



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

October 10, 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

AMENDED SUPPLEMENT TO THE FIRST REPORT OF  
KSV KOFMAN INC.  
AS RECEIVER

OCTOBER 10, 2017

## 1.0 Introduction

1. This report supplements the Receiver's First Report dated October 5, 2017 (the "First Report").

### 1.1 Defined Terms

1. Capitalized terms have the meaning provided to them in the First Report unless otherwise defined herein.

## 2.0 Offer from 2599160 Ontario Inc.

1. On October 10, 2017, the Receiver received an offer (the "Offer") for the Property from 2599160 Ontario Inc. (the "259"). A copy of the email appending the Offer is attached as Appendix "A".

2. A summary of the material terms of the Offer appear to be as follows:
- **Purchaser:** legal counsel to 259 has advised that Don Mintz (“Mintz”) is the Principal of the Purchaser;
  - **Purchased Assets:** includes the Real Property as well as Plans and Permits related thereto;
  - **Purchase Price:** \$12 million;
  - **Purchaser’s Condition:** If the Vendor notifies the Purchaser on or before October 18, 2017 that it has received Court approval of the transaction, then the agreement shall be firm and binding on both parties;
  - **Deposit:**
    - a) an initial deposit of \$100,000 within two days of acceptance of the Offer; and
    - b) a further \$900,000 within two days after October 18, 2017, provided the Purchaser has provided a waiver of its condition.
3. On October 10, 2017, the Receiver sent an email to legal counsel to 259 advising that it did not intend to consider the offer from 259 and that it intends to seek Court approval of the Transaction. A copy of the email sent by the Receiver to legal counsel to 259 is attached as Appendix “B”. The Receiver’s rationale for moving forward on that basis is provided in its email in Appendix “B”.

\* \* \*

All of which is respectfully submitted,



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

## **Appendix “A”**

## Noah Goldstein

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**From:** Bernie Gropper <bgropper@gropperlaw.com>  
**Sent:** October 10, 2017 1:32 PM  
**To:** Bobby Kofman; Noah Goldstein  
**Cc:** zweigs@bennettjones.com; 'Don Mintz (DonARHA@aol.com)'  
**Subject:** 256 Rideau Street, Ottawa ON (the "Property")  
**Attachments:** Signed Agreement of Purchase and Sale.PDF

**Importance:** High

Bobby and Noah;

I have been retained by (and I am an officer and signing officer of) 2599160 Ontario Inc. (the "Corporation"), in connection with its Offer to purchase the Property.




The principal of the Corporation is Don Mintz.

On behalf of the Corporation, I attach an executed Agreement of Purchase and Sale for the Property, the purchase price therein being \$12,000,000.

I am expecting that the initial Deposit of \$100,000 will be deposited to my trust account today or tomorrow.

I appreciate that time is of the essence in this matter, and in that regard, I am available at your convenience to discuss the Offer or to reply to any inquiries you may thereon.

**BERNARD GROPPER**  
GROPPER LAW PROFESSIONAL CORPORATION  
Suite 300 - 261 Davenport Road  
Toronto ON M5R 1K3

 Tel: 416.962.3000  
 Fax: 416.487.3002  
 Email: bgropper@gropperlaw.com

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# Agreement of Purchase and Sale Commercial

## Form 500

for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 10th day of OCTOBER, 2017.

BUYER, 2599160 ONTARIO INC., agrees to purchase from  
(Full legal names of all Buyers)

SELLER, KSV KOFMAN, IN ITS CAPACITY AS COURT APPOINTED RECEIVER, (the Buyer and Seller collectively being the "Parties", the following:

**REAL PROPERTY:**

Address 256 RIDEAU STREET and 211 BESSERER STREET

fronting on the South side of Rideau Street

In the City of Ottawa and having a frontage of .62 feet

more or less by a depth of .99 feet more or less and legally described as .LT 7, PL 6, S

OF RIDEAU ST, S/T & T/W CR180805, PIN 04210-0004 LT AND.

PCL 7-1, SEC 6; LT 7, PL 6, PART 1-3, 4R919, N OF BESSERER, T/W CR648921, PIN 04210-0009 LT

(Legal description of land including easements not described elsewhere) (the "property")

PURCHASE PRICE: Dollars (CDN\$) 12,000,000.00

TWELVE MILLION Dollars

DEPOSIT: Buyer submits SEE SCHEDULE "A" (Herewith/Upon Acceptance/as otherwise described in this Agreement)

Dollars (CDN\$)

by negotiable cheque payable to BENNET JONES LLP "Deposit Holder"

to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A and B attached hereto form(s) part of this Agreement.

1. IRREVOCABILITY: This offer shall be irrevocable by Buyer until 11:59 p.m. on  
(Seller/Buyer)

the 11th day of OCTOBER, 2017, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the SEE SCHEDULE A day of SEE SCHEDULE A, 2017. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices. Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: .....  
 (For delivery of Documents to Seller)

FAX No.: .....  
 (For delivery of Documents to Buyer)

Email Address: .....  
 (For delivery of Documents to Seller)

Email Address: .....  
 (For delivery of Documents to Buyer)

C  
 BG

4. **CHATELS INCLUDED:** NONE.....

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:** NONE.....

6. **RENTAL ITEMS (Including Lease, Lease to Own):** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

**NONE**

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. **HST:** If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.






INITIALS OF BUYER(S):

BG

INITIALS OF SELLERS(S):

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8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the .....**SEE SCHEDULE "B"**..... day .....  
 (Requisition Date) to examine the title to the property at his own expense and ~~until the earlier of (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or, (ii) five days prior to completion,~~ to satisfy himself that there  
 are no outstanding work orders or deficiency notices affecting the property, that its present use (**vacant land** ) may be lawfully continued ~~and that the principal building may be insured against risk of fire.~~ Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.  
9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.
10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, ~~or that the principal building may not be insured against risk of fire~~ is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.  
11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.
12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.
14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/ Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):





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- 15. PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
- 16. DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. ~~If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(32) of the Planning Act, R.S.O. 1990.~~
- 17. RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;  
(b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
- 18. ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
- 19. TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 20. PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
- 21. TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
- 22. FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless the spouse of the Seller has executed the consent hereinafter provided.
- 23. ~~UFFI:~~** ~~Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.~~
- 24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
- 25. CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
- 26. AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
- 27. TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):

BC

INITIALS OF SELLER(S):

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28. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

2599160 ONTARIO INC.

Per: [Signature]

(Witness) Bernard Gropper (Buyer/Authorized Signing Officer) DATE ... Oct 10, 2017
(Witness) (Buyer/Authorized Signing Officer) (Seal) DATE ... (Seal)

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) (Seller/Authorized Signing Officer) DATE ... (Seal)
(Witness) (Seller/Authorized Signing Officer) DATE ... (Seal)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

(Witness) N/A (Spouse) DATE ... (Seal)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at ... a.m/p.m. this ... day of ..., 2017

(Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)
Listing Brokerage .SVN ROCK ADVIOSRS INC., BROKERAGE..... Tel.No. .905-331-5700.....
(Salesperson / Broker Name)
Co-op/Buyer Brokerage ..... Tel.No. ....

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.
DATE .....
(Seller)
DATE .....
(Seller)
Address for Service .....
Tel.No. ....
Seller's Lawyer .....
Address .....
Email .....
Tel.No. .... FAX No. ....

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.
DATE .....
(Buyer)
DATE .....
(Buyer)
Address for Service .....
Tel.No. ....
Buyer's Lawyer .....
Address .....
Email .....
Tel.No. .... FAX No. ....

FOR OFFICE USE ONLY COMMISSION TRUST AGREEMENT
To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:
In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS Rules and shall be subject to and governed by the MLS Rules pertaining to Commission Trust.
DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:
(Authorized to bind the Listing Brokerage) (Authorized to bind the Co-operating Brokerage)

**SCHEDULE "A"**  
**PRIMARY BUSINESS TERMS**

**RE: AGREEMENT OF PURCHASE AND SALE dated October 10, 2017 made between KSV KOFMAN, IN ITS CAPACITY AS COURT APPOINTED RECEIVER (the "Vendor" or the "Seller" or the "Receiver") and 2599160 ONTARIO INC. (the "Purchaser" or the "Buyer"; the Buyer and the Seller collectively being the "Parties").**

**A1. Purchase Price.** In consideration for the Property, the Purchaser shall pay to the Vendor a purchase price (the "Purchase Price") in the sum of TWELVE MILLION DOLLARS (\$12,000,000.00) in lawful money of Canada, payable as follows:

(a) within 48 hours after acceptance of this Offer, the sum ONE HUNDRED THOUSAND DOLLARS (\$100,000) as a deposit by certified cheque payable to BENNET JONES LLP (the "Vendor's Solicitors"), in trust, to be held by them in trust pending completion or other termination of this Agreement and to be credited on account of the Purchase Price on completion;

(b) within 48 hours after the Condition Waiver Notice, the sum of NINE HUNDRED THOUSAND DOLLARS (\$900,000) as a further deposit to be submitted by the Purchaser on the Condition Waiver Date, which further deposit shall be by certified cheque payable to the Vendor's Solicitor, in trust, to be held by them in trust pending completion or other termination of this Agreement and to be credited on account of the Purchase Price on completion; and

(c) the balance of the Purchase Price by certified cheque or wire transfer on closing, subject to the usual adjustments.

**A2. 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 Date, 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 A2 of the Agreement such that each Party shall be free to make its own reasonable allocation.

**A3. Purchaser's Condition.**

(a) In this Agreement, "Condition Expiry Date" means 5:00 pm on October 18, 2017

(b) If the Vendor notifies the Vendor on or before the Condition Expiry Date that the condition referred to in subparagraph A3(c) hereof has been fulfilled, such notice shall be referred to as the "Condition Waiver Notice" and the date upon which such notice is given shall be referred to as the "Condition Waiver Date" and the Agreement shall be firm and binding on both Parties. If the Vendor does not give the Condition Waiver Notice on or before the Condition Waiver Date (i) this Agreement shall be deemed to have been automatically terminated by mutual consent of the parties effective as of 5:00 p.m. EST on the Condition Waiver Date (ii) the Purchaser shall have no further obligation to complete the transaction contemplated by this Agreement; (iii) the holder of the Deposit shall forthwith refund the same to the Purchaser together with all interest earned thereon without deduction, set-off or penalty except as otherwise expressly provided in this Agreement; and (iv) neither Party shall be liable to the other for any damages, costs or costs thrown away which have been incurred in consequence of such termination.



(c) This Agreement shall be conditional upon a Judge presiding over the Ontario Superior Court of Justice (Commercial List) granting an Order, among other things, approving the sale transaction contemplated by this Agreement.

(d) The Vendor acknowledges that the condition set forth in this Section A3 has been included for the sole benefit of the Purchaser

**A4. Closing Date.** The transaction of purchase and sale arising from this Agreement (the "Transaction") shall be completed on the date (herein referred to as the "Closing Date", "Closing", "Completion Date" or similar reference) which is:

(a) the fourteenth (14<sup>th</sup>) day next following the Condition Waiver Date;

(b) if the date established pursuant to subparagraph A4(a) hereof is a date upon which the applicable Land Registry Office is not open for business, the Closing Date shall be extended until the next day on which the applicable Land Registry Office is open for business; or

(c) such earlier or later date as the parties may mutually agree upon.

**A5. Closing Arrangements.**

(a) **Closing:** Closing shall take place on the Closing Date at the offices of the Vendor's Solicitors, or at such other time or at such other place as the Parties may agree in writing.

(b) **Receiver's Closing Deliverables:** The Receiver covenants to execute, where applicable, and deliver the following to the Purchaser on or before Closing or on such other date as expressly provided herein:

(i) a copy of the issued and entered Approval and Vesting Order and Receiver's Certificate in respect of the Property;

(ii) a statement of adjustments prepared in accordance with the herein, to be delivered not less than five (5) days prior to Closing;

(iii) to the extent applicable, an assignment and assumption agreement with respect to all Permits (as hereinafter defined), and to the extent not assignable, an agreement that the Receiver will hold same in trust for the Purchaser in accordance with the provisions herein;

(iv) 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;

(v) a certificate of the Receiver, dated as of the Closing Date, certifying that:



- (A) 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 Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction; and
  - (B) all representations, warranties and covenants of the Receiver contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
  - (vi) an acknowledgement, dated as of the Closing Date, that the condition in Section A3 hereof has been fulfilled, performed or waived as of the Closing Date; and
  - (vii) such further documentation relating to the completion of this Agreement as shall be otherwise referred to herein or required by the Purchaser, acting reasonably, or by Applicable Law or any Governmental Authority.
- (c) **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:
- (i) the indefeasible payment and satisfaction in full of the Purchase Price according to Section A1 hereof;
  - (ii) 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 provision of Section B2;
  - (iii) a certificate from the Purchaser, dated as of the Closing Date, certifying that all representations, warranties and covenants of the purchaser are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
  - (iv) 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;
  - (v) if desired, a direction directing the Receiver to convey title to any of the Purchased Assets to an entity other than the Purchaser, and
  - (vi) such further documentation relating to the completion of this Agreement as shall be otherwise referred to herein or required by the Receiver, acting reasonably, or by Applicable Law or any Governmental Authority.
- (d) **Receiver's Certificate:** Upon confirmation that the condition contained in Section A3(c) has been satisfied, and upon satisfaction or waiver by the Receiver of all of the conditions contained in Section A6, the Receiver shall forthwith deliver to the Purchaser a Receiver's Certificate, and shall file same with the Court.

**A6. Conditions in Favour of the Receiver.** The obligation of the Receiver to complete this Agreement 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 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 Agreement; and
- (d) the Court shall have issued an Approval and Vesting Order.

**A7. Condition in Favour of Receiver Not Fulfilled.** If any of the conditions contained in Section A6 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.

**A8. Purchaser's Address For Notices** - The address, fax number and email address of the Purchaser for the purposes of this Agreement is as follows:

Address: c/o Bernard Gropper  
GROPPER LAW PROFESSIONAL CORPORATION  
Suite 300  
261 Davenport Road  
Toronto ON M5R 1K3

Tel: 416-962-3000  
Fax No. 416-487-3002  
Email: bgropper@gropperlaw.com



## SCHEDULE "B"

### ADDITIONAL PROVISIONS

**RE: AGREEMENT OF PURCHASE AND SALE dated October 10, 2017 made between KSV KOFMAN, IN ITS CAPACITY AS COURT APPOINTED RECEIVER (the "Vendor" or the "Seller" or the "Receiver") and 2599160 ONTARIO INC. (the "Purchaser" or the "Buyer"; the Buyer and the Seller collectively being the "Parties").**  
**SCHEDULE "B"**

**B1. Receivership Order.** The Purchaser acknowledges that the Property is being sold by the Vendor pursuant to an order of the Ontario Superior Court of Justice (Commercial List) issued on June 27, 2017, 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 and all of the present and after-acquired assets, undertakings and properties of GenerX (Byward Hall) Inc. (the "Debtor") acquired for or used in relation to the Property (individually and collectively, the "Vendor's Security").

**B2 Purchase of Receiver's and Debtor's Right, Title and Interest.**

- (a) Relying on the representations and warranties herein, the Receiver hereby agrees to sell, assign, convey and transfer to the Purchaser free and clear of all Encumbrances, other than the Permitted Encumbrances, as outlined in Schedule "C", and the Purchaser hereby agrees to purchase all right, title and interest of the Receiver and the Debtor in and to the following Purchased Assets:
- (i) the Land
  - (ii) the full benefit of all prepaid expenses and all deposits with any person, public utility or governmental authority relating to the Land;
  - (iii) all plans, designs and specification in connection with the Land 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);
  - (iv) all authorizations, registrations, permits, certificates of approval, approvals, consents, commitments, rights or privileges issued, granted or required by any 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:
    - having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof; or,
    - exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power (collectively, the "Permits")
  - (v) All intellectual property, if any, owned by the Debtor with respect to the development to be completed on the Lands;



provided however that the aforementioned Purchased Assets shall not include the Excluded Assets or the Excluded Liabilities as hereinafter defined.

- (b) Subject to the Closing, the Receiver hereby remises, and 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 C2(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 at 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 all Permits (i.e. all the authorizations, registrations, permits, certificates of approval, approvals, consents, commitments, rights of privilege issued, granted or required by any governmental authority in respect of the Land, together with all buildings, improvements and structures thereon, as well as all plans, designs and specifications in connection therewith) 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 B2 shall not merge but shall survive the completion of the purchases and sale contemplated by this Agreement, Notwithstanding the foregoing, 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 B2 shall terminate concurrently with the discharge of the Receiver as receiver of the Debtor.

**B3 Excluded Assets.**

Notwithstanding anything else in this Agreement, the Purchased Assets shall not include the Receiver's and the Debtor's right, title and interest in and to any assets 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:

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(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 taxes (i.e. refundable taxes including HST, land transfer taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, good 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 (collectively, the "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 prior to the Closing Date; and

(c) All of the contracts, licenses, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagement to which the Debtor is party and which relate to the business carried on by the Debtor with respect to the Property.

**B4 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 of the Debtor's ownership or interest therein, whether pursuant to this Agreement or as a result of the purchase and sale contemplated by this Agreement (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) all amounts relating to the business carried on by the Debtor with respect to the Property owing to 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 and incurred prior to Closing; or (ii) any employees of the Debtor;

(c) Any liability, obligation or commitment resulting from an encumbrance (i.e. 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) that is not a Permitted Encumbrance and is laid out in Schedule "D";

(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.

**B5. Purchase "As Is"** - The Purchaser acknowledges having inspected the Property prior to submitting its initial offer giving rise to this Agreement. The Purchaser acknowledges that it is acquiring the Property in an "as is, where is" condition and subject to any and all work orders, deficiency notices and compliance request letters heretofore or hereafter issued by any governmental authority having jurisdiction. The Purchaser acknowledges that the Vendor has made no representation or warranty with respect to any of the following: (a) the zoning, condition, state of repair or utility of the Property or any of the improvements thereon; (b) the validity, binding effect or enforceability of any agreements, leases or other encumbrances which the Purchaser has agreed to assume on closing; (c) any environmental matters, including, without limitation, the presence or absence of any hazardous substances; (d) whether the Property or any part thereof is in compliance with the requirements of any governmental authority having jurisdiction, including, without limitation, compliance with applicable environmental legislation and regulations; (e) whether the Property is subject to any of the title exceptions set out on each applicable Parcel Register, including, without limitation, the rights of any person who would, but for the Land Titles Act (Ontario), be entitled to the Property or any part of it through length of adverse possession, prescription, misdescription or boundaries settled by convention, and the Vendor shall not be required to provide on closing any form of statutory declaration of possession. The Vendor shall have no responsibility whatsoever to remedy any defect or encroachments upon the Property or any adjacent lands, or comply with any work orders or other the requirements of any governmental authority having jurisdiction, or complete any unfinished work (whether existing as at the date of acceptance of the Agreement or coming into existence after such date and prior to closing). The Purchaser acknowledges that it has relied entirely upon its own inspections and investigations with respect to all title and off-title matters and the quantity, quality, fitness, condition and value of the Property, It shall be the responsibility of the Purchaser, at the Purchaser's own expense, to obtain any and all governmental, regulatory or other approvals necessary to utilize the Property and the obtaining of such approvals shall not in any way whatsoever be a precondition to completion of or affect or limit the Purchaser's obligations to complete the transaction contemplated by this Agreement.

**B6. Title.**

(a) The Purchaser shall accept title to the Property subject to, and whether complied with or not, any and all registered restrictions, agreements and covenants which run with the Property, registered easements for the supply of utilities and services to the Property or through the Property to adjacent lands or other easements, registered leases, rights-of-way, rights of re-entry, by-laws, development, subdivision and site plan agreements (including any levies or charges payable thereunder), with any governmental authority, utility or service provider, and any encroachments.

(b) The Vendor shall not be required to: (i) provide the covenant deemed to be included in the Transfer under section 5(1)3(ii) of the Land Registration Reform Act (Ontario) and the Vendor may annex a schedule to the Transfer expressly excluding such covenant; or (ii) make any statements contemplated by section 50(22) of the Planning Act (Ontario) and the Purchaser agrees to satisfy itself with respect to compliance with the Planning Act (Ontario).



**B7. Title Insurance.** The Vendor may be the beneficiary of a policy of insurance (the "Title Policy") relating to the validity or enforceability of the Vendor's Security, or the title of the owner(s) the Property or the marketability of the Property, or any other matter, issue or thing relating to title to the Property or the Vendor's Security or both. In this event, and provided that the Title Policy is issued by an insurer licensed to issue like policies of insurance in the Province of Ontario, the Vendor may, at its sole option, cause the Title Policy to be assigned to the Purchaser, at the Purchaser's sole cost and expense, as a full and complete answer to any issue raised by the Purchaser, and not otherwise provided for in the Agreement, which would, if raised by the Vendor, be an insured risk under the Title Policy. If the Title Policy is not transferable, the Purchaser agrees to accept in place of an assignment of the Title Policy, a new policy of title insurance in the same or similar form to the Title Policy, from any title insurer licensed to issue such policies of title insurance in the Province of Ontario, issued to the Purchaser at the Purchaser's sole cost and expense.

**B8. Chattels and Other Personal Property.** Notwithstanding anything otherwise contained in this Agreement, the Property and the Purchase Price do not include any chattels or other personal property presently located on or at or forming part of or related to the use of the Property. The Vendor will not remove and shall not be responsible for the removal of any chattels or other personal property found on the Property prior to or on the date of closing. The Vendor shall have no obligation to remove any security interest in any chattels or other personal property that maybe subject to a security interest, perfected or otherwise, and whether or not notice of any such security interest has been registered on title to the Property.

**B9. Deposit Monies.** Any and all monies required to be paid pursuant to this Agreement as a deposit are hereinafter individually and collectively referred to as the "Deposit", as the context may require. The Vendor and the Vendor's Broker shall not be required to invest the Deposit prior to closing and shall have no liability to the Purchaser for any interest on the Deposit. Any and all interest earned on the Deposit shall be deemed to automatically form part of the Deposit and shall, in all circumstances, be dealt with in the same manner as the Deposit. In the event of any dispute arises between the parties as to the manner in which the Deposit is to be disbursed, it is agreed that the holder of the Deposit shall be a mere stakeholder with respect to the same and shall be entitled to bring an application to pay the Deposit into court.

**B10. Harmonized Sales Tax.** The Purchaser acknowledges and agrees that, in addition to the Purchase Price, the Purchaser shall be solely and fully responsible for and pay any and all Harmonized Sales Tax ("HST") pursuant to the Excise Tax Act (Canada) as may be applicable to the Purchaser pursuant to the transaction contemplated by this Agreement. The Vendor acknowledges and agrees that, pursuant to the relevant provisions of the said Act and provided that evidence in accordance therewith is delivered to the Vendor on or before closing together with the Purchaser's indemnity in form wholly satisfactory to the Vendor and its solicitors, the Vendor shall not require the Purchaser to remit the applicable HST to the Vendor on closing, and the Purchaser shall be permitted to self-assess and remit the applicable HST.

**B11. Adjustments.** Realty taxes, outstanding public or private utilities and other usual adjustments shall be apportioned and allowed to the date of completion, the day of completion itself to be apportioned to the Purchaser. The Vendor shall not be responsible for the payment of, and there shall be no adjustment for, any outstanding development charges or fees, lot levies, local improvement charges or sewer charges. The Purchaser acknowledges that the Vendor shall not be required to make actual payment of any arrears for realty taxes, utility charges and other amounts of a like nature, but instead the Vendor may, at its option, adjust and credit the Purchaser for same in the Statement of Adjustments.

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**B12. Confidentiality.** The Purchaser covenants and agrees that, until successful completion of the transaction contemplated by this Agreement, all information concerning such transaction, this Agreement, the Vendor and the Property, whether provided by the Vendor or obtained by the Purchaser independently, shall be kept by the Purchaser absolutely confidential and shall not be disclosed to (a) the Purchaser's employees, agents, solicitors, bankers or mortgage lenders except on a need-to-know basis, or (b) any other person or the public at large without the prior written consent of the Vendor, which consent may be arbitrarily or unreasonably withheld.

**B13. No Registration of Agreement** - The Purchaser shall not cause this Agreement or any notice or other document evidencing this Agreement to be registered on title to the Property. If any such registration occurs, (a) the Vendor may, at its option, terminate this Agreement and all deposit monies shall be forfeited as liquidated damages and not as a penalty, and (b) the Purchaser shall cause same to be discharged, deleted or otherwise removed from title within one (1) business day after receiving written notice from the Vendor or its solicitors requiring the same, failing which, the Purchaser hereby irrevocably constitutes and appoints the Vendor as its agent and attorney to execute all documents and do all acts and pay all monies at the Purchaser's expense and on its behalf so as to effect such discharge, deletion or removal of any such registration, and all expenses incurred by the Vendor shall be repaid by the Purchaser forthwith upon demand together with interest thereon at the rate of 20% per annum from the date of such demand until paid.

**B14. Notices** - All notices or other communications to be given pursuant to or in connection with this Agreement shall be in writing, signed by the party giving such notice or by its solicitors, and shall be personally delivered or sent by registered mail, facsimile transmission or email addressed as follows:

- (a) To the Vendor at 150 King Street West, Suite 2308, Toronto, Ontario, M5H 1J9, Email: bkofman@ksvadvisory.com / ngoldstein@ksvadvisory.com; and
- (b) To the Purchaser at the address, fax number and email address set out on Schedule "A" hereof.

Any notice given by personal delivery shall be deemed to have been received on the day of and at the time of such delivery or transmission, provided that if such day is not a business day, then such notice shall be deemed to have been received at 9:00 a.m. on the next following business day. Any notice given by facsimile transmission or email shall be deemed to have been received, in the absence of evidence to the contrary, on the day of and one (1) hour after the time of its transmission. A read receipt in respect of any notice given by email shall constitute rebuttable presumptive evidence that such notice was received by the party intended to receive it. Any notice given by registered mail shall be deemed to have been received at 2:00 p.m. on the second business day after the posting thereof, Any notice requesting or requiring response within five (5) or less business days from the date thereof shall be given by personal delivery, facsimile transmission or email. In the event of actual or reasonably anticipated postal disruption, all notices shall only be given by personal delivery, facsimile transmission or email. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision

**B15. General Contract Provisions.** This Agreement constitutes the entire agreement between the parties and there are no other representations, warranties, terms or conditions pertaining to this Agreement or the subject matter hereof other than as herein set forth. Any and all Schedules to this Agreement form a part hereof. No amendment, waiver, discharge or release of this Agreement shall be binding or enforceable unless made in writing signed by all of the parties hereto. Time is and shall remain of the essence under and pursuant to this Agreement; provided that the time for performing or completing any matter under or pursuant to this Agreement may be extended or abridged by an agreement in writing by the parties or their respective solicitors. Failure by any party to strictly enforce any provisions hereof shall not operate as a waiver or limitation of such party's rights hereunder in respect of any subsequent default. If any provision of this Agreement or the application thereof to any person or circumstance is to any extent held or rendered invalid, unenforceable or illegal, same shall be considered separate and severable here from and all other provisions of this Agreement shall remain in full force and effect and be binding upon the parties hereof. The headings set forth in this Agreement are inserted for convenience and reference only and shall in no way define or limit the intent or interpretation of any of the provisions hereof. Wherever in this Agreement any subject matter is described as including specifically described persons, things, events or other items, unless expressly stated to the contrary, the word "including" or any other derivation or variation of that word means, as the case maybe, "including, without limitation," or "including, without limiting the generality of the foregoing," or such derivation or variation thereof as required by the context. This Agreement shall be read and construed with all changes of gender and number of the party or parties referred to in each case as required by the context, and the covenants and agreements of each party shall be deemed to be joint and several where such party is more than one person, firm or corporation. With respect to each party which is a partnership, each person who is presently a partner of such partnership and each person who becomes a partner of such partnership shall be and continue to be jointly and severally liable for all covenants and agreements of such party notwithstanding that any such person subsequently ceases to be a partner of such partnership, subject to and only to the extent of the limited liability of any such person that is a limited partner of such partnership.

**B16. Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and shall be treated in all respects as an Ontario contract. Each party hereto irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

**B17. Statutory References.** All references in this Agreement to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment shall be deemed to be and construed as a reference to the same as amended from time to time.

**B18. Financial References.** All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles applied on a consistent basis. All amounts referred to in dollars shall mean dollars in lawful money of Canada unless otherwise expressly provided herein.

**B19. Time Calculations.** In this Agreement, all references to a "business day" mean any day other than Saturday, Sunday or a statutory holiday in the Province of Ontario. All time periods referred to herein shall be calculated exclusive of the first day and inclusive of the last day. In the event that the time for doing any act falls on a Saturday, Sunday or a statutory holiday in the Province of Ontario, such time shall be extended to the immediately following business day.



**B20. Counterparts & Consolidation.** This Agreement may be executed by the parties hereto in two or more counterparts, and when each party has executed and delivered a counterpart of this Agreement to all of the other parties hereto, such counterparts taken together shall be deemed to be a fully executed original copy of this Agreement as though all parties had executed the same document. Each counterpart shall, notwithstanding the date of its execution, be deemed to bear the date first above written. The parties hereby irrevocably consent to and authorize their respective solicitors to consolidate the signed pages of each such executed counterpart into a single document, which consolidated document shall be deemed to be a fully executed original copy of this Agreement as though all parties had executed the same document.

**B21. Execution by Fax or Email** - The execution of this Agreement, or any amendment hereto or any notice, waiver or other communication given pursuant to or in connection with this Agreement, by any party hereto may be made by facsimile transmission, email transmission or any other similar method to which the Electronic Commerce Act (Ontario) would apply, and any such execution as aforesaid shall be valid, binding and enforceable to the same extent as an originally signed document; provided that, upon request by any other party to this Agreement made within seven (7) days after receipt or deemed receipt of the document so executed, the party so executing shall forthwith provide to the requesting party and the requesting party hereto shall be entitled to receive an originally signed copy of the relevant document.

**B22. Termination** – Upon Termination of this Agreement by reason of default of the Purchaser, all deposits, together with any interest earned thereon shall be paid to the Vendor by the Vendor's Solicitor forthwith without any further direction or consent from the Purchaser being required, and the Purchaser shall not direct or cause or attempt to cause the Vendor's agent to do otherwise.

**B23. Conflict** – In the event of a conflict between this Schedule "B" and the prescribed form to which this Schedule B is attached, the provisions of this Schedule "B" shall prevail.

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**SCHEDULE "C"**

**PERMITTED ENCUMBRANCES**

**RE: AGREEMENT OF PURCHASE AND SALE dated October 10, 2017 made between KSV KOFMAN, IN ITS CAPACITY AS COURT APPOINTED RECEIVER (the "Vendor" or the "Seller" or the "Receiver") and 2599160 ONTARIO INC. (the "Purchaser" or the "Buyer"; the Buyer and the Seller collectively being the "Parties").**

**PART I: SPECIFIC PERMITTED ENCUMBRANCES**

**Assumed and Permitted Encumbrances from PIN 04210-0004 (LT)**

<b>Reg. No.</b>	<b>Date</b>	<b>Instrument</b>	<b>Parties From</b>	<b>Parties To</b>
CR 180805	1925/09/30	Transfer	Abraham Dworkin	Willian Cochrane
CR713238	1977/07/27	Agreement		The Corporation of the City of Ottawa

**Assumed and Permitted Encumbrances from PIN 04210-0009 (LT)**

<b>Reg. No.</b>	<b>Date</b>	<b>Instrument</b>	<b>Parties From</b>	<b>Parties To</b>
CR 180805	1925/09/30	Transfer	Abraham Dworkin	Willian Cochrane

**PART II: 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 extend 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;

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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.**



**SCHEDULE "D"**

**RE: AGREEMENT OF PURCHASE AND SALE dated October 10, 2017 made between KSV KOFMAN, IN ITS CAPACITY AS COURT APPOINTED RECEIVER (the "Vendor" or the "Seller" or the "Receiver") and 2599160 ONTARIO INC. (the "Purchaser" or the "Buyer"; the Buyer and the Seller collectively being the "Parties").**

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

<b>Reg No.</b>	<b>Date</b>	<b>Instrument Type</b>	<b>Amount</b>	<b>Parties From</b>	<b>Parties To</b>
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	2017/06/2	Application Court Order	N/A	Ontario Superior Court of Justice (Commercial List)	KSV Kofman Inc.

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OC1929619	2017/09/14	Charge	\$200,000	Textbook (256 Rideau Street) Inc.	Kingsett Mortgage Corporation
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**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)		SRM Architects Inc.	

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## **Appendix “B”**

## Noah Goldstein

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**From:** Bobby Kofman  
**Sent:** October 10, 2017 4:19 PM  
**To:** Bernie Gropper; Noah Goldstein  
**Cc:** zweigs@bennettjones.com; 'Don Mintz (DonARHA@aol.com)'; David T. Ullmann (dullmann@blaney.com)  
**Subject:** RE: 256 Rideau Street, Ottawa ON (the "Property")

Bernie,

We have signed a transaction with a party who participated in the Sale Process, as such was approved by the Court. We intend to move forward with that party. We will make the Court aware of your client's offer. I note that your client is a former lender to affiliates of Rideau, so I am surprised that your client only decided to participate at this late date and not in accordance with the process. If you want to speak to this tomorrow in court, you are welcome to do so. Given we have a binding deal with another party, I will not be engaging with you or your client unless the Court decides not to approve tomorrow the deal we have already agreed.

Bobby

Bobby Kofman, Managing Director  
KSV Advisory Inc.  
[bkofman@ksvadvisory.com](mailto:bkofman@ksvadvisory.com)  
T 416.932.6228  
C 647.282.6228

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**From:** Bernie Gropper [mailto:bgropper@gropperlaw.com]  
**Sent:** October 10, 2017 1:32 PM  
**To:** Bobby Kofman <bkofman@ksvadvisory.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>  
**Cc:** zweigs@bennettjones.com; 'Don Mintz (DonARHA@aol.com)' <DonARHA@aol.com>  
**Subject:** 256 Rideau Street, Ottawa ON (the "Property")  
**Importance:** High

Bobby and Noah;

I have been retained by (and I am an officer and signing officer of) 2599160 Ontario Inc. (the "Corporation"), in connection with its Offer to purchase the Property.

The principal of the Corporation is Don Mintz.

On behalf of the Corporation, I attach an executed Agreement of Purchase and Sale for the Property, the purchase price therein being \$12,000,000.

I am expecting that the initial Deposit of \$100,000 will be deposited to my trust account today or tomorrow.

I appreciate that time is of the essence in this matter, and in that regard, I am available at your convenience to discuss the Offer or to reply to any inquiries you may thereon.

**BERNARD GROPPER**

GROPPER LAW PROFESSIONAL CORPORATION

Suite 300 - 261 Davenport Road

Toronto ON M5R 1K3

☎ Tel: 416.962.3000

☎ Fax: 416.487.3002

✉ Email: [bgropper@gropperlaw.com](mailto:bgropper@gropperlaw.com)

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