, save and except as expressly provided in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act*, R.S.O. 1990, c. S.1, do not apply hereto and/or have been waived by the Purchaser. The description of the Purchased Assets contained in this Agreement is for the purpose of identification only and no representation, warranty or condition has or will be given by the Receiver concerning the accuracy of such description.

ARTICLE 14
POST-CLOSING MATTERS

14.1 Books and Records

The Purchaser shall keep and maintain the Books and Records for a period of Two (2) years from the Closing Date, or for any longer period as may be required by Applicable Law or Governmental Authority or as requested by the Receiver. Upon reasonable advance notice, during such Two (2) year period after the Closing Date, the Purchaser will grant the Receiver and the Debtor and, in the event the Debtor is adjudged bankrupt, any trustee of the estate of the Debtor and their respective representatives, reasonable access during normal business hours to use and copy the Books and Records at the sole cost of the Receiver or bankruptcy trustee of the estate of the Debtor, as the case may be, and at no cost to the Purchaser.



ARTICLE 15
TERMINATION

15.1 Termination of this Agreement

This Agreement may be validly terminated:

- (a) upon the mutual written agreement of the Parties;
- (b) pursuant to Section 8.2 hereof by the Receiver;
- (c) pursuant to Section 8.4 hereof by the Purchaser; or
- (d) pursuant to Section 12.2 hereof.

15.2 Remedies for Breach of Agreement

If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Receiver, the Purchaser shall be entitled to the return of the Deposit without deduction, which shall be returned to the Purchaser forthwith, and this shall be the Purchaser's sole right and remedy pursuant to this Agreement or at law as a result of the Receiver's breach. If this Agreement is terminated as a result of a breach of a representation, warranty, covenant or obligation of the Purchaser, the Deposit shall be forfeited to the Receiver as liquidated damages and not as a penalty, which Deposit the Parties agree is a genuine estimate of the liquidated damages that the Receiver would suffer in such circumstances, and this shall be the Receiver's sole right and remedy pursuant to this Agreement or at law as a result of the Purchaser's breach.

15.3 Termination If No Breach of Agreement

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

- (a) all obligations of each of the Receiver and the Purchaser hereunder shall end completely, except those that survive the termination of this Agreement;
- (b) the Purchaser shall be entitled to the return of the Deposit without deduction, which shall be returned to the Purchaser forthwith; and
- (c) neither Party shall have any right to specific performance, to recover damages or expenses or to any other remedy (legal or equitable) or relief other than as expressly provided herein.



ARTICLE 16
GENERAL CONTRACT PROVISIONS

16.1 Further Assurances

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

16.2 Survival Following Completion

Notwithstanding any other provision of this Agreement, Article 9, Article 10, Section 15.2 and Section 15.3 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the discharge of the Receiver, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof.

16.3 Notice

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

(a) to the Receiver:

KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention: Robert Kofman and Noah Goldstein
Tel: (416) 932-6228 / (416) 932-6207
Email: bkofman@ksvadvisory.com / ngoldstein@ksvadvisory.com

and a copy to the Receiver's counsel to:

Bennett Jones LLP
3400 One First Canadian Place
Toronto, ON M5X 1A5

Attention: Sean Zweig and John van Gent
Tel: (416) 777-6254 / (416) 777-6522
Email: zweigs@bennettjones.com / vangenti@bennettjones.com



(b) to the Purchaser:

9840508 Canada Inc.

18 Antares Drive

Ottawa ON K2E1A9

Attention: David Choo

Tel: 613-226-7266 ext.201

Email: dchoo@ashcroft-homes.com

and a copy to the Purchaser's counsel to:

Mann Lawyers LLP

1600 Scott Street Suite 710

Ottawa ON K1Y4N7

Attention: Stephen Guest

Tel: 613-722-1500 ext 259

Email: Stephen@mannlawyers.com

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

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

16.4 Waiver

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

16.5 Consent

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit or the requirement for such consent is not required pursuant to the terms of the Approval and Vesting Order, then, unless otherwise



specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

16.6 Governing Law

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

16.7 Entire Agreement

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

16.8 Time of the Essence

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

16.9 Time Periods

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

16.10 Assignment

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



16.11 Expenses

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

16.12 Severability

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

16.13 No Strict Construction

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

16.14 Cumulative Remedies

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

16.15 Currency

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

16.16 Receiver's Capacity

It is acknowledged by the Purchaser that the Receiver is entering into this Agreement solely in its capacity as Court-appointed receiver of the Property and that the Receiver shall have absolutely no personal or corporate liability under or as a result of this Agreement in any respect.

16.17 Planning Act

This Agreement is to be effective only if the provisions of the *Planning Act*, R.S.O. 1990, c. P.13, as amended, are complied with.

16.18 No Third Party Beneficiaries

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



16.19 Number and Gender

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

16.20 Counterparts

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

[SIGNATURE PAGE FOLLOWS.]

A handwritten signature in black ink, consisting of stylized, cursive letters, likely initials or a name, located in the bottom right corner of the page.

IN WITNESS WHEREOF the Receiver has duly executed this Agreement as of the date first above written.

KSV KOFMAN INC., in its capacity as court-appointed receiver of all the real property registered on title as being owned by Textbook (256 Rideau Street) Inc. and of all the assets, undertakings and properties of Generx (Byward Hall) Inc. (formerly known as Textbook (256 Rideau Street) Inc.) acquired for or used in relation to such real property, and not in its personal capacity or in any other capacity

Per: 

Name: Robert Kofman

Title: President and Managing Director


ACCEPTED by the Purchaser this 31st day of August, 2017

9840508 Canada Inc. [•]

Per: 

Name: ~~David Choo - Pres.~~

DAVID CHOO CFO
I have authority to bind the Corporation.


Sept 18/17

described as the "Purchased Assets" in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the [REDACTED] 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 [REDACTED] sworn [REDACTED], 2017, 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 the Receiver's and the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement, including without limitation the subject real property identified in **Schedule "B"** hereto (the "**Real Property**"), shall vest absolutely in the Purchaser, or as it may direct, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, leases, notices of lease, subleases, licences, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute or contingent), obligations, levies, charges, or other financial or monetary claims, whether or not

they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Myers dated June 27 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **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 and declares that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and are non-enforceable and non-binding as against the Purchaser.

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, or as it may direct, as the owner of the subject real property identified in **Schedule "B"** hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **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

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 any trustee in bankruptcy 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 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.

**SCHEDULE "A"
FORM OF RECEIVER'S CERTIFICATE**

Court File No. CV-17-11832-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE RECEIVERSHIP OF GENERX (BYWARD HALL) INC.

**AND IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1)
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED,
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. c. 43, AS
AMENDED**

RECEIVER'S CERTIFICATE

RECITALS

I. Pursuant to an Order of the Honourable Mr. Justice Myers of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 27, 2017, KSV Kofman Inc. was appointed as receiver (in such capacity, the "**Receiver**"), without security, of all the real property registered on title as being owned by Generx (Byward Hall) Inc. (formerly known as Textbook (256 Rideau Street) Inc.) (the "**Debtor**") (collectively, the "**Lands**") and of all the assets, undertakings and properties of the Debtor acquired for or used in relation to the Lands (the "**Property**").

II. Pursuant to an Order of the Court dated [REDACTED], 2017, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and [REDACTED] (the "**Purchaser**"), as purchaser, dated [REDACTED], 2017 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser, or as it

may direct in accordance with the Sale Agreement, of all the Receiver's and 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) the transaction has been completed to the satisfaction of the Receiver.

IV. 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 _____ [TIME] on _____ [DATE].

KSV KOFMAN INC., in its capacity as court-appointed receiver of all the real property registered on title as being owned by Textbook (256 Rideau Street) Inc. and of all the assets, undertakings and properties of Generx (Byward Hall) Inc. (formerly known as Textbook (256 Rideau Street) Inc.) acquired for or used in relation to such real property, and not in its personal capacity or in any other capacity

Per: _____

Name:

Title:

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

PIN 04210-0004 (LT)

LT 7, PL 6, S OF RIDEAU ST, S/T & T/W CR180805; OTTAWA

PIN 04210-0009 (LT)

211 Besserer Street, Ottawa, Ontario

PCL 7-1, SEC 6; LOT 7, PL 6, PART 1 – 3, 4R-919, N OF BESSERER; OTTAWA

SCHEDULE "C"
INSTRUMENTS TO BE DELETED FROM PIN NOS. 04210-0004 (LT)
AND 04210-0009 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
OC1738362	2015/11/06	Charge	\$5,500,000	Textbook (256 Rideau Street) Inc.	Phoenix Properties Inc.
OC1738363	2015/11/06	Charge	\$2,750,000	Textbook (256 Rideau Street) Inc.	KingSett Mortgage Corporation
OC1738364	2015/11/06	Notice of Assignment of Rents – General	N/A	Textbook (256 Rideau Street) Inc.	KingSett Mortgage Corporation
OC1738365	2015/11/06	Transfer of Charge (re: OC1738362)	N/A	Phoenix Properties Inc.	KingSett Mortgage Corporation
OC1873431	2017/03/10	Construction Lien	\$61,391	Doran Contractors Limited	
OC1885675	2017/05/03	Certificate (re: OC1873431)	N/A	Doran Contractors Limited	
OC1902248	2017/06/28	Application Court Order	N/A	Ontario Superior Court of Justice (Commercial List)	KSV Kofman Inc.

INSTRUMENTS TO BE DELETED FROM PIN NO. 04210-0004 (LT) ONLY

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
OC1881452	2017/04/18	Construction Lien	\$845,266	SRM Architects Inc.	
OC1892739	2017/05/31	Certificate (re: OC1881452)	N/A	SRM Architects Inc.	

SCHEDULE "D"
PERMITTED ENCUMBRANCES

Assumed Encumbrances from PIN 04210-0004 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
CR180805					
CR713238	1977/07/27	Agreement	N/A	--	The Corporation of The City of Ottawa

**SCHEDULE B
PERMITTED ENCUMBRANCES**

PART I: GENERAL PERMITTED ENCUMBRANCES

1. Any inchoate lien accrued but not yet due and payable for provincial taxes, municipal taxes, charges, rates or assessments, school rates or water rates to the extent adjusted for under this Agreement;
2. Any municipal by-laws or regulations affecting the Land or its use and any other municipal land use instruments including without limitation, official plans and zoning and building by-laws, as well as decisions of the Committee of Adjustment or any other competent authority permitting variances therefrom, and all applicable building codes;
3. Registered agreements with any municipal, provincial or federal governments or authorities and any public utilities or private suppliers of services, including without limitation, subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements; provided same have been complied with or security has been posted to ensure compliance and completion as evidenced by a letter from the relevant Authority or regulated utility;
4. Any unregistered easement, right-of-way, agreements or other unregistered interest of claims not disclosed by registered title provided same does not materially impact the Purchaser's intended use of the Property;
5. Any encroachments or other discrepancies that might be revealed by an up-to-date plan of survey of the Property;
6. Such other minor encumbrances or defects in title which do not, individually or in the aggregate, materially affect the use, enjoyment or value of the Property or any part thereof, or materially impair the value thereof;
7. Any reservations, limitations, provisos and conditions expressed in the original grant from the Crown as the same may be varied by statute; and
8. The following exceptions and qualifications contained in Section 44(1) of the Land Titles Act: paragraphs 7, 8, 9, 10, 12 and 14.

PART II: SPECIFIC PERMITTED ENCUMBRANCES

Assumed Encumbrances from PIN 04210-0004 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
CR180805					
CR713238	1977/07/27	Agreement	N/A	--	The Corporation of The City of Ottawa

**SCHEDULE C
LEGAL DESCRIPTION OF LANDS**

PIN 04210-0004 (LT)

256 Rideau Street, Ottawa, Ontario

LT 7, PL 6, S OF RIDEAU ST, S/T & T/W CR180805; OTTAWA

PIN 04210-0009 (LT)

211 Besserer Street, Ottawa, Ontario

PCL 7-1, SEC 6; LOT 7, PL 6, PART 1 - 3, 4R-919, N OF BESSERER; OTTAWA

Appendix “F”

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

BETWEEN:

KINGSETT MORTGAGE CORPORATION

APPLICANT

- AND -

GENERX (BYWARD HALL) INC.

RESPONDENT

**AFFIDAVIT OF ROBERT KOFMAN
(Sworn October 5, 2017)**

I, Robert Kofman, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am President of KSV Kofman Inc. ("KSV").
2. Pursuant to an order (the "Receivership Order") of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on June 27, 2017, KSV was appointed as the receiver ("Receiver") of the real property ("Real Property") registered on title as being owned by Generx (Byward Hall) Inc. (the "Company") and of all of the Company's assets, undertakings and properties acquired for or used in relation to the Real Property.
3. I have had overall responsibility for this mandate since the date of the Receivership Order. As such, I have knowledge of the matters to which I hereinafter depose.

4. On October 4, 2017, the Receiver finalized its First Report to Court in which it outlined its activities with respect to the Company's receivership proceedings and provided information with respect to the Receiver's fees and disbursements and those of its legal counsel for the period ending August 31, 2017 and an accrual for the fees of the Receiver and its legal counsel from September 1, 2017 to the completion of the proceedings.

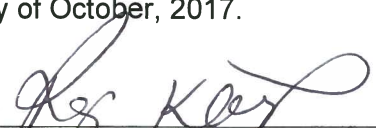
5. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of KSV for the periods indicated and confirm that these accounts accurately reflect the services provided by KSV in this matter and the fees and disbursements claimed by them. I also confirm that the accrual should be sufficient, absent unforeseen events, to fund the unpaid costs of the Receiver and its legal counsel, Bennett Jones LLP, from September 1, 2017 to the date a certificate is filed confirming the Receiver has completed all matters in these proceedings.

6. 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.

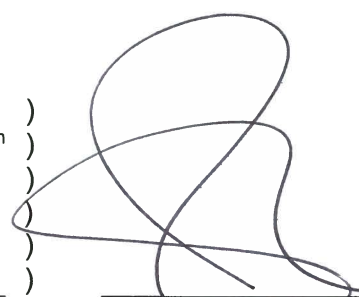
7. I consider the accounts to be fair and reasonable considering the circumstances connected with this matter.

8. I also confirm that the Receiver has not received, nor expects to receive, nor has 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 5th)
day of October, 2017.)

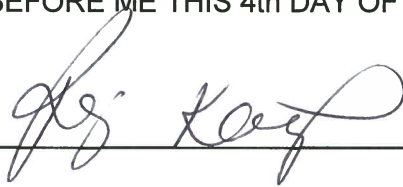


Commissioner for taking affidavits, etc.)



ROBERT KOEMAN)

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KOFMAN
SWORN BEFORE ME THIS 4th DAY OF OCTOBER, 2017

A handwritten signature in cursive script, appearing to read "Raj Kashyap", written over a horizontal line.

A Commissioner for taking Affidavits, etc.

**Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Trustee in Bankruptcy.
Expires April 11, 2018.**



ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

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ksvadvisory.com

INVOICE

Generx (Byward Hall) Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

July 12, 2017

Invoice No: 597
HST #: 818808768RT0001

Re: Generx (Byward Hall) Inc. (the "Company")

For professional services rendered during the period May 29, 2017 to June 30, 2017 by KSV Kofman Inc. in its capacity as Court-appointed receiver ("Receiver") of certain property of the Company, including:

General Receivership Matters

- Corresponding with Bennett Jones LLP ("Bennett Jones"), legal counsel to the Receiver, KingSett Mortgage Corporation ("KingSett"), a secured creditor of the Company, and Blaney McMurtry LLP ("Blaneys"), KingSett's legal counsel, concerning matters in the receivership proceedings;
- Attending a call on May 29, 2017 with KingSett and Blaneys to discuss the receivership application and a sale process (the "Sale Process") for the Company's real property located at 256 Rideau Street and 211 Besserer Street, Ottawa, Ontario (the "Ottawa Property");
- Attending a call on May 30, 2017 with KingSett to discuss the Sale Process;
- Negotiating a listing agreement ("Listing Agreement") with SVN Rock Advisors Inc. ("SVN"), the realtor engaged to list the Ottawa Property;
- Corresponding with KingSett and Bennett Jones regarding the Listing Agreement, including several emails on June 1, 2017;
- Corresponding with SVN regarding marketing materials for the Ottawa Property;
- Executing the Listing Agreement on June 13, 2017;
- Reviewing and commenting on the receivership application materials, including a Notice of Motion, the Affidavit of Justin Walton sworn June 9, 2017 and a draft receivership order;

- Attending a call on June 10, 2017 with KingSett, Bennett Jones and Blaneys to discuss the receivership application;
- Discussing the terms of receivership financing to be provided by Kingsett and preparing a commitment letter between the Receiver and KingSett in connection with same (the "Commitment Letter");
- Attending a call with KingSett on June 12, 2017 to discuss the receivership application;
- Preparing a report to court dated June 13, 2017 to, among other things, recommend the approval of the Sale Process and the Commitment Letter;
- Preparing a receivership action plan;
- Reviewing the Affidavit of Walter Thompson sworn June 14, 2017 in connection with his motion to adjourn the receivership application;
- Corresponding with Bennett Jones and Blaneys regarding the relief sought by Thompson;
- Attending at Court on June 15, 2017 for the receivership application, which was adjourned by the Court;
- Reviewing the motion record of the Company to discharge the Certificates of Pending Litigation registered against the Ottawa Property (the "CPLs"), including the Affidavit of Walter Thompson sworn June 26, 2017 and the Company's factum (the "CPL Motion");
- Attending a call on June 26, 2017 with Blaneys and Bennett Jones to discuss the CPL Motion;
- Attending at Court on June 27, 2017 for the receivership application;
- Reviewing and executing various documents in order to vacate the CPLs;
- Attending on June 29, 2017 at the offices of John Davies, the Company's sole director, and Dianna Cassidy, the Company's Operations Manager, to, *inter alia*, obtain the Company's books and records;
- Preparing the Receiver's Statement and Notice (the "Receiver's Notice") for the Company as required under Sections 245 and 246 of the *Bankruptcy and Insolvency Act*;
- Preparing a creditors' list to attach to the Receiver's Notice;
- Corresponding with HUB International Limited to obtain proof of insurance for the Ottawa Property;
- Posting Court materials on the Receiver's website; and
- Updating the service list as required under the E-Service Protocol.

Banking Matters

- Preparing a letter dated June 27, 2017 to Royal Bank of Canada (“RBC”) requesting that the Company’s bank account be restricted to deposits only;
- Corresponding with RBC representatives regarding the Company’s bank account;
- Opening a receivership bank account at Bank of Montreal;
- Convening internal meetings in connection with this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$ 30,968.25
HST	<u>4,025.87</u>
Total	<u>\$ 34,994.12</u>

KSV Kofman Inc.
Generx (Byward Hall) Inc.

Time Summary

For the period May 29, 2017 to June 30, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	15.85	11,015.75
Noah Goldstein	500	29.00	14,500.00
Eli Brenner	325	10.50	3,412.50
Other Staff and Administration			2,040.00
Total			<u>30,968.25</u>



ksv advisory inc.

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INVOICE

Generx (Byward Hall) Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

August 14, 2017

Invoice No: 638

HST #: 818808768RT0001

Re: Generx (Byward Hall) Inc. (the “Company”)

For professional services rendered during July, 2017 by KSV Kofman Inc. in its capacity as Court-appointed receiver (“Receiver”) of certain property of the Company, including:

- Corresponding with Bennett Jones LLP (“Bennett Jones”), legal counsel to the Receiver, and KingSett Mortgage Corporation (“KingSett”), a secured creditor of the Company, concerning matters in the receivership proceedings;
- Reviewing information provided by Walter Thompson, a director of the Company, in connection with an offer by RA Global Europe (“RA Global”) to refinance certain of the Company’s secured debt (the “Thompson Offer”);
- Corresponding with Mr. Thompson regarding the Thompson Offer, including emails on July 14, 15, 16 and 21, 2017;
- Conducting diligence on RA Global in connection with the Thompson Offer;
- Corresponding with KingSett regarding the Thompson Offer, including calls on July 7 and 14, 2017;
- Corresponding with SVN Rock Advisors Inc. (“SVN”), the realtor engaged to list the Company’s real property located at 256 Rideau Street and 211 Besserer Street, Ottawa, Ontario (the “Ottawa Property”) (the “Sale Process”), including almost daily phone calls;
- Attending calls on July 20 and 27, 2017 with KingSett to discuss the Sale Process;
- Attending a meeting on July 20, 2017 with SVN to discuss the Sale Process;
- Reviewing several iterations of SVN’s marketing materials, including a teaser and newspaper advertisement;
- Reviewing weekly updates from SVN regarding the Sale Process;

- Reviewing and updating an online data room in connection with the Sale Process;
- Corresponding with prospective purchasers of the Ottawa Property and referring same to SVN;
- Providing to SVN the names of prospective purchasers of the Ottawa Property and following up with SVN re same;
- Corresponding with creditors of the Company in order to provide a status update on the proceedings;
- Posting Court materials on the Receiver's website;
- Updating the service list as required under the E-Service Protocol.
- Convening internal meetings in connection with this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$ 12,415.75
HST	<u>1,614.05</u>
Total	<u><u>\$ 14,029.80</u></u>

KSV Kofman Inc.
Generx (Byward Hall) Inc.

Time Summary

For the period July 1, 2017 to July 31, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	7.85	5,455.75
Noah Goldstein	500	11.75	5,875.00
Other Staff and Administration		3.20	1,085.00
Total			<u>12,415.75</u>



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INVOICE

Generx (Byward Hall) Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

October 2, 2017

Invoice No: 670
HST #: 818808768RT0001

Re: Generx (Byward Hall) Inc. (the “Company”)

For professional services rendered during August, 2017 by KSV Kofman Inc. in its capacity as Court-appointed receiver (“Receiver”) of certain property of the Company, including:

- Corresponding with Bennett Jones LLP, legal counsel to the Receiver, and KingSett Mortgage Corporation (“KingSett”), a secured creditor of the Company, concerning matters in the receivership proceedings;
- Corresponding with SVN Rock Advisors Inc. (“SVN”), the realtor engaged to list the Company’s real property located at 256 Rideau Street and 211 Besserer Street, Ottawa, Ontario (the “Ottawa Property”) (the “Sale Process”), including attending calls on August 1, 2, 3, 14, 15, 16, 21, 25 and 28, 2017;
- Reviewing weekly updates from SVN regarding the Sale Process;
- Reviewing and commenting on August 1, 2 and 3, 2017 on several iterations of a Confidential Information Memorandum prepared by SVN;
- Attending calls on August 1 and 16, 2017 with KingSett to discuss the Sale Process;
- Preparing a funding request for KingSett on August 16, 2017;
- Attending a call on August 21, 2017 with KingSett and SVN to receive an update on the status of the Sale Process;
- Attending a meeting on August 30, 2017 at KingSett’s office with SVN to discuss the Sale Process and a bid deadline for the Ottawa Property;
- Corresponding with the Company’s insurance broker regarding the status of the Company’s insurance;

- Corresponding with prospective purchasers of the Ottawa Property and referring same to SVN;
- Corresponding with creditors of the Company in order to provide a status update on the proceedings;
- Convening internal meetings in connection with this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$ 11,117.75
HST	<u>1,445.30</u>
Total	<u>\$ 12,563.05</u>

KSV Kofman Inc.
Generx (Byward Hall) Inc.

Time Summary

For the period ending August 31, 2017

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	695	6.95	4,830.25
Noah Goldstein	500	11.00	5,500.00
Other Staff and Administration		3.50	787.50
Total Fees			<u>11,117.75</u>

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KOFMAN
SWORN BEFORE ME THIS 4th DAY OF OCTOBER, 2017

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 Kofman Inc.
Trustee in Bankruptcy.
Expires April 11, 2018.**

Generx (Byward Hall) Inc.

Schedule of Professionals' Time and Rates

For the Period from May 29, 2017 to August 31, 2017

Personnel	Title	Duties	Hours	Billing Rate (\$ per hour)	Amount (\$)
Robert Kofman	President	Overall responsibility	30.65	695	21,301.75
Noah Goldstein	Sr. Manager	All aspects of mandate	51.75	500	25,875.00
Other staff and administrative	Various		24.00	100-420	7,325.00
Total fees					<u>54,501.75</u>
Total hours					106.40
Average hourly rate					\$ 512.23

Appendix “G”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE RECEIVERSHIP OF GENERX (BYWARD HALL) INC.

**AND IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1)
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED,
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. c. 43, AS
AMENDED**

AFFIDAVIT

I, **Preet Bell**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY**

AS FOLLOWS:

1. I am a partner at Bennett Jones LLP ("**Bennett Jones**") who has worked on this file, and as such have knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters discussed in this Affidavit, I have informed myself by review of the relevant background documents and facts.
2. Bennett Jones is counsel to KSV Kofman Inc., in its capacity as Court-appointed Receiver in this proceeding.
3. Bennett Jones has prepared the following Statements of Account in connection with its role as counsel to the Court-appointed Receiver:
 - (a) Account dated July 6, 2017 in the amount of \$21,668.37 (including harmonized sales tax ("**HST**")) in respect of the period from June 6, 2017 to June 31, 2017 (a copy of which is attached as Exhibit "**A**");

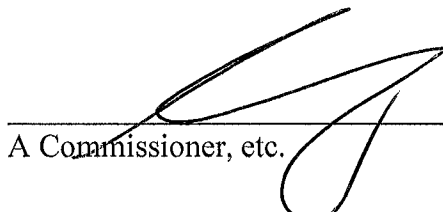
- (b) Account dated August 3, 2017 in the amount of \$4,896.34 (including HST) in respect of the period from June 26, 2017 to July 31, 2017 (a copy of which is attached as Exhibit "B"); and
- (c) Account dated September 8, 2017 in the amount of \$2,653.18 (including HST) in respect of the period from August 1, 2017 to August 31, 2017 (a copy of which is attached as Exhibit "C");

4. Attached hereto and marked as Exhibit "D" is a chart detailing the hourly rates and the time expended by the various professionals at Bennett Jones who have worked on this matter.

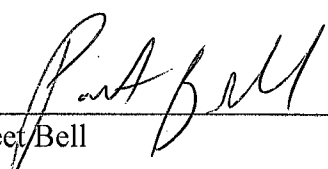
5. The total legal fees and disbursements (including HST) billed by Bennett Jones to August 31, 2017 in connection with its role as counsel to the Court-appointed Receiver is \$29,217.89. To the best of my knowledge, the rates charged by Bennett Jones are comparable to the rates charged for the provision of services of a similar nature and complexity by other large legal firms in the Toronto market.

6. This Affidavit is made in support of approval of the fees and disbursements of Bennett Jones as counsel to the Court-Appointed Receiver, and for no other or improper purpose.

SWORN before me at the City of Toronto,)
 in the Province of Ontario,)
 this 5th Day of October 2017)
)
)




 A Commissioner, etc.



 Preet Bell

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF PREET BELL
SWORN
THE 5th DAY OF OCTOBER 2017**



A Commissioner for taking affidavits, etc.



Bennett Jones LLP
Suite 3400, 1 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

KSV KOFMAN INC.
150 KING STREET WEST
SUITE 2308
TORONTO, ON M5H 1J9

**Attention: MR. BOBBY KOFMAN
MANAGING DIRECTOR AND PRESIDENT**

Re: TEXTBOOK (256 RIDEAU STREET) INC.
Our File Number: 074735.00014

Date: July 6, 2017
Invoice: 1180168

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	18,631.00
Other Charges		336.00
Disbursements		143.15
Disbursements Incurred As Your Agent (Non-taxable)		73.90
Total Due before GST/HST	\$	<u>19,184.05</u>
GST/HST	\$	2,484.32
TOTAL Due in CAD	\$	<u><u>21,668.37</u></u>

Due upon receipt. Bennett Jones LLP reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices after 30 days. We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at www.bennettjones.com or contact our Privacy Officer by writing our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119346757

Date	Lawyer	Description	Hours
06/06/17	S. H. Zweig	Reviewing emails regarding listing agreement and commission structure	0.20
07/06/17	S. H. Zweig	Reviewing statement of claim from lien claimant, and emails with D. Ullmann	0.30
08/06/17	S. H. Zweig	Call with D. Ullmann regarding receivership issues; Discussions with N. Goldstein and B. Kofman regarding same; Further call with D. Ullmann; Reviewing draft listing agreement	1.10
09/06/17	S. H. Zweig	Emails with D. Ullmann and B. Kofman; Reviewing and commenting on draft Affidavit; Reviewing and commenting on draft listing agreement; Emails with D. Ullmann regarding security review; Reviewing correspondence regarding listing agreement, and considering same; Emails regarding draft Order; Reviewing and commenting on draft Order; Reviewing revised Listing Agreement	2.70
10/06/17	S. H. Zweig	Reviewing B. Kofman comments on Order; Call with KSV, D. Ullmann and KingSett; Revising listing agreement; Emails regarding same, and reviewing B. Kofman comments	1.40
11/06/17	S. H. Zweig	Reviewing revised form of Order; Various emails in connection with same, listing agreement and application; Reviewing application record; Emails with B. Kofman	1.10
12/06/17	S. H. Zweig	Discussion with J. van Gent regarding security review; Reviewing opinion; Reviewing and commenting on draft Report; Reviewing revised draft of Report; Reviewing draft commitment letter	2.40
12/06/17	J. D. van Gent	Conducting corporate, title and PPSA searches; Reviewing same; Drafting and finalizing security opinion; Numerous office conferences and emails to and from S. Zweig concerning security opinion	2.30
12/06/17	L. Neilson	Ordering and obtaining Ontario profile report and Ontario Personal Property Security Act search	0.50
13/06/17	S. H. Zweig	Various calls and emails with each of D. Ullmann, B. Kofman and N. Goldstein in connection with financing and application; Reviewing revised Report; Reviewing D. Ullmann comments on Commitment Letter; Discussions regarding same and revising same; Reviewing correspondence with Dentons regarding proposed adjournment; Discussion with D. Ullmann regarding same and emails with KSV regarding same; Reviewing final draft of Report and serving same	2.40
14/06/17	S. H. Zweig	Reviewing revised commitment letter; Emails with D. Ullmann regarding communications with Dentons; Reviewing draft language for Order; Reviewing Affidavit of Walter Thompson; Emails and calls with B. Kofman, N. Goldstein and D. Ullmann regarding same; Preparing for application; Reviewing revised form of Order	2.60
15/06/17	S. H. Zweig	Reviewing revised draft of Order; Attending at receivership application	1.20
20/06/17	S. H. Zweig	Discussion with M. Beeforth regarding status of financing and CPL	0.20

Date	Lawyer	Description	Hours
23/06/17	S. H. Zweig	Call with M. Beeforth; Calls with J. Bell; Call with KSV; Call with J. Nemers	0.50
25/06/17	S. H. Zweig	Emails with D. Ullmann and B. Kofman regarding status	0.20
26/06/17	S. H. Zweig	Call with D. Ullmann; Reviewing motion and factum from Rideau; Meeting with internal team; Emails with KSV; Call with D. Ullmann and KSV; Call with A&B; Call with M. Beeforth	3.30
27/06/17	S. H. Zweig	Reviewing J. Bell draft submissions; Reviewing revised draft of Order and discussion with D. Ullmann regarding same; Attending at receivership application	1.70
27/06/17	J. G. Bell	Preparing for and attending application regarding appointment of receiver for the Rideau property and motion to lift the Certificate of Pending Litigation; Drafting correspondence regarding same	2.10
28/06/17	J. D. van Gent	Facilitating and attending to registration of additional court order	0.20
28/06/17	L. Stacey	Emails to and from J. van Gent regarding documents required to register receivership order; draft, revise and finalize electronic form of application and acknowledgment and direction to register order; Email documents to S. Zweig for signing; Obtain signed documents and register receivership order; circulate received document	0.80
28/06/17	S. H. Zweig	Emails regarding deletion of CPLs; Emails regarding potential appeal	0.50
29/06/17	S. H. Zweig	Emails with A. Edwards regarding lien claims	0.20

Total Hours	27.90
Professional Services	\$ 18,631.00

Timekeeper	Hours	Rate
J. G. Bell	2.10	\$ 660.00
J. D. van Gent	2.50	740.00
S. H. Zweig	22.00	680.00
L. Neilson	0.50	230.00
L. Stacey	0.80	400.00

Other Charges	
Printing Charges	\$ 286.00
Colour Printing Charges	49.00
Photocopy Charges	1.00
Total Other Charges	\$ 336.00

Disbursements	
Online Government Service Fees	\$ 41.00
Land Titles	102.15
Total Disbursements	143.15

Disbursements Incurred As Your Agent (Non-Taxable)

TeraView Filing Fee	\$	73.90
Total Disbursements Incurred As Your Agent	\$	<u>73.90</u>

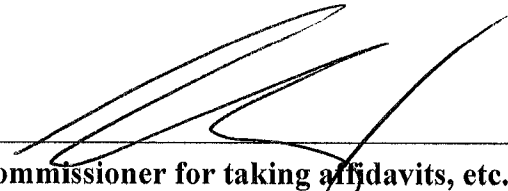
GST/HST \$ 2,484.32

TOTAL DUE \$ 21,668.37

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF PREET BELL**

SWORN

THE 5th DAY OF OCTOBER 2017



A Commissioner for taking affidavits, etc.



Bennett Jones LLP
Suite 3400, 1 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

KSV KOFMAN INC.
150 KING STREET WEST
SUITE 2308
TORONTO, ON M5H 1J9

Attention: **MR. BOBBY KOFMAN**
MANAGING DIRECTOR AND PRESIDENT

Re: TEXTBOOK (256 RIDEAU STREET) INC.
Our File Number: 074735.00014

Date: August 3, 2017
Invoice: 1184333

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	3,998.00
Other Charges		112.75
Disbursements		80.70
Disbursements Incurred As Your Agent (Non-taxable)		160.00
Total Due before GST/HST	\$	<u>4,351.45</u>
GST/HST	\$	544.89
TOTAL Due in CAD	\$	<u><u>4,896.34</u></u>

Due upon receipt. Bennett Jones LLP reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices after 30 days.
We collect, use and disclose information pursuant to our Privacy Policies. For further information visit our website at www.bennettjones.com or contact our Privacy Officer
by writing our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119346757

Date	Lawyer	Description	Hours
26/06/17	P. K. Bell	Research and analysis regarding motion for discharge of CPLs including potential requirement to pay security into court; Reviewing and analyzing motion record, factum and authorities of Rideau for same; Meeting with S. Zweig, J. Bell and J. Blinick regarding same; Conference call with Bennett Jones, KSV and others in respect of motion to discharge CPL and Receivership Application	2.10
04/07/17	S. H. Zweig	Reviewing correspondence; Call with N. Goldstein regarding ways previously interested party can participate in process; Emails with D. Ullmann regarding CPLs	0.50
05/07/17	S. H. Zweig	Reviewing and commenting on rider for CM; Emails and discussion regarding appeal right	0.50
05/07/17	P. K. Bell	Research and analysis regarding potential appeal issues and steps in respect of Receivership Order; Internal correspondence regarding same	0.90
14/07/17	S. H. Zweig	Reviewing June 29 and July 12 letters to D. Ullmann and considering same	0.40
15/07/17	S. H. Zweig	Various emails regarding potential refinancing	0.40
16/07/17	S. H. Zweig	Reviewing further emails regarding potential refinancing	0.30
17/07/17	S. H. Zweig	Emails with B. Kofman regarding potential refinancing documents	0.20
18/07/17	S. H. Zweig	Reviewing email correspondence between Receiver and W. Thompson	0.20
20/07/17	S. H. Zweig	Reviewing and commenting on letter to D. Lobo; Reviewing offer received by KingSett; Reviewing email from W. Thompson	0.40
21/07/17	S. H. Zweig	Reviewing correspondence between Receiver and KingSett	0.20
Total Hours			6.10
Professional Services			\$ 3,998.00

Timekeeper	Hours	Rate
P. K. Bell	3.00	\$ 630.00
S. H. Zweig	3.10	680.00

Other Charges	
Printing Charges	\$ 112.75
Total Other Charges	\$ 112.75

Disbursements	
Land Titles	\$ 80.70
Total Disbursements	80.70

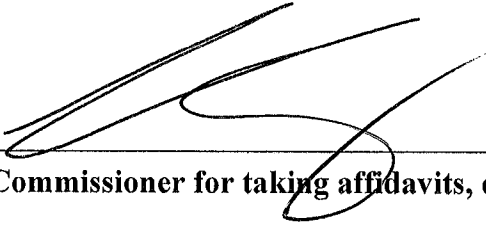
Disbursements Incurred As Your Agent (Non-Taxable)

Government Filing Fee		\$	160.00
	Total Disbursements Incurred As Your Agent	\$	160.00
		GST/HST	\$ 544.89
		TOTAL DUE	\$ <u>4,896.34</u>

**THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF PREET BELL**

SWORN

THE 5th DAY OF OCTOBER 2017



A Commissioner for taking affidavits, etc.



Bennett Jones LLP
Suite 3400, 1 First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4

KSV KOFMAN INC.
150 KING STREET WEST
SUITE 2308
TORONTO, ON M5H 1J9

Attention: **MR. BOBBY KOFMAN**
MANAGING DIRECTOR AND PRESIDENT

Re: TEXTBOOK (256 RIDEAU STREET) INC.
Our File Number: 074735.00014

Date: September 8, 2017
Invoice: 1188226

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	2,228.00
Other Charges		48.25
Disbursements		71.70
Total Due before GST/HST	\$	<u>2,347.95</u>
GST/HST	\$	305.23
TOTAL Due in CAD	\$	<u><u>2,653.18</u></u>

Due upon receipt. Bennett Jones LLP reserves the right to charge interest at a rate not greater than 12% per annum on outstanding invoices after 30 days.
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by writing our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119346757

Date	Lawyer	Description	Hours
15/08/17	S. H. Zweig	Emails with N. Goldstein regarding sale process	0.10
17/08/17	J. D. van Gent	Office conference with S. Zweig to discuss background to property and scope of agreement of purchase and sale; Reviewing relevant court orders; Conducting subsearch of title; Drafting form of agreement of purchase and sale	2.00
18/08/17	S. H. Zweig	Reviewing and revising draft form APS	0.40
22/08/17	S. H. Zweig	Reviewing emails regarding zoning issue	0.30
29/08/17	S. H. Zweig	Emails with D. Ullmann regarding Commitment Letter	0.10
31/08/17	S. H. Zweig	Reviewing broker's draft work plan, and discussion with N. Goldstein	0.20
Total Hours			3.10
Professional Services			\$ 2,228.00

Timekeeper	Hours	Rate
J. D. van Gent	2.00	\$ 740.00
S. H. Zweig	1.10	680.00

Other Charges	
Printing Charges	\$ 48.25
Total Other Charges	\$ 48.25

Disbursements	
Land Titles	\$ 71.70
Total Disbursements	71.70

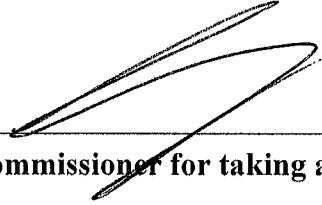
GST/HST \$ 305.23
TOTAL DUE \$ 2,653.18

THIS IS EXHIBIT "D" REFERRED TO IN THE

AFFIDAVIT OF PREET BELL

SWORN

THE 5th DAY OF OCTOBER 2017

A handwritten signature in black ink, consisting of several overlapping, fluid strokes that form a stylized, somewhat abstract shape. The signature is positioned above a horizontal line.

A Commissioner for taking affidavits, etc.

Lawyers	Call to Bar	Hourly Rate	Total Time	Value (excluding HST)
John van Gent	2001	\$740	4.5	3330.00
Jonathan Bell	2008	\$660	2.1	1386.00
Preet Bell	2008	\$630	3.0	1890.00
Sean Zweig	2009	\$680	26.2	17816.00
Leslie Stacey	Real Estate Law Clerk	\$400	0.8	320.00
Lori Neilson	Corporate Searcher	\$230	0.5	115.00
TOTAL				24,857.00

IN THE MATTER OF THE RECEIVERSHIP OF GENERX (BYWARD HALL) INC.

AND IN THE MATTER OF AN APPLICATION PURSUANT TO SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. c. 43, AS AMENDED

Court File No. CV-17-11832-00CL

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

Proceeding commenced at Toronto

FEE AFFIDAVIT

BENNETT JONES LLP
3400 One First Canadian Place
Toronto, ON M5X 1A4

Sean H. Zweig (57307T)
Tel: 416-777-6254
Fax: 416-863-1716

Counsel for the Receiver,
KSV Kofman Inc.