

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

BETWEEN:

PORTAGE CAPITAL NOMINEE CORP.

Applicant

- and -

R & B PROPERTIES (2011) INC.

Respondent

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

**MOTION RECORD
(Sale Process, Direction re Termination
Proceeds and Distribution)
Returnable March 4, 2026**

February 25, 2026

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova LSO#: 52880V
Email: mkonyukhova@stikeman.com
Tel: +1 416-869-5230

Brittney Ketwaroo LSO#: 89781K
Email: bketwaroo@stikeman.com
Tel: +1 416-869-5524

Lawyers for the Receiver

TO: THE SERVICE LIST

**ONTARIO
SUPERIOR COURT OF JUSTICE
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SERVICE LIST

(as at February 25, 2025)

<p>BLAKE, CASSELS & GRAYDON LLP 199 Bay Street Suite 4000, Commerce Court West Toronto, Ontario M5L 1A9</p> <p>Chris Burr Tel: 416-863-3261 Email: chris.burr@blakes.com</p> <p>Jules Monteyne Tel: 416-863-2513 Email: jules.monteyne@blakes.com</p> <p>Kyla Morreau Tel: 416-863-2611 Email: kyla.morreau@blakes.com</p> <p><i>Lawyers for the Applicant</i></p>	<p>GLAHOLT BOWLES LLP 800 – 141 Adelaide Street West Toronto, Ontario M5H 3L5</p> <p>Peter-Paul E. DuVernet Tel: 416-368-8280 Email: peter-paule.duvernet@glaholt.com</p> <p><i>Lawyers for the Respondent</i></p>
<p>KSV RESTRUCTURING INC. 150 King Street West, Suite 2308 Toronto, Ontario M5H 1J9</p>	<p>STIKEMAN ELLIOTT LLP 199 Bay Street, Suite 5300 Toronto, Ontario M5L 1B9</p>

<p>Noah Goldstein Tel: 416-844-4842 Email: ngoldstein@ksvadvisory.com</p> <p>Nathalie El-Zakhem Tel: 416-932-6009 Email: nelzakhem@ksvadvisory.com</p> <p><i>Court-Appointed Receiver</i></p>	<p>Maria Konyukhova Tel: 416-869-5230 Email: mkonyukhova@stikeman.com</p> <p>Brittney Ketwaroo Tel: 416-869-5524 Email: bketwaroo@stikeman.com</p> <p><i>Lawyers for the Receiver</i></p>
<p>DANIEL RUMACK R&B Properties (2011) Inc. 1867 Yonge Street Suite 501 Toronto, ON M1S 1Y5</p> <p>Email: drumack@rbproperties.ca</p>	
Ministries/Government	
<p>MINISTER OF FINANCE INSOLVENCY UNIT 6th Floor, 33 King Street West Oshawa, Ontario L1H 8H5</p> <p>Insolvency Unit Email: insolvency.unit@ontario.ca</p>	<p>DEPARTMENT OF JUSTICE CANADA ONTARIO REGIONAL OFFICE 120 Adelaide Street West, Suite #400 Toronto, Ontario M5H 1T1</p> <p>Email: AGC-PGC.Toronto.Tax-Fiscal@justice.gc.ca</p>
<p>CITY OF TORONTO Revenue Services 5100 Yonge Street Toronto, Ontario M2N 5V7</p> <p>Email: propertytax@toronto.ca</p>	<p>ATTORNEY GENERAL OF CANADA DEPARTMENT OF JUSTICE Ontario Regional Officer, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, Ontario M5H 1T1</p> <p>Edward Park Tel: 647.292.9368 Email: Edward.park@justice.gc.ca</p> <p>Kevine Dias Email: Kevin.Dias@justice.gc.ca</p> <p>Tessania Lawrence Email: Tessania.Lawrence@justice.gc.ca</p>
<p>CANADA REVENUE AGENCY 1 Front Street West Toronto, Ontario M5J 2X6</p> <p>Pat Confalone Tel: 416.954.6514 Email: pat.confalone@cra-arc.gc.ca</p>	

E-Mail Distribution List:

chris.burr@blakes.com; jules.monteyne@blakes.com; kyla.morreau@blakes.com; peter-paule.duvernet@glaholt.com; ngoldstein@ksvadvisory.com; nelzakhem@ksvadvisory.com; mkonyukhova@stikeman.com; bketwaroo@stikeman.com; drumack@rbproperties.ca; insolvency.unit@ontario.ca; AGC-PGC.Toronto.Tax-Fiscal@justice.gc.ca; propertytax@toronto.ca; Edward.park@justice.gc.ca; Kevin.Dias@justice.gc.ca; Tessania.Lawrence@justice.gc.ca; pat.confalone@cra-arc.gc.ca

**ONTARIO
SUPERIOR COURT OF JUSTICE
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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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BETWEEN:

PORTAGE CAPITAL NOMINEE CORP.

Applicant

- and -

R & B PROPERTIES (2011) INC.

Respondent

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R.S.C. 1985, c. B-3, as amended, and under section 101 of the *Courts
of Justice Act*, R.S.O. 1990, c C.43, as amended**

**NOTICE OF MOTION
(Returnable March 4, 2026)
(Sale Process, Direction re Termination
Proceeds and Distribution)**

KSV Restructuring Inc. (“**KSV**”) in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”), without security, over (i) the real property known municipally as 761 Queen Street West, Toronto, Ontario, as legally described in Schedule “A” of the Receivership Order (as defined below) (the “**Real Property**”) (ii) all of the personal property of R & B Properties (2011) Inc. (the “**Debtor**”), acquired for, from or used in relation to the business carried on by the Debtor relating only to, located upon or used only in connection with the Real Property; and (iii) all proceeds thereof (together with the Real Property, the “**Property**”) will make a motion before the Honourable Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on March 4, 2026, at 11:00 A.M. or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- In writing under subrule 37.12.1(1);
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference.

A zoom link to be provided by the Court in advance of the motion.

THE MOTION IS FOR:¹

1. An order (the “**Sale Process Order**”) substantially in the form of the draft order attached at Tab “3” of the Receiver’s motion record, among other things:
 - a. approving a proposed sale process (the “**Sale Process**”) for certain Real Property as legally described in Schedule “A” to the Sale Process Order, which includes approving the listing agreement (together, the “**Listing Agreement**”) between the Receiver and CBRE Limited (“**CBRE**” or the “**Listing Broker**”) under which CBRE will act as the listing broker for the purposes of, among other things, marketing the Real Property;
 - b. approving the First Report of the Receiver dated February 25, 2026 (the “**First Report**”) and the activities and conduct of the Receiver described therein;
 - c. directing the Debtor to remit to the Receiver the balance of the Termination Proceeds, including the Harmonized Sales Tax (HST) received from Brewers Retail Inc. (the “**Beer Store**”) in the amount of \$143,000;

¹ Capitalized terms used herein and not otherwise defined have the meanings ascribed to such terms in the Affidavit of Andrew Jones sworn December 9, 2025.

- d. In the alternative, directing Mr. Daniel Rumack to personally reimburse the Receiver for any portion of the Termination Proceeds that has been remitted to the Canada Revenue Agency (“**CRA**”) or otherwise dissipated without the Receiver’s authorization within seven (7) days of the date of the Sale Process Order;
 - e. approving an interim distribution to Portage Capital Nominee Corp. in the amount of \$300,000; and
2. Such further and other relief as this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

3. The application to appoint KSV as Receiver was made by Portage Capital Nominee Corp. (“**Portage**”), a secured creditor of the Debtor.
4. The Debtor is an Ontario corporation and the owner of the Real Property. The Real Property is a mixed-use retail and office space currently occupied by two tenants.
5. The primary source of the Debtor’s financial difficulties was and remains the significant vacancy within the building.
6. On August 10, 2021, Portage entered into a Commitment Letter with the Debtor, pursuant to which Portage advanced a loan in the principal amount of \$15,500,000 (the “**Loan**”) to refinance the existing first mortgage between the Debtor and Portage’s affiliate, Community Trust Company.
7. The Debtor’s obligations to Porter are secured by various security documents, including a first charge/mortgage over the Real Property and a general security agreement over the Debtor’s personal property.

8. The Loan matured on October 1, 2023. The Debtor failed to repay the principal at maturity and subsequently defaulted on interest payments, fees, and municipal property tax obligations.

9. The Debtor retained CBRE Ltd. to list the Real Property for sale in or about September 2024. The property remains unsold.

10. As at December 1, 2025, the total amount of principal and interest outstanding under the Loan was \$16,066,777.98, (collectively, the “**Indebtedness**”). Portage is the Debtor’s only secured creditor, and that the Portage Indebtedness continues to accrue interest and costs.

11. As a result of the foregoing defaults and the Debtor’s continued failure to repay the Indebtedness, Portage sought and obtained the appointment of a receiver over the Debtor’s property. On January 13, 2026, the Court issued an order (the “**Receivership Order**”) appointing KSV as the receiver and manager, without security, of the Property. The Receiver’s mandate is principally focused on conducting a Court-supervised sale process for the Real Property that maximizes value for the Debtor’s stakeholders.

Approval of the Sale Process and Listing Agreement

12. The Receiver is seeking authority to conduct a Sale Process (as described in the First Report) for the Real Property.

13. Following its appointment, the Receiver invited two commercial real estate brokers to submit proposals to market the Real Property for sale (the “**RFP**”).

14. Following the RFP process, in consultation with Portage, the Receiver selected CBRE as the listing broker to market the Real Property for sale. This decision was based on, among other things, CBRE’s prior and ongoing engagement as leasing agent for the Real Property, their

familiarity with the local market, their proposed marketing process, their commission structure, and the expertise of their team.

15. The recommended Sale Process for the Real Property, and related timelines, are set out in the First Report. The timelines were developed by the Listing Broker in consultation with the Receiver. The timelines assume that the Court approves the Sale Process on the return of this motion and that the Sale Process launches on or around that same date. To the extent that the Sale Process is delayed, the timelines may be adjusted accordingly.

16. The Receiver is recommending that the Court issue an order approving the Sale Process, including the retention of CBRE, for the following reasons:

- (a) the Sale Process represents a fair, open and transparent process developed with input from the Listing Broker, and is designed to canvass the market broadly and efficiently to secure the highest and best price;
- (b) the Sale Process provides the Receiver with the timelines, procedures and flexibility that it believes are necessary to maximize the value of the property subject to the Sale Process;
- (c) the Sale Process follows procedures consistent with traditional real estate sales processes conducted in the context of receivership proceedings, and there will be no delay commencing the Sale Process;
- (d) CBRE is already marketing the Real Property under its current leasing efforts. This should allow for the process to be conducted on a timely basis, which will assist in reducing costs;

- (e) the CBRE team for this mandate has experience both leading and selling properties in the broader Queen Street West market;
- (f) based on the Receiver's experience, CBRE's commission rate is consistent with market rates; and
- (g) Portage supports the Sale Process, including CBRE's engagement.

Activities of the Receiver

17. The Receiver's activities since the commencement of these proceedings have included, *inter alia*, the following, which have been undertaken in good faith and with due diligence:

- (a) reviewing Portage's receivership application materials and the Receivership Order;
- (b) corresponding on a regular basis with Portage, and counsel to the Receiver, Stikeman Elliott LLP, regarding all aspects of the receivership proceedings;
- (c) corresponding with the Debtor, including representatives of Glaholt Bowles LLP ("**Glaholt**"), counsel to the principal of the Debtor, to obtain information regarding, among other things, financial information and tax returns, appraisals, leases, and property insurance;
- (d) corresponding with the Debtor and representatives of Glaholt, regarding the transfer of HST funds to the Receiver and reviewing counsel letter regarding the same;
- (e) corresponding with the Debtor's insurance broker to confirm that appropriate insurance coverage was in place and premiums were current, and to add the Receiver as an additional insured and loss payee on the Debtor's policies;
- (f) redirecting certain of the Debtor's mail to the Receiver's office;

- (g) drafting and sending to all creditors the Notice and Statement of the Receiver pursuant to Sections 245(1) and 246(1) of the Bankruptcy and Insolvency Act;
- (h) drafting and sending to both tenants a letter from the Receiver;
- (i) soliciting and reviewing proposals provided by brokers in respect of the sale of the Real Property;
- (j) negotiating the Listing Agreement with CBRE;
- (k) establishing and maintaining the Receiver's case website;
- (l) drafting this First Report and reviewing all application materials filed in connection with the Receiver's application; and
- (m) dealing with other matters pertaining to the administration of this mandate.

HST Remittance

18. On December 15, 2025, the Beer Store terminated their lease with the Debtor.
19. According to the termination letter dated December 15, 2025, the Beer Store paid an early termination fee of \$1,100,000 plus HST (the "**Termination Proceeds**") to the Debtor in connection with the lease termination.
20. The full amount of the early termination fee paid by the Beer Store, including all associated HST, constitutes "Property" under the Receivership Order.
21. Following its appointment, the Receiver became aware that the Debtor had remitted only a portion of the Termination Proceeds to the Receiver. Specifically, Mr. Rumack advised that two realty tax instalments in the aggregate amount of \$100,000 had been paid from the Termination

Proceeds. The HST amount, estimated at \$143,000, was also not remitted to the Receiver and remains outstanding as of the date hereof.

22. The Receiver respectfully requests that the Court direct the full balance of the Termination Proceeds, including the HST component (estimated at \$143,000) to the Receiver.

23. In the alternative, to the extent that any portion of the Termination Proceeds (including the HST component) has been remitted by Mr. Rumack to CRA or otherwise dissipated, the Receiver is seeking an Order directing Mr. Rumack to personally reimburse the Receiver for such amounts within seven (7) days of the date of the Sale Process Order.

Interim Distribution

24. The Receiver seeks the Court's authorization to distribute \$300,000 from the Termination Proceeds to Portage as a partial repayment of the Indebtedness.

25. The Receiver is of the view that the proposed interim distribution is appropriate in the circumstances, will reduce ongoing interest accrual on the secured debt, and will not prejudice any known stakeholder.

OTHER GROUNDS:

26. The provisions of the BIA and the inherent and equitable jurisdiction of the Court;

27. Rules 1.04, 1.05, 2.03, 3.02, 14.05(2), 16, 37 and 39 of the Ontario Rules of Civil Procedure, R.R.O. 1990, Reg. 194, as amended;

28. section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43; and

29. Such further and other grounds as counsel may advise and the Court may permit.

DOCUMENTARY EVIDENCE:

30. The following documentary evidence will be used at the hearing of the motion:
- (a) the First Report;
 - (b) the Factum of the Receiver, to be filed; and
 - (c) such further and other evidence as counsel may advise and the Court may permit.

February 25, 2026

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West,
199 Bay Street
Toronto, ON M5L 1B9

Maria Konyukhova LSO#: 52880V
Email: mkonyukhova@stikeman.com
Tel: +1 416-869-5230

Brittney Ketwaroo LSO#: 89781K
Email: bketwaroo@stikeman.com
Tel: +1 416-869-5524

Lawyers for the Receiver

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

Proceeding commenced at Toronto

NOTICE OF MOTION

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova LSO#: 52880V
Email: mkonyukhova@stikeman.com
Tel: +1 416-869-5230

Brittney Ketwaroo LSO#: 89781K
Email: bketwaroo@stikeman.com
Tel: +1 416-869-5524

Lawyers for the Receiver

TAB 2



**First Report of
KSV Restructuring Inc.
as Receiver and Manager of Certain
Property of R&B Properties (2011) Inc.**

February 25, 2026

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COURT FILE NO: CL-25-00753615-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PORTAGE CAPITAL NOMINEE CORP.

APPLICANT

- AND -

R & B PROPERTIES (2011) INC.

RESPONDENT

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

FIRST REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER

FEBRUARY 25, 2026

1.0 Introduction

1. On January 13, 2026, the Ontario Superior Court of Justice (the “**Court**”) granted an order (the “**Receivership Order**”) appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacity, the “**Receiver**”), without security over: (i) the real property known municipally as 761 Queen Street West, Toronto, Ontario¹ (the “**Real Property**”), (ii) all of the personal property of R & B Properties (2011) Inc. (the “**Debtor**”) which is located at or related to or used or acquired in connection with or arising from or out of the Real Property, and (iii) all proceeds thereof (together with the Real Property, the “**Property**”). The Receivership Order is attached as Appendix “**A**”.

¹ Legal Description: PIN 21243-0007 (LT) being Part of PCL 2-1 SEC AD120; LT 2 S/S QUEEN STREET WEST PL D120 TORONTO; LT 3 S/S QUEEN STREET WEST PL D120 TORONTO; LT 4 S/S QUEEN STREET WEST PL D120, Toronto, City of Toronto

2. The application to appoint KSV as Receiver was made by Portage Capital Nominee Corp. ("**Portage**"), the Debtor's sole secured creditor.
3. The principal purpose of this receivership proceeding is to create a stabilized environment in which the Real Property can be sold, and the proceeds arising therefrom can be distributed for the benefit of the Debtor's stakeholders, including Portage.
4. This first report (the "**First Report**") is filed by KSV in its capacity as Receiver.

1.1 Purposes of this Report

1. The purposes of this First Report are to:
 - a) provide background information about the Debtor, the Real Property, and these proceedings;
 - b) summarize an issue arising from the Debtor's failure to remit \$143,000 of proceeds (the "**Termination Proceeds**") received in connection with the termination of a lease agreement with Brewers Retail Inc. ("**The Beer Store**");
 - c) summarize a recommended sale process (the "**Sales Process**") for the Real Property, including the proposed retention of CBRE Limited ("**CBRE**") to act as listing broker;
 - d) provide an overview of the Receiver's activities since the commencement of these proceedings; and
 - e) recommend that the Court issue an order, among other things:
 - i. approving the Sale Process, including the retention of CBRE to list the Real Property for sale;
 - ii. approving the First Report and the activities of the Receiver herein;
 - iii. directing the Debtor to remit to the Receiver the balance of the Termination Proceeds (including the HST component);
 - iv. in the alternative, directing Mr. Rumack to personally reimburse the Receiver for any portion of the Termination Proceeds that has been remitted to the Canada Revenue Agency ("**CRA**") or otherwise dissipated without the Receiver's authorization; and
 - v. approving an interim distribution to Portage in the amount of \$300,000.

1.2 Restrictions

1. In preparing this First Report, the Receiver has relied upon (i) the Debtor's unaudited financial information, (ii) discussions with the Debtor and its principal, Daniel Rumack, (iii) discussions with Portage, and (iv) the receivership application materials (collectively, the "**Information**").

- The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this First Report in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.

1.3 Currency

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

2.0 Background

- The Debtor is an Ontario corporation and the owner of the Real Property. The Debtor’s shares are solely owned and controlled by its principal and guarantor under the Loan (as defined below), Mr. Rumack.
- The Real Property is a mixed-use retail and office space currently occupied by two tenants. A summary of the existing leases and vacant space is provided below.

(\$000s; unaudited)	
Tenant (if applicable)	Area (sf)
Behaviour Inc.	8,457
Behaviour Inc. Storage	200
b-Stretched	1,571
Vacant	11,029
Vacant	2,808
Vacant Storage	485

- The primary source of the Debtor’s financial difficulties was and remains the significant vacancy within the building. The larger vacant unit was previously occupied by Anthropologie until January 2025, and the smaller unit was previously occupied by the Beer Store until December 2025.
- At the commencement of these receivership proceedings, the Receiver corresponded with both tenants, Behaviour Inc. (“**Behaviour**”) and b-Stretched (“**b-Stretched**”) advising them of the Receiver’s appointment and directing that all future rent payments be remitted to the Receiver, in accordance with the Receivership Order. Both tenants have paid their February rent.
- Prior to the issuance of the Receivership Order, the Debtor had retained CBRE as its leasing agent in respect of the vacant premises at the Real Property. The Receiver has continued to engage CBRE in this capacity to maintain leasing momentum and to ensure continuity in the marketing efforts for the vacant units.
- The Receiver has received an offer to lease the larger vacant unit. Negotiations are ongoing. The Receiver is consulting with Portage and providing high level information to the Debtor in respect of these negotiations. If a lease is finalized, Court approval will be sought.

7. Additional background information regarding the Debtor and the reasons for the appointment of the Receiver are provided in the affidavit of Andrew Jones sworn December 9, 2025 (the “**Jones Affidavit**”) and is not repeated herein. Copies of the Court materials filed in these proceedings are available on the Receiver’s case website at: <https://www.ksvadvisory.com/experience/case/randb>.

2.1 Secured Creditors

1. The Debtor entered into a commitment letter dated August 10, 2021 (as amended on October 1, 2021), whereby Portage agreed to provide a \$15.5 million loan (the “**Loan**”) to refinance an existing mortgage between the Debtor and Portage’s affiliate, Community Trust Company (“**Community**”).
2. As set out in the Jones Affidavit, the total indebtedness as at December 1, 2025, including principal and interest outstanding was \$16,066,777.98 (the “**Portage Indebtedness**”). The Receiver understands that Portage is the Debtor’s only secured creditor, and that the Portage Indebtedness continues to accrue interest and costs.
3. The Debtor’s obligations to Portage are secured by various security (collectively, the “**Portage Security**”), including, among other things:
 - a) a first charge/mortgage over the Real Property registered on title for the Real Property in the original principal amount of \$15,500,000 in favour of Portage (the “**Loan**”);
 - b) a general security agreement assigned to Portage on July 15, 2021;
 - c) general assignment of rents and leases assigned to Portage on July 15, 2021;
 - d) a notice of assignment of lessor interest in lease assigned to Portage on July 15, 2021;
 - e) an assignment of monies which may become payable under insurance policies dated as of October 1, 2023;
 - f) assignment of a first in time *Personal Property Security Act* (Ontario) financing statement against the Debtor by Community.
4. The Receiver’s legal counsel, Stikeman Elliott LLP, has provided the Receiver with an opinion that, subject to the standard assumptions and qualifications contained therein, the security granted by the Debtor to Portage, including as registered on title to the Real Property, is valid and enforceable.

2.2 Unsecured Creditors

1. According to the Debtor, as of January 13, 2026, the Debtor’s only significant unsecured creditor was in respect of unpaid property taxes owing to the City of Toronto for approximately \$355,000.
2. The property taxes constitute a charge against the Real Property and continue to accrue interest. The Receiver intends to apply a portion of the Termination Proceeds toward payment of the outstanding property tax arrears in order to mitigate further interest accrual, preserve the value of the Real Property and avoid any enforcement steps by the municipality.

3.0 Beer Store Termination

1. On December 15, 2025, the Beer Store and the Debtor entered into a lease termination agreement. A copy of the Beer Store lease termination letter is attached as Appendix “**B**”. The Receiver understands that under its credit agreement with Portage, the Debtor is required to seek Portage’s consent to terminate the agreement, but that it never sought its consent in respect of same.
2. Pursuant to the termination agreement, the Beer Store paid an early termination fee in the amount of \$1,100,000 plus applicable HST (the “**Termination Proceeds**”).
3. The Termination Proceeds were received by the Debtor prior to the issuance of the Receivership Order.
4. Following its appointment, the Receiver became aware that the Debtor had remitted only a portion of the Termination Proceeds to the Receiver. Specifically, the Receiver received \$1,000,000 on January 16, 2026. Mr. Rumack advised that two realty tax instalments in the aggregate amount of \$100,000 had been paid from the Termination Proceeds. At or about the time of the issuance of the Receivership Order, Mr. Rumack also advised the Receiver that the HST component of the Termination Proceeds had not yet been remitted to the Canada Revenue Agency (“**CRA**”), but that he intended to remit such amounts.
5. The Receiver subsequently demanded that the Debtor remit the full balance of the Termination Proceeds, including the HST component (estimated to be approximately \$143,000), on the basis that the entirety of the Termination Proceeds constitute “Property” within the meaning of the Receivership Order and are therefore subject to the Receiver’s control and administration. A copy of the Receiver’s demand letter dated January 29, 2026, is attached as Appendix “**C**”.
6. Counsel to the Debtor responded by letter dated February 3, 2026, taking the position that the HST component was not subject to the Receivership Order and asserting that the HST had either been remitted or would be remitted to the CRA. A copy of that correspondence is attached as Appendix “**D**”.
7. The Receiver’s counsel replied by letter dated February 6, 2026, maintaining that the full amount of the Termination Proceeds, including the HST component, constitutes Property under the Receivership Order and demanding payment.
8. By further correspondence dated February 9, 2026, counsel to the Debtor advised that the HST would be remitted to CRA. A copy of that letter is attached as Appendix “**E**”.
9. The Receiver’s position is that, as of the issuance of the Receivership Order, the HST component formed part of the Property and could not be remitted or otherwise disposed of without the Receiver’s authorization or further Order of this Court.
10. To the extent that the HST component was remitted to CRA following the issuance of the Receivership Order, such remittance constitutes an unauthorized disposition of Property. The determination of any priority or statutory trust issues in respect of HST is a matter to be addressed under Court supervision, not unilaterally by the Debtor or its principal.

11. Accordingly, the Receiver is seeking an Order directing the Debtor to immediately remit to the Receiver the full balance of the Termination Proceeds, including the HST component. In the alternative, to the extent that any portion of the Termination Proceeds (including the HST component) has been remitted by Mr. Rumack to CRA or otherwise dissipated, the Receiver is seeking an Order directing Mr. Rumack to personally reimburse the Receiver for such amounts.

4.0 Sale Process

4.1 Listing Agreement

1. The Receiver, following consultation with Portage, solicited proposals from two commercial real estate brokers. Upon the proposal deadline of February 2, 2026, both brokers submitted proposals, which were reviewed and evaluated by the Receiver. Following this review and in consultation with Portage, the Receiver has determined that CBRE should be retained as listing broker for the sale of the Real Property.
2. In making this determination, the Receiver considered, among other things:
 - a) CBRE's proposed commission and fee structure, which was more competitive than the alternative submission;
 - b) CBRE's prior and ongoing engagement as leasing agent for the Real Property, which has resulted in familiarity with the asset, its tenancy profile, and current market conditions along Queen Street West; and
 - c) CBRE's experience marketing mixed-use retail properties in the downtown Toronto market.
3. The Receiver is of the view that retaining CBRE will allow the Sale Process to proceed without delay and will avoid duplication of underwriting efforts. Portage supports CBRE's engagement.
4. The purpose of the Sale Process is to maximize the value for the Real Property. The Receiver intends to engage CBRE, subject to Court approval of its Listing Agreement. A copy of CBRE's form Listing Agreement (which has not been executed) is attached as Appendix "F". The Listing Agreement is substantially in the standard form used in receivership proceedings, subject to negotiated commercial terms.
5. The Listing Agreement contemplates a standard commission of 2.5% of the purchase price (the "**Listing Fee**"), payable upon completion of a Court-approved sale.
6. In recognition of the time and effort required to prepare and market the Real Property, the Listing Agreement also provides for alternative compensation in certain circumstances:
 - a) If, during the term of the Listing Agreement, Portage acquires the Real Property (directly or indirectly) by way of a credit bid of the indebtedness owed by the Debtor (a "**Credit Bid Transaction**"), CBRE shall be entitled to a fixed fee of \$100,000 plus applicable taxes and reimbursement of reasonable, documented expenses (the "**Credit Bid Fee**");

- b) If the Debtor redeems or refinances the mortgages encumbering the Real Property (a “**Redemption Transaction**”), CBRE shall be entitled to a fixed fee of \$100,000 plus applicable taxes (the “**Redemption Fee**”).
7. If either a Credit Bid Transaction or Redemption Transaction occurs, CBRE will not be entitled to the Listing Fee.
8. The Receiver is of the view that the proposed commission and alternative fee structure are commercially reasonable, align CBRE’s incentives with maximizing value, and appropriately compensate CBRE for its efforts in circumstances where a traditional third-party sale does not occur.

4.2 Sale Process

1. The Receiver has worked with CBRE to develop the proposed Sale Process, which is summarized in the table below.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 - Underwriting</i>		
Due Diligence	<ul style="list-style-type: none"> ➤ CBRE to review all available documents (financial, legal and environmental reports) concerning the Real Property. 	Until March 31, 2026
Finalize Marketing Materials	<ul style="list-style-type: none"> ➤ CBRE and the Receiver to: <ul style="list-style-type: none"> ○ prepare the marketing brochure for a receivership sale process; ○ prepare the populated online data room; ○ prepare the Confidentiality Agreement (“CA”); and ○ prepare the Confidential Information Memorandum (“CIM”) for a receivership sale process. 	
Prospect Identification	<ul style="list-style-type: none"> ➤ CBRE will requalify and prioritize prospects; ➤ CBRE will also have pre-marketing discussions with targeted prospects. 	
<i>Phase 2 – Marketing and Offer Solicitation</i>		
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ offering summary and marketing materials printed; ○ launch of email and social media campaign; ○ telephone and email canvass of leading prospects; ○ meet with and interview bidders; and ○ publication of the acquisition opportunity in a regional and national newspaper. 	Week 1-4

Summary of Sale Process		
Milestone	Description of Activities	Timeline
Stage 2	<ul style="list-style-type: none"> ➤ CBRE to provide detailed information to qualified prospects that sign the CA, including the CIM and access to the data room; ➤ CBRE to facilitate diligence by interested parties; ➤ The Receiver and legal counsel will prepare a vendor’s form of Purchase and Sale Agreement (“PSA”) which will be made available in the data room; and ➤ CBRE to provide weekly updates to the Receiver. 	Week 1-4
Stage 3	<ul style="list-style-type: none"> ➤ “Offer not Before Date” of April 30, 2026 (tentative date – subject to achieving previous timelines and market feedback); and ➤ Prospective purchasers encouraged to submit offerings in the form of the PSA, with any changes to the PSA blacklined. 	April 30, 2026 (tentative date)
<i>Phase 3 – Offer Review and Negotiations</i>		
Selection of Successful Bids	<ul style="list-style-type: none"> ➤ The Receiver will be at liberty to consult with Portage regarding the offers received, subject to any confidentiality requirements that the Receiver believes appropriate; and ➤ Select successful bidder and finalize definitive documents, subject to any final diligence to be performed by the purchaser. The Receiver will select the successful bidder, having regards to, among other things: <ul style="list-style-type: none"> ○ total consideration (cash and assumed liabilities); ○ form of consideration being offered; ○ third-party approvals required, if any; ○ conditions, if any, and time required to satisfy or waive same; and ○ such other factors affecting the speed and certainty of closing and the value of the offers as the Receiver considers relevant. 	Week 5 or as soon as possible
<i>Phase 4 - Closing</i>		
Sale Approval Motion	<ul style="list-style-type: none"> ➤ Upon execution of definitive transaction documents, the Receiver will seek Court approval of the successful offer, on not less than 7 calendar days’ notice to the service list and registered secured creditors. 	Approximately 15 to 30 days from the date that the selected bidder confirms all conditions have been satisfied or waived.
Closing	<ul style="list-style-type: none"> ➤ Following Court approval. 	ASAP

2. Additional aspects of the Sale Process include:
 - a) the Real Property will be marketed on an “as is, where is” basis;
 - b) to the extent permitted by law, all of the right, title and interest of the Debtor in the Real Property will be sold free and clear of all pledges, liens, security interests, encumbrances and claims, pursuant to an approval and vesting order(s) to be sought by the Receiver;
 - c) the Receiver will be entitled to extend any deadlines in the Sale Process it considers appropriate or necessary in the circumstances;
 - d) the Receiver will have the right to reject any and all offers, including the highest dollar value offer(s);
 - e) Portage retains the right to credit bid its indebtedness at the conclusion of the Sale Process if no acceptable third-party offer is received in an amount equal to Portage’s debt, that the Receiver is prepared to recommend to the Court;
 - f) if, in the Receiver’s sole discretion, it will assist to maximize recoveries, the Receiver will have the right to modify and adopt such other procedures that will better promote the sale of the Real Property or increase the aggregate recoveries from same for stakeholders; and
 - g) any transaction will be subject to Court approval.

4.3 Sale Process Recommendation

1. The Receiver recommends that the Court issue an order approving the Sale Process, including the retention of CBRE, for the following reasons:
 - a) the Sale Process is a fair, open and transparent process intended to canvass the market broadly on an orderly and timely basis. The terms are consistent with traditional real estate sales processes conducted in the context of receivership proceedings;
 - b) the Sale Process is flexible and provides the Receiver with the timelines, procedures and flexibility that it believes are necessary to maximize value;
 - c) there will be no delay commencing the Sale Process – CBRE is already marketing the Real Property under its current leasing efforts. This should allow for the process to be conducted on a timely basis, which will assist in reducing costs;
 - d) the CBRE team for this mandate has experience both leading and selling properties in the broader Queen Street West market;
 - e) based on the Receiver’s experience, CBRE’s commission rate is consistent with market rates; and
 - f) Portage supports the Sale Process, including CBRE’s engagement.

5.0 Distributions

1. Attached as Appendix “G” is a schedule of receipts and disbursements from the commencement of these receivership proceedings to February 20, 2026. The current balance in the Receiver’s trust account is approximately \$1,036,000. As noted above, the Receiver intends to apply approximately \$355,000 toward payment of the outstanding property tax arrears and to retain a reserve of approximately \$350,000 to fund anticipated receivership costs and expenses. After accounting for these amounts, the Receiver expects to hold surplus funds.
2. Accordingly, the Receiver seeks the Court’s authorization to distribute \$300,000 from the Termination Proceeds to Portage as a partial repayment of the Portage Indebtedness. The Receiver is of the view that the proposed interim distribution is appropriate in the circumstances, will reduce ongoing interest accrual on the secured debt, and will not prejudice any known stakeholder.

6.0 Overview of the Receiver’s Activities

1. The Receiver’s activities since the commencement of these proceedings have included, *inter alia*, the following:
 - a) reviewing Portage’s receivership application materials and the Receivership Order;
 - b) corresponding on a regular basis with Portage, and counsel to the Receiver, Stikeman Elliott LLP, regarding all aspects of the receivership proceedings;
 - c) corresponding with the Debtor, including representatives of Glaholt Bowles LLP (“**Glaholt**”), counsel to the principal of the Debtor, to obtain information regarding, among other things, financial information and tax returns, appraisals, leases, and property insurance;
 - d) corresponding with the Debtor and representatives of Glaholt regarding the transfer of HST funds to the Receiver and reviewing counsel letter regarding the same;
 - e) corresponding with the Debtor’s insurance broker to confirm that appropriate insurance coverage was in place and premiums were current, and to add the Receiver as an additional insured and loss payee on the Debtor’s policies;
 - f) redirecting certain of the Debtor’s mail to the Receiver’s office;
 - g) drafting and sending to all creditors the Notice and Statement of the Receiver pursuant to Sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;
 - h) drafting and sending to both tenants a letter from the Receiver;
 - i) soliciting and reviewing proposals provided by brokers in respect of the sale of the Real Property;

- j) negotiating the Listing Agreement with CBRE;
- k) establishing and maintaining the Receiver's case website;
- l) drafting this First Report and reviewing all application materials filed in connection with the Receiver's application; and
- m) dealing with other matters pertaining to the administration of this mandate.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief detailed in Section 1.1(1)(e) of this Report.

* * *

All of which is respectfully submitted,



**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS RECEIVER AND
MANAGER OF CERTAIN PROPERTY
OF R&B PROPERTIES (2011) INC. AND
NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

STREET WEST PL D120 TORONTO; LT 4 S/S QUEEN STREET WEST PL D120, Toronto, City of Toronto (the “**Real Property**”), (ii) all of the personal property of R & B Properties (2011) Inc. (the “**Debtor**”) which is located at or related to or used or acquired in connection with or arising from or out of the Real Property, and (iii) the proceeds of (i) and (ii) ((i) through (iii), inclusive, being collectively, the “**Property**”), was heard this day by judicial videoconference.

ON READING the affidavit of Andrew Jones sworn December 9, 2025 (the “**Jones Affidavit**”) and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and those other counsel and parties listed on the Participant Information Form, no one else appearing although duly served as appears from the lawyer’s certificates of service of Jules Monteyne dated January 6 and January 7, 2026, and the Affidavit of Jules Monteyne sworn January 12, 2026 and on reading the consent of KSV Restructuring Inc. 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 the method of service validated so that this application 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 Restructuring Inc. is hereby appointed Receiver, without security, of the Property.

RECEIVER’S POWERS

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

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements (including any amendments and modifications thereto), repudiate or disclaim any agreement on not less than 14 days notice to the other parties to the agreement, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor or in respect of the Property;
- (d) to engage property managers, consultants, contractors, appraisers, agents, experts, auditors, brokers, accountants, managers, assistants, counsel and such other persons from time to time (each, a “**Professional Advisor**”) and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to consult with the Applicant and any other creditors of, or parties with an interest in, the Debtor or the Property from time to time and to provide such information

to the Applicant and any such other creditors or interested parties as may be reasonably requested;

- (f) to pay the retainer, fees and disbursements of any Professional Advisor retained by the Receiver in connection with or in relation to this application, whether incurred prior to or after the date of this Order, in each case at their standard rates and charges;
- (g) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (h) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (i) to settle, extend or compromise any indebtedness owing to the Debtor;
- (j) 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;
- (k) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (l) to market any or all of the Property for sale or lease, including advertising and soliciting offers in respect of the Property or any part or parts thereof, and/or soliciting and entering into engagement proposals by brokers, listing agents or leasing agents, and negotiating and entering into such terms and conditions of such sale, lease or engagement as the Receiver in its discretion may deem appropriate, subject in each case to (i) the terms of any subsequent sale and investment solicitation process order that may be granted by the Court, (ii) the approval by the Court of any sale of Property otherwise than in accordance with Subparagraph 3(m) hereof and (iii) the terms of Subparagraph 3(n) in respect of any lease;

- (m) to sell, convey, transfer or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (n) to lease any non-occupied parts of the Real Property, (i) with the consent of the Applicant, acting reasonably, or upon further order of this Court, in the case of any lease for a term equal to or less than 6 months, and (ii) upon further order of this Court, in the case of any lease for a term greater than 6 months;
- (o) 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;
- (p) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (q) to register a copy of this Order and any other Orders in respect of the Property against title to the Real Property;
- (r) 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;
- (s) 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;
- (t) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (u) 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, officers, employees, property managers, 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, including for greater certainty, all rents or security deposits held by third parties for the Debtor in respect of the Property (collectively, the "**Deposits**"), and 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, lease agreements, rent rolls, rent deferral agreements or documentation, securities, contracts, orders, corporate and accounting records, Deposits, 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.

NO EXERCISE OF RIGHTS OR REMEDIES

9. **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

10. **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

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

12. **THIS COURT ORDERS** that subject to further Order of this Court, in the event that an account for the supply of goods and/or services is transferred from the Debtor to the Receiver, or is otherwise established in the Receiver's name, no Person, including but not limited to a utility

service provider, shall assess or otherwise require the Receiver to post a security deposit as a condition to transfer/establishment of the account.

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 or rents derived from the Real 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, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario*

Water Resources Act, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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 \$50,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or

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

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

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

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

SERVICE AND NOTICE

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

orders that a Case Website shall be established in accordance with the Protocol with the following URL <https://www.ksvadvisory.com/experience/case/r&b>.

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

27. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver are at liberty to serve or distribute this Order and any other materials and Orders as may be reasonably required in these proceedings, including any notices, Court materials or other correspondence, by forwarding true copies thereof by electronic mail to the Debtor, the Debtor's creditors or other interested parties and their advisors.

GENERAL

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

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

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

31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party

likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



Digitally signed by Sean
Dunphy
Date: 2026.01.13
14:25:54 -05'00'

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties R & B Properties (2011) Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 13th day of January, 2026 (the "**Order**") made in an application having Court file number CL-25-00753615-0000, 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 \$50,000 which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

5. 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.

6. 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.

7. 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 RESTRUCTURING INC.,
solely in its capacity as Receiver of the
Property, and not in its personal capacity

Per: _____

Name:

Title:

PORTAGE CAPITAL NOMINEE CORP.
Applicant

- and -

R & B PROPERTIES (2011) INC.
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at Toronto

**ORDER
(Appointing Receiver)**

BLAKE, CASSELS & GRAYDON LLP

Barristers and Solicitors

199 Bay Street

Suite 4000, Commerce Court West

Toronto, Ontario M5L 1A9

Chris Burr, LSO #55172H

Tel: 416-863-3261

Email: chris.burr@blakes.com

Jules Monteyne, LSO #72980C

Tel: 416-863-2513

Email: jules.monteyne@blakes.com

Kyla Morreau, LSO #93703O

Tel: 416-863-2611

Email: kyla.morreau@blakes.com

Lawyers for the Applicant

Appendix “B”



BREWERS RETAIL INC.
BREWERS DISTRIBUTOR LTD.
Corporate Office & Distribution Centre
12258 Coleraine Drive, Bolton, ON | L7E 4M2
Phone: 905.361.1005
TheBeerStore.ca | BDL.ca

JENNIFER DUBY
Director, Real Estate & Construction
Phone: 416.389.4426
Email: Jennifer.Duby@thebeerstore.ca

December 15, 2025

SENT BY EMAIL (drumack@rbproperties.ca) ONLY

R&B Properties (2011) Inc.
501-1867 Yonge Street
Toronto, ON M4S 1Y5
Attention: Dan Rumack

RE: BEER STORE (2302) TORONTO - LEASE TERMINATION LETTER
Premises located at 761 Queen Street West, in the City of Toronto (the "Leased Premises")

Further to our previous correspondence and ongoing discussions, this letter confirms the agreed terms between the Landlord and Tenant regarding the termination of the Lease and the surrender of the Leased Premises to the Landlord on **December 15, 2025** (the "Termination Date"), as follows:

1. **Early Termination Fee:** \$1,100,000.00 plus HST
2. **Surrender Date:** December 15, 2025 (Monday)
3. **Condition of Premises:** The Leased Premises will be delivered in a clean, broom-swept condition as of the Termination Date.
4. **Insurance and Utilities:** Tenant will cancel its insurance coverage effective 11:59 p.m. on the Termination Date, and utilities will be transferred back to the Landlord's name as of that date.

All other terms and conditions of the Lease shall remain in effect until the Termination Date, at which time they will be deemed fully satisfied. Thank you for your cooperation.

Sincerely,
BREWERS RETAIL INC.

Jennifer Duby
Director, Real Estate & Construction

Acknowledgment and Agreement. The undersigned confirms agreement with the terms outlined above.

LANDLORD: R&B PROPERTIES (2011) INC.

Name: *Daniel Rumack*
Title: *President*

Date: *Dec. 15 / 25.*

Appendix “C”

Maria Konyukhova
Direct: +1 416 869 5230
Mobile: +1 416 319 1632
MKonyukhova@stikeman.com

January 29, 2026

By Email

Peter-PaulE.DuVernet@glaholt.com

Glaholt Bowles LLP
800-141 Adelaide St. W.
Toronto, ON M5H 3L5
Canada

Attention: Peter-Paul E. Du Vernet

Dear Mr. Du Vernet:

Re: Beer Store (2302) Toronto Lease – 761 Queen Street West – Termination

We are writing in our capacity as counsel to KSV Restructuring Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”) of R&B Properties (2011) Inc. (the “**Debtor**”).

We are writing in connection with the funds received by the Debtor in connection with the termination of the lease between the Debtor and Brewers Retail Inc. (the “**Beer Store**”) on December 15, 2025. According to the termination letter dated December 15, 2025, the Beer Store paid an early termination fee of \$1,100,000 plus HST to the Debtor in connection with the lease termination. You have transmitted \$1,000,000 of that amount to the Receiver on January 16, 2026 and advised that you have paid 2 realty tax payment installments in the amount of \$50,000 each from the early termination fee funds.

For greater certainty, the full amount of the early termination fee paid by the Beer Store, including all associated HST, constitutes “Property” under the receivership order dated January 16, 2026 (the “**Receivership Order**”). Paragraph 3 of the Receivership Order expressly provides that the Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property, and, without limiting the generality of the foregoing, paragraph 3(a) authorizes the Receiver 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. Accordingly, the Receiver is entitled to take possession of, control, and administer the full amount of the proceeds arising from the lease termination in accordance with the Receivership Order.

Please remit the amount of HST that was paid by the Beer Store to the Debtor in connection with the early termination in the estimated amount of \$143,000.

Yours truly,

Stikeman Elliott LLP

A handwritten signature in blue ink, appearing to read 'Maria Konyukhova', with a horizontal line extending to the right.

Maria Konyukhova
Partner

MK/kl

cc: Noah Goldstein, KSV Restructuring Inc., ngoldstein@ksvadvisory.com
Dan Rumack, R&B Properties (2011) Inc., drumack@rbproperties.ca

Appendix “D”



Peter-Paul E. Du Vernet, C.S.

Certified Specialist in Civil Litigation
Counsel to the Firm

T: 416.368.8280
F: 416.368.3467
Peter-PaulE.DuVernet@glaholt.com
Glaholt Bowles LLP
800-141 Adelaide St. W.,
Toronto, ON M5H 3L5
glaholt.com

February 3, 2026

Maria Konyukhova
Stikeman Elliot LLP
199 Bay Street, Suite 5300
Toronto, ON M5L 1B9

Ms. Konyukhova

**Re: R&B Properties (2011) Inc. loan from Portage Capital Corporation
761 Queen St. W., Toronto**

We refer to your letter of January 29, 2026.

Counsel for the lender was quite clear when the appointment Order was made that KSV Restructuring Inc. (“KSV”) was to be appointed as Receiver of and limited to the Property. The model Order was amended accordingly. KSV is not the Receiver of the Debtor.

In connection with the funds received by the Debtor for the termination of the Beer Store lease, as you indicate, the full 1 million dollars termination fee net of the two realty tax installments, which as the Receiver acknowledged have priority and, was provided immediately to the Receiver. The Debtor has cooperated fully in every respect.

However, the HST payable on the termination fee is trust funds, payable by R&B Properties (2011) (“R&B”) Inc. to the Canada Revenue Agency (“CRA”). The Receiver has indicated that it will not remit the HST to the CRA. The consequence thereof is that the Receiver’s demand, and your repetition of that demand, will put R&B in breach of trust, and attach to it liability for failing to remit the HST, when the HST is in hand and must be remitted.

The HST is not properly considered proceeds in relation to the Property that is subject to the Receivership Order, in the circumstances.

Are you able to commit that if paid to the Receiver, the Receiver will immediately remit the HST, in order that R&B is not in breach of trust, and is not improperly subject to liability therefor?

Yours very truly,

GLAHOLT BOWLES LLP



Peter-Paul E. Du Vernet, C.S.
PED/cc

Appendix “E”



Peter-Paul E. Du Vernet, C.S.

Certified Specialist in Civil Litigation
Counsel to the Firm

T: 416.368.8280
F: 416.368.3467
Peter-PaulE.DuVernet@glaholt.com
Glaholt Bowles LLP
800-141 Adelaide St. W.,
Toronto, ON M5H 3L5
glaholt.com

February 9, 2026

Ms. Maria Konyukhova
Stikeman Elliot LLP
199 Bay Street, Suite 5300
Toronto, ON M5L 1B9

Ms. Konyukhova

**Re: R&B Properties (2011) Inc. loan from Portage Capital Corporation
761 Queen St. W., Toronto**

We refer to your letter of Friday February 6, demanding a response by Monday February 9, 2026.

Your letter fails to recognize that the Beer Store lease was terminated, and the termination payment, with applicable HST, was paid well before the receivership Order, or even service of the Application. The trust, and obligation to remit arose at the time of the payment and is unaffected by the Order. The provision of the Order to which you refer is plainly prospective, referring as it does expressly to “monies owed or hereafter owing”. That does not apply to the HST. The same applies to the definition of Property.

R&B is obliged for the implicit acknowledgment in your letter that, as is clear from the Order, and set out in our letter, the Receiver is appointed for the building, not the company.

The immediate concern for R&B in relation to the HST was, as previously indicated, the demand by the Receiver that the HST be paid to it, to keep and use, and that the HST would not be remitted.

It is unclear as to how there is any priority issue, however that is up to the Receiver, on the basis that it will not create any default, failure to remit by or liability upon R&B.

In accordance with your letter, and the original and continuing intent of R&B, the HST will be remitted to CRA.

We trust that we will be copied with any communications relating to any priority claim and proposed resolution.

Yours very truly,

Peter-Paul E. Du Vernet, C.S.,

A handwritten signature in black ink, appearing to read "Peter-Paul E. Du Vernet", written in a cursive style.

Counsel, Glaholt Bowles LLP
800-141 Adelaide St. W.
M5H 3L5
Tel 416-368-8280 x222
Fax 416-368-3467

PED/cc

Appendix “F”

This Listing Agreement (the “**Agreement**”) is entered into between CBRE Limited (“**CBRE**” or the “**Listing Broker**”) and KSV Restructuring Inc., in its capacity as Court-appointed receiver and manager (the “**Receiver**” or the “**Seller**”) of: (i) the real property municipally known as 761 Queen Street West, Toronto, Ontario (the “**Real Property**”), (ii) all personal property of R & B Properties (2011) Inc. (the “**Debtor**”) located at, related to, used in connection with, or arising from the Real Property; and (iii) all proceeds thereof and all other property and assets related to the foregoing (collectively, the “**Property**”). KSV Restructuring Inc. was appointed receiver and manager pursuant to an order of the Ontario Superior Court of Justice (the “**Court**”) issued on January 13, 2026 (the “**Receivership Order**”). This Agreement is entered into by the Receiver solely in its capacity as receiver and manager under the Receivership Order and without personal or corporate liability.

To the extent of any inconsistency between this Agreement and the OREA Listing Agreement - Commercial, this Agreement shall govern. Notwithstanding anything contained in the OREA Listing Agreement - Commercial, the Listing Broker and the Seller acknowledge and agree as follows:

Term: This Agreement shall commence on the date hereof (the “**Commencement Date**”) and shall expire on August 30, 2026 (the “**Listing Period**”) unless earlier terminated pursuant hereto or unless otherwise extended by mutual written agreement of the parties.

Notwithstanding any other provision in this Agreement, the Listing Broker shall not advertise the Property on Multiple Listings Service (“**MLS**”) until the Seller provides express authority to do so and all marketing materials have been approved. The Listing Broker shall have five (5) days following said approval to post the Property on the MLS.

Designated Agency: The Seller hereby authorizes the Listing Agent to appoint Arlin Markowitz, Alex Edmison, Jackson Turner, and Emily Everett as the Seller’s Designated Agent(s) (the “**Designated Agent(s)**”) for the sale of the Property. It is understood and agreed that this Agreement creates an agency relationship with the Designated Agent(s) only, not with any other agents of the Listing Broker; provided, the Seller authorizes the Listing Broker to appoint other agents affiliated with the Listing Broker as subagents to act on the Seller’s behalf as and when needed, at the Listing Broker’s discretion. The Designated Agents will each be available and will devote the time required to undertake the assignment contemplated herein. In all circumstances, the Designated Agent(s) will not disclose to other parties, including agents of the Listing Broker who represent Buyers but excluding the Listing Broker’s support persons, any confidential information of the Seller obtained through the Designated Agent(s)’ agency relationship with the Seller unless authorized by the Seller or required by law.

1. Termination Rights. The Seller may without penalty or cost to the Seller terminate the Agreement at any time, if the Listing Broker is in default hereunder or under any other agreement with the Seller. In addition, this Agreement shall automatically terminate if: (a) the Receivership Order is revoked, overturned on appeal, suspended or terminated; (b) the Seller is restricted in or enjoined from dealing with the Property by a court of competent jurisdiction; (c) any of the mortgagees of the Property or any other future lenders are permitted by court order to enforce their rights and/or remedies against the Property; or (d) the Debtor redeems or refinances the mortgages in respect of the Property or otherwise brings the mortgages in respect of the Real Property into good standing (a “**Redemption Transaction**”).

2. Price. While it is the Seller’s intention to obtain the highest and best offer for the Property, the Designated Agent(s) acknowledges and agrees that the Seller need not accept the highest offers and/or the best offers or any offer, and that acceptance by the Seller of any offers for the Property are subject at all times to the Seller’s approval in its sole and absolute discretion as well as approval by the Court. No fee, commission or other compensation is payable to the Designated Agent(s) (except as detailed in Section 6 below) in respect of the Property unless and until the sale of the Property has been completed and the purchase price consideration payable to the Seller has been paid in its entirety.

3. Holdover Period Commission. Any fee, commission or other compensation payable to the Listing Broker in connection with a holdover period, being six months from the termination of the Listing Agreement ("**Holdover Period**"), shall: (a) only apply to those purchasers who were introduced to the Seller or to the Property by the Designated Agent(s) during the Listing Period and who the Listing Broker has previously disclosed in writing to the Seller no later than three (3) days following the earlier of the expiration or termination of the Agreement; and (b) be reduced by any fee, commission and/or other compensation paid to another broker or agent for the sale of the Property as the new listing broker (the "**New Agent**") on the basis of an agreement with the New Agent entered into with respect to the Holdover Period. If the Designated Agent(s) had introduced up to a maximum of two (2) different prospective bona fide purchasers to the Seller during the Listing Period (each being a "**Serious Prospect**") and said Serious Prospect had entered into material negotiations with the Seller to purchase the Property, but said material negotiations had not resulted in a binding agreement of purchase and sale, then to the extent that each of the Listing Broker and the Seller agree in writing to designate said prospective purchaser as a Serious Prospect prior to the expiration of the Listing Period, and so long as the Seller is not prohibited from doing so, and provided that the New Agent has agreed to forego its fee should a sale to a Serious Prospect be completed, the Listing Broker shall be entitled to its commission in connection with the transaction being completed with the Serious Prospect upon terms and conditions acceptable to the Seller in its sole and absolute discretion, which transaction must be subject to Court approval and a binding and unconditional agreement of purchase and sale executed by each of the parties thereto prior to the expiration of the Holdover Period. During the Holdover Period, the Listing Broker will not be entitled to any commission, payment or fee as the Seller's agent if the Designated Agent(s) (as defined herein) represents the purchaser.

4. Designated Agent(s)'s Duties. The Designated Agent(s) covenants and agrees with the Seller to:

- (a) pursuant to the Seller's instructions as outlined below, offer the Property for sale on an unpriced basis (save and except as described in (b) below with respect to MLS;
- (b) if instructed by the Seller, offer the Property for sale on MLS, for which the listed price shall be \$1.00, or as otherwise directed by the Seller, and the commissions to Co-operating Brokerage shall be as set out below;
- (c) unless otherwise agreed by the Seller, diligently market the Property for sale and use commercially reasonable efforts to sell the Property pursuant to the process set out in Schedule "A" attached hereto (the "**Sale Process**");
- (d) co-operate with all licensed real estate brokers and agents in the sale of the Property (collectively the "**Cooperating Agents**" and each a "**Cooperating Agent**"), with any commissions or fees of such Cooperating Agents to be paid by the Seller;
- (e) ensure that there is continuity in the assignment of individual staff members and partners to the work performed by the Listing Broker under the terms of this engagement;
- (f) subject to the instructions of the Seller, to assist the Seller in negotiating binding agreements of purchase and sale subject to Court approval with those parties identified by the Seller. Only the Seller shall have authority to accept offers and the Designated Agent(s) shall not have any authority whatsoever to enter into any sale, financing or other contract on behalf of the Seller and/or to otherwise bind the Seller in any manner whatsoever;
- (g) continue to assist the Seller in connection with the sale of the Property and seeking Court approval after the execution of a binding agreement of purchase and sale with respect to the same until such sale has been successfully concluded; and
- (h) unless the Seller's written consent is provided in advance, to act solely for the benefit of the Seller in connection with the marketing and sale of the Property and not to have any direct or indirect interest in any entity purchasing or proposal to purchase the Property and not to receive any payments or other benefits from said purchasers or potential purchasers. Notwithstanding the foregoing, Seller expressly agrees that the Designated Agent(s) are being retained solely to provide the services contemplated above and not as a lawyer, legal advisor, tax advisor, lender, certified appraiser, surveyor, structural engineer, building inspector or other professional service provider.

5. Commission Payable to the Listing Broker. Subject to the terms set out herein, upon the successful completion of a sale of the Property (including, for certainty, the Real Property) to a purchaser identified through the Sale Process and receipt by the Seller of all proceeds thereof, the Seller shall pay to the Listing Brokerage a commission calculated as follows:

- **2.0% of the gross purchase price of the Property**, plus applicable taxes, if there is no cooperating brokerage involved in the transaction; or
- **2.5% of the gross purchase price of the Property**, plus applicable taxes, if a cooperating brokerage is involved in the transaction, in which case 1% of the gross purchase price shall be paid to the cooperating brokerage and 1.5% shall be retained by the Listing Brokerage (collectively, the **"Listing Fee"**).

The Seller acknowledges that payment of HST applies on all commissions payable. As it relates to the Listing Fee, a sale constitutes a Court-approved sale of the Property, a share transaction in respect of the Debtor that results in a transfer of beneficial ownership of the Property, or an exercise of first right to purchase, right of last refusal, option or other form of sale or transfer of the beneficial ownership of the Property, including any such transaction completed during the Holdover Period (subject to the terms and conditions of Section 3 hereof); but excluding in all cases a Credit Bid Transaction (as defined below) or a Redemption Transaction. The Seller agrees to notify the Listing Brokerage of the successful completion or closing of a sale of the Property, including any sale during the Holdover Period. The Seller shall instruct its solicitors to distribute the Listing Fee to the Listing Brokerage directly out of the proceeds of sale in accordance with an accepted agreement of purchase and sale and to have same addressed as a closing cost to the transaction.

Notwithstanding any other provision hereof: (i) the Listing Fee shall not be payable in the case of a Credit Bid Transaction, a Redemption Transaction or if the Seller elects to terminate the Sale Process and terminate this Agreement; and (ii) if the Listing Brokerage is entitled to the Listing Fee, it shall not be entitled to the Credit Bid Fee or the Redemption Transaction Fee.

6. Credit Bid Fee. If at any time during the Term the Seller completes a transaction in respect of the Property whereby Portage Capital Nominee Corp acquires the Property (directly or indirectly) in a transaction involving a credit bid of the obligations owed by the Debtor to such mortgagee that are secured by the Property (a **"Credit Bid Transaction"**), the Listing Brokerage shall be entitled to a fixed fee of \$100,000, plus applicable taxes and reimbursement of actual reasonable and documented expenses incurred by the Listing Brokerage (the **"Credit Bid Fee"**). For greater certainty, if the Listing Brokerage is entitled to the Credit Bid Fee, it shall not be entitled to the Listing Fee or Redemption Transaction Fee.

7. Redemption Transaction Fee. If at any time during the Term the Seller completes a Redemption Transaction in respect of the Property whereby the Debtor redeems or refinances the mortgages in respect of the Property or otherwise brings the mortgages in respect of the Real Property into good standing, the Listing Brokerage shall be entitled to a fixed fee of \$100,000, plus applicable taxes and reimbursement of actual reasonable and documented expenses incurred by the Listing Brokerage (the **"Redemption Transaction Fee"**). For greater certainty, if the Listing Brokerage is entitled to the Redemption Transaction Fee, it shall not be entitled to the Listing Fee or Credit Bid Fee.

8. Acknowledgments. The Designated Agent(s) acknowledges and agrees in favour of the Seller that: (a) the Property is to be marketed and sold on an "as is, where is" basis and, accordingly, any agreement of purchase and sale shall provide an acknowledgment by such purchaser that the Property is being sold by the Seller on an "as is, where is" basis, and that no representations or warranties have been or will be made by the Seller or anyone acting on its behalf, to the Designated Agent(s) or such purchaser as to the condition of the Property or any buildings located thereon; (b) the Seller may annex a schedule to the transfer/deed of land (or other registrable document with respect to the sale) expressly excluding any covenants deemed to be included pursuant to the Land Registration Reform Act of Ontario, other than one to the effect that the Seller has the right to convey the Property; (c) in lieu of a transfer/deed of land for the Property, the Seller will vest title to the Property by way of an approval and vesting order issued by the Court; and (d) the sale of the Property requires the prior approval of the Court in said Court's sole and absolute discretion.

9. Advertisement Expenses, Third Party Consultants and Reporting. All advertising and sales promotion shall be subject to the approval of the Seller and all such advertisement and promotional material shall be prepared, published and distributed by the Designated Agent(s) and shall be at the expense of the Designated Agent(s). All third-party reports and legal service fees requested and/or approved by the Seller shall be at the expense of the Seller. The Designated Agent(s) agrees to provide the Seller with detailed reporting regarding the status of the Sale Process, including weekly lists of its solicitation efforts, the parties interested in the opportunity, the status of their diligence and such other information as is reasonably requested by Seller to be kept apprised of all material developments in the Sale Process. The Designated Agent(s) will participate in no less than one weekly update call with the Seller, in Seller's discretion.

10. Indemnity. The Designated Agent(s) confirms that it owes an obligation to the Seller and its officers, employees and agents (collectively, the “**Indemnified Parties**”) to carry out its activities in a competent and professional manner acting reasonably and in good faith. As such, the Listing Broker hereby agrees to indemnify the Indemnified Parties with respect to claims made by third parties against the Indemnified Parties arising out of work performed by the respective Designated Agent(s) or the respective Designated Agent(s) failure to comply with its obligations hereunder, up to a maximum of the Listing Fee actually received by the respective Listing Broker pursuant to this Agreement. This indemnity shall survive the expiration or termination of the Agreement.

11. Confidentiality. The Designated Agent(s) shall treat and instruct those under its control to treat as confidential and shall not disclose, during as well as after the rendering of the service contracted herein, any confidential information, records or documents to which the Designated Agent(s) becomes privy as a result of its performance of the Agreement and shall take all necessary steps to ensure the confidentiality of information in the Designated Agent(s)'s possession or control except for disclosure that may be required for the reasonable performance by the Designated Agent(s) of its responsibilities hereunder. Confidential Information shall not include information that: (i) was previously known to or in the possession of the Listing Broker or Designated Agent(s) prior to receipt from the Seller; (ii) is independently developed by or on behalf of the Listing Broker or Designated Agent(s) without reference to the Confidential Information; (iii) is or becomes publicly available and/or generally known in the industry, other than through a breach of this Agreement; (iv) is disclosed to the Listing Broker or Designated Agent(s) by a source other than the Seller, provided such source is not known by the Listing Broker or Designated Agent(s) to be bound by any contractual, legal or fiduciary obligation of confidentiality to the Seller with respect to the information; or (v) the Listing Broker and/or any of the Designated Agent(s) is required by any court, administrative agency, governmental or regulatory (including self-regulatory) body, or under any applicable legal process, law, rule, regulation, subpoena, order or decree (collectively, “**Law**”) to disclose any of the Confidential Information to the extent such disclosure is required to be made public.

12. Assignment. This Agreement shall not be assigned in whole or in part by the Listing Broker without the prior written consent of the Seller which consent may be unreasonably and/or arbitrarily withheld and any assignment made without that consent is void and of no effect.

13. Seller's Capacity. Notwithstanding the foregoing or anything else contained herein or elsewhere, the Designated Agent(s) acknowledges and agrees that approval of the Sale Process (including the retention of the Designated Agent(s)) and any transaction or transactions involving a sale of the Property require the prior approval of the Court in the Court's sole and absolute discretion.

14. Warranty. Subject to Section 12 above and the remainder of this Section 13, the Seller represents and warrants that upon approval by the Court the Seller will have the exclusive authority and power to execute this Agreement and to authorize the Designated Agent(s) to offer the Property for sale. Notwithstanding the foregoing, the Designated Agent(s) acknowledges and agrees that the Seller has only limited knowledge about the Property and cannot confirm any third-party interests or claims with respect to the Property such as rights of first refusal, options, easements, mortgages, encumbrances or other otherwise concerning the Property, which may affect the sale of the Property.

15. Execution. This Agreement and any other agreement delivered in connection therewith, and any amendments thereto, may be executed by electronic copy or such similar format and if so executed and transmitted, will be for all purposes as effective as if the parties had delivered an executed original of this Agreement, or such other agreement or amendment, as the case may be, and shall be deemed to be made when the receiving party confirms this Agreement, or such agreement or amendment, as the case may be, to the requesting party by electronic copy or such similar format. This Agreement may be executed in several counterparts, and each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear date as of the date first written above.

16. Jurisdiction. This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario. If any provision hereof is invalid or unenforceable in any jurisdiction where this Agreement is to be performed, such provision shall be deemed to be deleted and the remaining portions of this Agreement shall remain valid and binding on the parties hereto.

17. Finder's Fees. The Seller does not consent to the Listing Broker/Designated Agent(s) (or its respective affiliates) receiving and retaining, in addition to the commission provided for or otherwise contemplated in this Agreement, a finder's fee for any financing of the Property.

18. Verification of Information. The Seller authorizes the Designated Agent(s) to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. For greater certainty, none of the Designated Agent(s) or the Listing Broker's representatives may bind the Seller or execute any documentation on behalf of the Seller. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Broker.

19. No Liability of Officers, Directors, etc.: In the enforcement of their rights hereunder, the parties agree that neither of them shall seek or obtain a money judgment, or exercise any other right or remedy, against any of the officers, directors, shareholders, employees, agents or principals (disclosed or undisclosed) of the parties or any of their successors or assigns. Neither party shall be liable to the other for, and each party hereby waives any and all rights to claim against the other, any special, indirect, incidental, consequential, punitive or exemplary damages in connection with this Agreement, including, but not limited to, lost profits. Except for any breach of indemnification obligations outlined herein, in no event shall Listing Brokerage's and/or Designated Agent(s)' liability to the Seller exceed One Million (\$1,000,000.00) Dollars. The terms and conditions set forth in this clause shall survive the expiration or termination of this Agreement.

CBRE LIMITED

Per: _____

Name: ●

Title: ●

Date:

**KSV RESTRUCTURING INC. SOLELY IN ITS
CAPACITY AS COURT APPOINTED RECEIVER AND
MANAGER OF CERTAIN PROPERTY OF R&B
PROPERTIES (2011) INC. AND NOT IN ITS
PERSONAL CAPACITY**

Per: _____

Name: Noah Goldstein

Title: Managing Director

Date:

SCHEDULE "A"
SALE PROCESS

Summary of Sale Process		
Milestone	Description of Activities	Timeline
Phase 1 - Underwriting		
Due Diligence	➤ CBRE to review all available documents (financial, legal and environmental reports) concerning the Real Property.	Until March 31, 2026
Finalize Marketing Materials	➤ CBRE and the Receiver to: <ul style="list-style-type: none"> ○ prepare the marketing brochure for a receivership sale process; ○ prepare the populated online data room; ○ prepare the Confidentiality Agreement ("CA"); and ○ prepare the Confidential Information Memorandum ("CIM") for a receivership sale process. 	
Prospect Identification	➤ CBRE will requalify and prioritize prospects; ➤ CBRE will also have pre-marketing discussions with targeted prospects.	
Phase 2 - Marketing and Offer Solicitation		
Stage 1	➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ offering summary and marketing materials printed; ○ launch of email and social media campaign; ○ telephone and email canvass of leading prospects; ○ meet with and interview bidders; and ○ publication of the acquisition opportunity in a regional and national newspaper. 	Week 1-4
Stage 2	➤ CBRE to provide detailed information to qualified prospects that sign the CA, including the CIM and access to the data room; ➤ CBRE to facilitate diligence by interested parties; ➤ The Receiver and legal counsel will prepare a vendor's form of Purchase and Sale Agreement ("PSA") which will be made available in the data room; and ➤ CBRE to provide weekly updates to the Receiver.	Week 1-4
Stage 3	➤ "Offer not Before Date" of April 30, 2026 (tentative date - subject to achieving previous timelines and market feedback); and ➤ Prospective purchasers encouraged to submit offerings in the form of the PSA, with any changes to the PSA blacklined.	April 30, 2026 (tentative date)
Phase 3 - Offer Review and Negotiations		
Selection of Successful Bids	➤ The Receiver will be at liberty to consult with Portage regarding the offers received, subject to any confidentiality requirements that the Receiver believes appropriate; and ➤ Select successful bidder and finalize definitive documents, subject to any final diligence to be performed by the purchaser. The Receiver will select the successful bidder, having regards to, among other things: <ul style="list-style-type: none"> ○ total consideration (cash and assumed liabilities); ○ form of consideration being offered; ○ third-party approvals required, if any; ○ conditions, if any, and time required to satisfy or waive same; and ○ such other factors affecting the speed and certainty of closing and the value of the offers as the Receiver considers relevant. 	Week 5 or as soon as possible
Phase 4 - Closing		
Sale Approval Motion	➤ Upon execution of definitive transaction documents, the Receiver will seek Court approval of the successful offer, on not less than 7 calendar days' notice to the service list and registered secured creditors.	Approximately 15 to 30 days from the date that the selected bidder confirms all conditions have been satisfied or waived.
Closing	➤ Following Court approval.	ASAP

Appendix “G”

Receivership of Certain Property of R&B Properties (2011) Inc.

Statement of Receipts and Disbursements

For the Period January 13, 2026 to February 20, 2026

(\$; unaudited)

Description	Amount
<i>Receipts</i>	
Termination Proceeds	1,000,000
Rental Income	42,298
	<hr/>
	1,042,298
<i>Disbursements</i>	
Operating costs	5,571
HST paid on disbursements	724
Other	84
	<hr/>
	6,379
Balance in Receiver's account, before accrued costs	<hr/> <hr/> 1,035,919.55

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE
JUSTICE STEELE

)
)
)

TUESDAY, THE 4TH
DAY OF MARCH, 2026

PORTAGE CAPITAL NOMINEE CORP.

Applicant

- and -

R & B PROPERTIES (2011) INC.

Respondent

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

**ORDER
(Sale Process, Direction re Termination Proceeds and Distribution)**

THIS MOTION, made by KSV Restructuring Inc. in its capacity as the Court-appointed receiver and manager (in such capacities, the "**Receiver**") without security, over (i) the real property known municipally as 761 Queen Street West, Toronto, Ontario, and as legally described in Schedule "A" hereto (the "**Real Property**"); (ii) all of the personal property of R & B Properties (2011) Inc. (the "**Debtor**"), acquired for, from or used in relation to the business carried on by the Debtor relating only to, located upon or used only in connection with the Real Property; and (iii) all proceeds thereof (together with the Real Property, the "**Property**"), for an order, *inter alia*, approving the proposed Sale Process (as defined and described in the First Report of the Receiver dated February 25, 2026 (the "**First Report**") was heard this day by judicial videoconference via Zoom videoconference.

ON READING the Notice of Motion of the Receiver, the First Report (including the appendices thereto), and on hearing the submissions of counsel for the Receiver and the other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of Brittney Ketwaroo sworn and filed: February 25, 2026

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that, capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the First Report.

SALE PROCESS

3. **THIS COURT ORDERS** that the Sale Process be and is hereby approved. The Receiver is hereby authorized to carry out the Sale Process and take such steps as it considers necessary or desirable to perform its obligations thereunder, subject to prior approval of the Court being obtained before completion of any transaction resulting from the Sale Process.
4. **THIS COURT ORDERS** that the listing agreement engaging CBRE Limited ("**CBRE**") as the Listing Broker of the Real Property in the form attached as Appendix "F" of the First Report (the "**Listing Agreement**"), and the retention of CBRE under the terms thereof, is hereby approved and ratified and the Receiver is authorized and directed to make the payments contemplated thereunder in accordance with the terms and conditions of the Listing Agreement.
5. **THIS COURT ORDERS** that the Receiver and its affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons 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 Receiver performing its duties under the Sale Process, except to the extent such losses, claims, damages or liabilities arise or result from the gross negligence or wilful misconduct of the Receiver, as determined by this Court in a final order that is not subject to appeal or other review.

6. **THIS COURT ORDERS** that, in conducting the Sale Process, the Receiver shall have all of the benefits and protections granted to it under the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3, as amended, the Receivership Order and any other Order of this Court in the within proceeding.

7. **THIS COURT ORDERS** that, for the purposes of the Sale Process approved herein, Portage Capital Nominee Corp, holding a valid, perfected, and enforceable security interest against the Property shall be entitled, but not obligated, to credit bid all or any portion of such secured indebtedness, subject to the terms of the Sale Process and the prior approval of the Court for any transaction resulting from said process.

PIPEDA

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Real Property subject to the Sale Process and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of such Real 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 of the Real

Property shall be entitled to continue to use the personal information provided to it, and related to the Real 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.

HST REMITTANCE

9. **THIS COURT ORDERS AND DIRECTS** that the Debtor shall forthwith pay over to the Receiver the Harmonized Sales Tax (HST) received from Brewers Retail Inc. in the amount of \$143,000, and that such funds shall be dealt with and distributed by the Receiver in accordance with the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended.

10. **THIS COURT ORDERS** that, in the event the Debtor is unable to comply with paragraph 10 as a result of the Termination Proceeds having been remitted to the Canada Revenue Agency or otherwise dissipated without the prior authorization of the Receiver, Daniel Rumack is directed to personally reimburse the Receiver for any portion of the Termination Proceeds so remitted or dissipated within seven (7) days of the date of this Order.

APPROVAL OF THE RECEIVER'S ACTIVITIES AND REPORT

11. **THIS COURT ORDERS** that the First Report is hereby approved and the activities and conduct of the Receiver as described therein is hereby ratified and approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approvals.

APPROVAL OF AN INTERIM DISTRIBUTION

12. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to make an interim distribution in the amount of \$300,000 from the Termination Proceeds to Portage Capital Nominee Corp.

GENERAL

13. **THIS COURT ORDERS AND DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All courts, tribunals and 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 respective agents in carrying out the terms of this Order.

SCHEDULE "A"
REAL PROPERTY

PIN 21243-0007 (LT)

PCL 2-1 SEC AD120; LT 2 S/S QUEEN STREET WEST PL D120 TORONTO; LT 3 S/S QUEEN - 2 - 1395-9957-6090.4 STREET WEST PL D120 TORONTO; LT 4 S/S QUEEN STREET WEST PL D120, TORONTO, CITY OF TORONTO

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

Proceeding commenced at Toronto

SALE PROCESS ORDER

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova LSO#: 52880V
Email: mkonyukhova@stikeman.com
Tel: +1 416-869-5230

Brittney Ketwaroo LSO#: 89781K
Email: bketwaroo@stikeman.com
Tel: +1 416-869-5524

Lawyers for the Receiver

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

Proceeding commenced at Toronto

MOTION RECORD

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova LSO#: 52880V
Email: mkonyukhova@stikeman.com
Tel: +1 416-869-5230

Brittney Ketwaroo LSO#: 89781K
Email: bketwaroo@stikeman.com
Tel: +1 416-869-5524

Lawyers for the Receiver