



**Fourth Report to Court of
KSV Restructuring Inc.
as Receiver and Manager of
Highview Building Corp Inc.**

September 22, 2023

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COURT FILE NUMBER: CV- 23-00698632-00CL

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

B E T W E E N:

DORR CAPITAL CORPORATION

APPLICANT

- AND -

HIGHVIEW BUILDING CORP INC.

RESPONDENT

**APPLICATION UNDER SECTION 243 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**

**FOURTH REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER**

SEPTEMBER 22, 2023

1.0 Introduction

1. The Ontario Superior Court of Justice (the “Court”) issued separate receivership orders on May 2, 2023 appointing KSV Restructuring Inc. (“KSV”) as the receiver and manager (the “Receiver”) of the property, assets and undertaking owned by the following entities in the Stateview Group of Companies (the “Stateview Group”), including their real property:
 - a) Highview Building Corp Inc. (“Highview”), pursuant to an application commenced by Dorr;
 - b) Stateview Homes (Nao Towns II) Inc., pursuant to an action commenced by Atrium Mortgage Corporation;
 - c) Stateview Homes (BEA Towns) Inc., pursuant to an application commenced by Dorr Capital Corporation (“Dorr”); and
 - d) Stateview Homes (Nao Towns) Inc., Stateview Homes (Minu Towns) Inc., Stateview Homes (High Crown Estates) Inc., Stateview Homes (On the Mark) Inc. (“On the Mark”) and TLSFD Taurasi Holdings Corp., pursuant to an application commenced by Kingsett Mortgage Corporation and Dorr.

2. On May 18, 2023, the Court issued an order appointing KSV as receiver of the property, assets and undertaking of Stateview Homes (Elm&Co) Inc., including its real property, pursuant to an application by Meridian Credit Union Limited.
3. Each of the Stateview receivership entities referenced above (the “Receivership Companies”) is a single-purpose real estate development company that owns a specific real property and a project¹.
4. Pursuant to an order of the Court dated June 5, 2023, the Court issued an order (the “Sale Process Order”) approving a sale process (the “Sale Process”) for the property owned by each of the Receivership Companies, except for On the Mark, for which the Court approved a sale process on July 19, 2023.
5. This report (the “Fourth Report”) is submitted by KSV, as the receiver and manager of Highview, in connection with the Receiver’s recommendation that the Court approve a sale of Highview’s real property (the “Highview Real Property”) and all other property associated with the Highview Real Property (the “Purchased Assets”). A copy of the Highview receivership order (the “Highview Receivership Order”) is provided as Appendix “A”.

1.1 Purposes of this Report

1. The purposes of this Fourth Report are to:
 - a) provide background information concerning the Stateview Group receivership proceedings, the Sale Process and the Purchased Assets;
 - b) summarize the results of the sale process for the Purchased Assets (the “Highview Sale Process”);
 - c) summarize a proposed transaction (the “Transaction”) between the Receiver and 2133904 Ontario Inc. (the “Purchaser”) for the sale of the Purchased Assets pursuant to an agreement of purchase and sale dated August 10, 2023, as amended on August 24, 2023 (the “APS”);
 - d) recommend that this Court issue an approval and vesting order (the “AVO”):
 - i. approving the APS and the Transaction; and
 - ii. transferring and vesting all of Highview’s right, title and interest in and to the Purchased Assets in the Purchaser, free and clear of all liens, charges, security interests and encumbrances, other than the Permitted Encumbrances (as defined in the APS), following the Receiver’s delivery of the Receiver’s certificate (the “Receiver’s Certificate”) substantially in the form attached as Schedule “A” to the proposed AVO;

¹ TLSFD Taurasi Holdings Corp. owns four industrial properties.

- e) recommend that this Court issue an order (the “Ancillary Relief Order”):
 - i. authorizing and directing the Receiver to make certain payments and distributions, including one or more distributions to Dorr, being Highview’s mortgagee with the earliest registration on title to the Highview Real Property, subject to the Marzanos’ Notices (as defined below);
 - ii. maintaining certain reserves from the proceeds of the sale of the Purchased Assets (as described and recommended below in Section 7 below);
 - iii. approving the fees and disbursements of the Receiver and Paliare Roland Rosenberg Rothstein LLP (“Paliare”), the Receiver’s counsel in respect of Highview, as summarized below;
 - iv. sealing the Confidential Appendices to this Fourth Report; and
 - v. approving the Fourth Report and the Receiver’s activities described therein.

1.2 Restrictions

1. In preparing this Fourth Report, the Receiver has relied upon: (i) Highview’s unaudited financial information; (ii) information provided by Dorr; (iii) discussions with various stakeholders in these proceedings (including their legal representatives); and (iv) the receivership application materials (collectively, the “Information”).
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information 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 as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Fourth Report by any party.

2.0 Background

1. The Stateview Group is a real estate developer with its head office in Vaughan, Ontario. The Stateview Group had been in business since 2010 and primarily developed low-rise residential projects in Southern Ontario.
2. Highview is a single-purpose real estate development company that owns the Highview Real Property, which has a municipal address of 89 and 99 Nashville Road, Kleinberg, Ontario. As of the date of the Receivership Order, Highview was advancing the development of a project that contemplated 12 large-detached homes. Construction on the Highview project, known as the “Tesoro Collection” (the “Project”), had not commenced as of the date of the Highview Receivership Order.

3. It is the Receiver's understanding that there are no home buyer deposits on the Project. The Stateview Group had intended to develop a prior project on the site, known as the "Enclave". In connection with the Enclave project, the Stateview Group sold 27 town homes. The Receiver understands that when the Stateview Group revised the development plan to 12 detached homes, Highview entered into mutual release and termination agreements with each of the 27 homebuyers of the Enclave project (the "Termination Agreements").
4. Based on information provided to the Receiver by the Stateview Group, the Receiver understands that there are no outstanding deposits with respect to the Enclave project; however, certain homebuyers have contacted the Receiver and advised that they did not receive a return of their deposits, nor did they receive additional compensation, as contemplated in the Termination Agreements. A copy of a Termination Agreement, with personal information redacted, is provided in Appendix "B".
5. As more fully discussed in Section 3.1 below, Domenic and Anna Marzano (the "Marzanos"), individuals who have a property that neighbours the Highview Real Property, assert that they have a claim against the Highview Real Property in the amount of approximately \$1.7 million which ranks in priority to the Dorr's mortgage on the Highview Real Property (the "Dorr Mortgage"). Dorr disputes this amount and the Marzanos' claim of priority.
6. Additional background information regarding Highview and the reasons for the appointment of the Receiver are provided in the receivership application materials filed by Dorr. Copies of the Court materials filed to-date in these proceedings are available on the Receiver's case website at: <https://www.ksvadvisory.com/experience/case/stateview-homes>.

3.0 Secured Creditors

1. As of the date of the Receivership Order, Dorr was owed approximately \$9.2 million, plus interest and costs which have accrued since that date (the "Dorr Indebtedness").
2. Dorr's security consists of, among other things, (i) a general security agreement dated March 8, 2022 (the "GSA"); and (ii) the Dorr Mortgage, being a mortgage/charge which was registered on title on March 9, 2022 (jointly with the GSA, the "Dorr Security"). As of the date of this Report, Dorr advised it was owed approximately \$9,925,592.78, plus interest and costs which continue to accrue. This amount is subject to the Receiver's review.
3. Paliare has provided the Receiver with an opinion that, subject to: (i) the standard assumptions and qualifications contained therein the Dorr Security, as registered on title to the Highview Real Property (by way of the Dorr Mortgage) and under the Ontario *Personal Property Security Act*, create valid and enforceable charges on the Highview Real Property and Highview's personal property.²

² A copy of the opinion can be provided to the Court upon request.

4. As reflected on the title search for the Highview Real Property, MCO Management Inc. (“MCO”) registered a \$5.3 million charge against the Highview Real Property on December 22, 2022 and 2515792 Ontario Inc. (“251 Ontario”) and Kleinville Developments LP registered a \$1.945 million charge against the Highview Real Property on April 18, 2023. The Receiver has made inquiries with MCO and 251 Ontario’s counsel about the nature of these charges and any amounts owing under the charges but has not yet received complete responses. The Receiver will continue to make inquiries into these charges and report to the Court in future, if necessary. In addition, Dorr’s counsel, Blaney McMurtry LLP (“Blaney”) advised the Receiver that MCO and Bergo Investment Limited (“Bergo”) each have PPSA registrations against Highview, which were to have been discharged upon the advance of Dorr’s loan on March 9, 2022 and, in any event, were subordinated to Dorr’s PPSA registrations. Blaney has requested Bergo’s counsel remove the PPSA registrations. Blaney is also taking steps to register a postponement of MCO and Bergo’s registrations in favor of Dorr.

3.1 Marzanos

1. Highview acquired the Highview Real Property from the Marzanos on December 18, 2017.
2. Pursuant to an agreement dated December 15, 2017 between the Marzanos and Highview (the “2017 Agreement”), the Marzanos were granted a “first opportunity and right” to acquire one residential unit in the development project being proposed for the Highview Real Property at that time (the “Marzano Residence”).
3. The 2017 Agreement provided that Highview would pay the Marzanos \$1.5 million if the unit in the development project being proposed for the Highview Real Property at that time was not transferred to the Marzanos in accordance with the terms of the 2017 Agreement, by December 15, 2022. A copy of the 2017 Agreement is provided in Appendix “C”.
4. On July 4, 2019, the Marzanos and Highview entered into a further agreement (the “2019 Agreement”) which, among other things: (i) confirmed that the Marzanos would pay Highview a deposit of \$200,000 towards the purchase price of the Residence; (ii) acknowledged the specific unit that the Marzanos selected as the Residence in the development project being proposed for the Highview Real Property at that time, being Lot 20 known as the “Coleridge Residence”; and (iii) amended the 2017 Agreement to provide that in the event that the Residence was not built by Highview and title to the Residence transferred to the Marzanos on or prior to February 24, 2023, Highview would pay \$1.7 million to the Marzanos.
5. The 2019 Agreement further provided that the obligations of Highview therein and under the 2017 Agreement “shall form a charge and encumbrance on the Highview Real Property”. A copy of the 2019 Agreement is provided in Appendix “D”.
6. Notices regarding the 2017 Agreement and the 2019 Agreement were registered on title to the Highview Real Property on December 18, 2017 and July 8, 2019, respectively (collectively, the “Marzanos’ Notices”).

7. The Highview Real Property is currently raw land and, accordingly, the Residence was not built by February 24, 2023 (as was required under the 2019 Agreement). It is the Receiver's understanding that the Marzanos take the position that they have a claim against Highview for \$1.7 million (the "Marzanos' Claim") which ranks in priority to the Dorr Mortgage given that the Marzanos' Notices were registered on title in advance of the registration of the Dorr Mortgage. The Receiver further understands that Dorr takes the position that the Marzanos no longer have any form of claim under the 2017 Agreement and/or the 2019 Agreement (unsecured or secured), and to the extent they would have a claim, it is an unsecured claim against Highview.
8. Subject to resolution of the Marzanos' Claim, it is the Receiver's intention to holdback \$1.7 million from the sale proceeds, plus \$3,500 for legal costs, pursuant to the amount claimed by the Marzanos in a Notice of Sale dated March 27, 2023 that they issued (the "Marzanos Holdback"). The Receiver intends to work with the Marzanos and Dorr to attempt to resolve this issue prior to the motion date on September 29, 2023.

4.0 Lien Claimant

1. GEI Consultants Ltd. ("GEI") registered a lien in the amount of \$99,598.37 against the Highview Real Property on May 5, 2023 (the "GEI Lien") and a certificate of action on June 30, 2023.
2. The GEI Lien alleges that services or materials were supplied to Highview from August 31, 2022 to March 28, 2023.
3. On May 10, 2023, counsel to the Receiver wrote to GEI's counsel to inquire about the basis upon which the GEI Lien was registered on the Highview Real Property. In the same letter, the Receiver's counsel also asked for general information about the GEI Lien including details of the alleged contract and amounts claimed. No response has been provided by GEI or its counsel.
4. Counsel for GEI has been served with a copy of this motion.

5.0 Sale Process

1. The Receiver carried out the Sale Process in accordance with the Sale Process Order. The Receiver's report to court dated May 30, 2023 (the "First Report") detailed the Sale Process. A copy of the First Report (without appendices) is provided in Appendix "E".
2. Pursuant to the Sale Process Order, the Receiver retained realtors to list for sale the real property owned by the Receivership Companies. Colliers International ("Colliers") was retained to list the Highview Real Property.
3. Colliers launched the Sale Process on June 15, 2023 by distributing an investment summary (the "Teaser") and a form of non-disclosure agreement ("NDA") to its data base of over 6,200 buyer prospect contacts. Colliers directly solicited interest in the Highview Real Property to parties it thought may have an interest in the Highview Real Property. Interested parties were required to sign the NDA to access a virtual data room ("VDR").

4. The VDR includes information regarding the Highview Real Property, such as contracts, permits, designs, drawings and other due diligence information that had been provided to the Receiver by third parties (such as a letter from KLM Planning Partners Inc., an urban planner) or Dorr, as well as an offering memorandum (the “Offering Memorandum”) prepared by Colliers.
5. The VDR also includes a form of agreement of purchase and sale (the “Template APS”). Prospective purchasers were encouraged to submit offers in the form of the Template APS, together with a blackline against the Template APS.
6. The listing was also advertised to co-operating brokers via the multiple listing service website.
7. On July 27, 2023, the Receiver set a bid deadline of August 10, 2023 (the “Bid Deadline”) which was announced to Colliers’ database of over 6,200 buyer prospects, as well as any additional buyer prospects in discussion with Colliers.

5.1 Sale Results

1. Colliers’ marketing report dated September 6, 2023 summarizing its activities to market the Highview Real Property for sale is provided as Appendix “F” (the “Colliers Report”). The Colliers Report includes a summary of initial offers (the “Offer Summary”) received for the Highview Real Property, which summary is removed. An unredacted copy of Colliers Report is attached as Confidential Appendix “1”. The Receiver’s recommendation regarding sealing this information is discussed in Section 6.3 below.
2. As discussed in the Colliers Report, Colliers widely canvassed the market and received 39 signed NDAs for the Highview Real Property.
3. In consultation with Colliers and Dorr, the Receiver reviewed the bids and the Receiver and/or Colliers engaged in direct discussions with the leading bidders to understand their bids, including their conditionality, financial ability to close and any other due diligence that remained outstanding. After consulting with each of the bidders, the Receiver selected the offer from the Purchaser (also known as City Park Homes) as the successful bidder.

6.0 The Transaction³

6.1 The APS

1. The following section summarizes the APS.
2. The APS was entered into as of August 10, 2023. The APS was subsequently amended on August 24, 2023 to clarify the amount of the Deposit provided to the Receiver and to make other minor clarifications to the APS (the “Amendment”).

³ Capitalized terms in this section have the meaning provided to them in the APS unless otherwise defined herein.

3. A copy of the redacted APS, including the redacted Amendment, is attached as Appendix "G". A copy of the unredacted APS, including the unredacted Amendment, is attached as Confidential Appendix "2". Only the Purchase Price and the Deposit have been redacted. The Receiver's rationale for sealing the unredacted APS is also provided in Section 6.3 below.
4. The key terms and conditions of the APS are provided below.
 - **Vendor**: the Receiver
 - **Purchaser**: 2133904 Ontario Inc.
 - **Purchased Assets**: substantially all of Highview's right, title and interest in:
 - a) the Highview Real Property;
 - b) the Contracts;
 - c) copies of all plans, surveys, consultants' reports (including, without limitation, environmental reports, appraisals, feasibility studies, surveys, title insurance policies and soil studies), engineering reports, realty tax receipts and assessment information, drawings, plans and specifications (conceptual or otherwise) of every nature and kind pertaining to the Real Property and the development and servicing thereof; and
 - d) the Permits, but only to the extent transferable to the Purchaser or the Purchaser's permitted assignees.

The Purchaser acknowledges and agrees that it shall not call upon the Receiver to produce any title deed, abstract of title, survey or other evidence of title that is not within the Receiver's possession or control.

- **Excluded Assets**: all assets, undertaking and property other than the Purchased Assets including:
 - a) all cash, cash equivalents and accounts receivable of Highview; and
 - b) tax records, books and records, minute books.
- **Purchase Price**: For the reasons provided in Section 6.3 of this Fourth Report, the Receiver is seeking to have the purchase price sealed pending closing of the Transaction.

The Purchase Price is to be adjusted on closing for adjustments standard for a real estate transaction, including property taxes.

- **Deposit**: A deposit equal to approximately 10% of the purchase price has been paid to the Receiver.
- **Excluded Liabilities**: All liabilities, other than the Permitted Encumbrances.

- **Representations and Warranties:** Consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties.
- **Closing Date:** the date that is the later of i) the first Business Day following the date that is 20 business days following the date on which the AVO is issued by the Court; and (ii) the first Business Day following the date on which any appeals or motions to set aside or vary the AVO have been finally determined, or, if the Parties agree, such other date as agreed in writing by the Parties.
- **Material Conditions:** include, among other things:
 - a) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
 - b) the Court shall have issued the AVO.

6.2 Transaction Recommendation

1. The Receiver recommends the Court issue the proposed AVO approving the Transaction for the following reasons:
 - a) the process undertaken by the Receiver to market the Real Property was commercially reasonable and conducted in accordance with the terms of the Sale Process Order;
 - b) Colliers has extensive experience selling development properties in and around the Greater Toronto Area and widely canvassed the market for prospective purchasers;
 - c) in Colliers’ view, it is unlikely that exposing the Real Property to the market for additional time will result in a superior transaction;
 - d) the Receiver and Colliers are of the view that the Transaction provides for the greatest recovery available for the benefit of Highview’s stakeholders in the circumstances;
 - e) the Purchaser has paid a material non-refundable deposit and the transaction is unconditional, except for Court approval;
 - f) Dorr consents to the Transaction; and
 - g) as at the date of this Fourth Report, the Receiver is not aware of any objections to the relief being sought pursuant to the proposed AVO.

6.3 Sealing

1. The Receiver recommends that the unredacted copy of the Colliers Report and APS (as amended) be filed with the Court on a confidential basis and remain sealed pending further order of the Court or closing of the Transaction, as making such information publicly available may negatively impact any future sale process for the Purchased Assets if the Transaction does not close. In addition, the Colliers Report includes the Offer Summary which contains sensitive information, including the identity of the bidders and the value of other bids received for the Property, that similarly could adversely impact the future marketability of the Property should the Transaction not close.
2. Sealing this information until the corresponding transactions close or further Order of the Court is necessary to maximize recoveries in these proceedings and maintain the integrity and confidentiality of key information in the Sale Process.
3. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Receiver is of the view that the sealing of the Confidential Appendices is consistent with the decision in *Sherman Estate v. Donovan, 2021 SCC 25*. Accordingly, the Receiver believes the proposed sealing of the Confidential Appendices is appropriate in the circumstances.

7.0 Distributions

1. The Receiver is seeking the Court's authorization and direction to distribute (the "Initial Distribution") the net sale proceeds to Dorr as partial payment of the balance owing by Highview to Dorr less: (i) the unpaid professional fees described in section 9.0; and (ii) a holdback of \$150,000 for ongoing professional fees and costs to complete the administration of these proceedings (the "Professional Fee Holdback"). As noted, the Receiver intends to work with Dorr and the Marzanos in advance of the return of this motion to attempt to resolve the dispute concerning the amounts claimed by the Marzanos.
2. The Receiver is also seeking the Court's authority to make one or more subsequent distributions to Dorr of any amounts from: (i) the Marzanos Holdback (on the consent of the Marzanos and Dorr or order of this court); and the Professional Fee Holdback (in the Receiver's discretion), up to the amount of Highview's indebtedness to Dorr.

8.0 Receiver's Activities

1. In addition to dealing with the matters addressed above, the Receiver's activities in respect of Highview include:
 - a) reviewing information provided by Dorr relating to the Highview Real Property, including Highview's development status;
 - b) corresponding with Paliare, Dorr and Blaney regarding all aspects of this mandate, including the Marzanos issue;
 - c) developing and carrying out the Sale Process;
 - d) reviewing and commenting on drafts of the Sale Process materials, including the Teaser, NDA and Offering Memorandum;

- e) reviewing information uploaded to the VDR;
- f) dealing with Colliers regarding due diligence requests from prospective purchasers;
- g) attending update calls with Colliers and Dorr regarding the status of the Sale Process;
- h) reviewing the motion materials and related orders;
- i) corresponding with Masters Insurance, Highview's insurance broker;
- j) corresponding with Highview's creditors;
- k) corresponding with the CRA regarding Highview's HST accounts;
- l) filing HST returns; and
- m) drafting this Fourth Report and reviewing the motion materials in respect of same.

9.0 Professional Fees

1. Where possible, the Receiver and Paliare have allocated their fees to a specific Stateview Group receivership entity when their activities relate to a specific entity. A significant portion of the activities performed by the Receiver and Paliare are of a general nature, and are not specifically allocable to a specific entity, including drafting reports to Court and obtaining background information concerning the Stateview Group.
2. The methodology for allocating the general professional fees, disbursements and costs of the Receiver and its counsel was summarized in the Receiver's third report to Court dated September 7, 2023 and approved by the Court pursuant to an Order dated September 14, 2023, which is provided as Appendix "H" (without attachments). Accordingly, the Receiver and Paliare have allocated such fees, disbursements and costs evenly across each of the Stateview Group receivership entities.
3. The fees of the Receiver since the commencement of the receivership proceeding to August 31, 2023 for Highview specifically, and the general fees allocated to Highview on the basis noted above, total \$66,639.25, excluding disbursements and HST.
4. Paliare's fees for the same period for Highview specifically and the general fees allocated to Highview on the basis noted above total \$27,089.00, excluding disbursements and HST.
5. Fee affidavits and accompanying invoices in respect of the fees and disbursements of the Receiver and Paliare for these periods are attached as Appendices "I" and "J", respectively, to this Fourth Report (together, the "Fee Affidavits").
6. The average hourly rate for the Receiver for the referenced billing period was \$613.67. The average hourly rate for Paliare was \$763.00.

7. The Receiver is of the view that Paliare's hourly rates are consistent with or lower than the rates charged by other law firms practicing in the area of insolvency in the Toronto market, and that its fees are reasonable and appropriate in the circumstances.

10.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make orders granting the relief detailed in Section 1.1(1) (d) and (e) of this Fourth Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
HIGHVIEW BUILDING CORP INC.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “A”

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

THE HONOURABLE) TUESDAY, THE 2nd
)
JUSTICE STEELE) DAY OF MAY, 2023

DORR CAPITAL CORPORATION

Applicant

- and -

HIGHVIEW BUILDING CORP INC.

Respondent

APPLICATION UNDER Section 243 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

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing KSV Restructuring Inc. as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Respondent, Highview Building Corp Inc. (the "**Debtor**"), including the real property owned by the Debtor municipally known as 88 Nashville Road and 99 Nashville Road, Kleinberg, Ontario ("**Real Property**"), acquired for, or used in relation to a business carried on by the Debtor, was heard this day at Toronto, Ontario, by Zoom videoconference.

ON READING the Notice of Application issued April 27, 2023 (the “**Notice of Application**”), the Affidavit of Brian Dorr sworn April 28, 2023 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicant, the Respondent, the proposed Receiver, and such other parties listed on the Participant Information Form, no one else on the service list appearing, although duly served, as appears from the Affidavit of Service of Kelly Vickers sworn May 1, 2023, 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 Record dated May 1, 2023, is hereby abridged and 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 all of the assets, undertakings and properties of the Debtor, acquired for, or used in relation to a business carried on by the Respondent, including all proceeds thereof (the “**Property**”). For greater certainty, in this Order, Property includes, without limitation, the Real Property listed in Schedule “A” hereto, and all proceeds thereof.

RECEIVER’S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent

security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any contracts or agreements in connection therewith (including any amendments and modifications thereto), repudiate or disclaim any contracts or agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform, modify, and/or terminate any contracts or agreements to which the Debtor is a party, provided that the Receiver shall not cease to perform, repudiate or disclaim any contracts of the Debtor prior to May 29, 2023, without further Order of the Court;
- (d) to engage contractors, tradespersons, quantity surveyors, consultants, appraisers, agents, experts, auditors, accountants, managers, including a property manager, mortgage brokers or administrators, counsel, and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to investigate, and report to this Court on, intercompany payments, transactions and other arrangements by the Debtor and other Persons (as defined below), including without limitation, other companies and entities that are affiliates of the Debtor, that appear to the Receiver to be out of the ordinary course of business. All Persons shall be required to provide any and all information and documents related to the Debtor requested by the Receiver in connection with such investigations;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; 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;

- (m) 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;
- (n) 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;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) 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 and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to undertake any investigation deemed appropriate by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, Property;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including opening any mail or other correspondence addressed to the Debtor,

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 BDO Canada Limited in its capacity as information officer (in such capacity, the “**Information Officer**”), and without interference from any other Person.

3A. **THIS COURT ORDERS** that notwithstanding anything else in this Order, no formal marketing or sale process shall be commenced (including the service of any motion for court approval of a sale process or solicitation of potential purchasers) in respect of the Property before May 29, 2023. For certainty, the Receiver may seek proposals from brokers provided that all brokers are required to sign non-disclosure agreements before being provided with any confidential information, prepare marketing materials and do such other things it deems appropriate to prepare for a marketing or sale process.

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, agents, accountants, legal counsel, shareholders and unit holders, 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 aspect(s) or portion(s) of the Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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

make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property or any assets located on premises belonging to the Debtor 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 or any assets located on premises belonging to the Debtor are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

13. **THIS COURT ORDERS** that 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 the transfer/establishment of the account.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

15. **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

16. **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

17. **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

18. **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

19. **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.

20. **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.

21. **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

22. **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 \$250,000.00 (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.

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

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

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court 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

26. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 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 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL ‘<https://www.ksvadvisory.com/experience/case/stateview-homes>’.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide 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.

28. **THIS COURT ORDERS** that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtor’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 8100-2-175 (SOR/DORS).

GENERAL

29. **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.

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

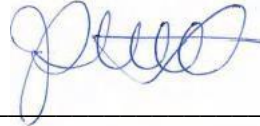
31. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals,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

32. **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.

33. **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.

34. **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.

35. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date it is made, and it is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal Order need be entered and filed unless an appeal or motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal Order for original signing, entry and filing, as the case may be, when the Court returns to regular operation.



SCHEDULE "A"

REAL PROPERTY

PIN 03323 – 0578 (LT) LRO #65

PART OF LOTS 54, 55 & 56, PLAN 9, PART 1, PLAN 65R37961; CITY OF VAUGHAN

PIN 03323 – 0579 (LT) LRO #65

PART OF LOTS 52 & 53, PLAN 9, PART 2, PLAN 65R37961; CITY OF VAUGHAN

PIN 03323 – 0580 (LT) LRO #65

PART LOTS 52, 53, 54, 55 & 56, PLAN 9 & PART LOT 24, CONCESSION 8(VGN), PART3,
PLAN 65R37961; CITY OF VAUGHAN

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that KSV Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Highview Building Corp 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 ___ day of _____, 2023 (the "**Order**") made in an application having Court file number __-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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 Debtor, and not in its personal capacity

Per: _____

Name:

Title:

DORR CAPITAL CORPORATION

Applicant

and

Court File No. CV-23-00698632-00CL
HIGHVIEW BUILDING CORP INC.

Respondent

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

Proceeding commenced at Toronto

ORDER APPOINTING RECEIVER

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Barristers & Solicitors
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Email: egolden@blaney.com

Chad Kopach (LSO #48084G)
(416) 593-2985 (Tel)
Email: ckopach@blaney.com

Lawyers for the Applicant

Appendix “B”

MUTUAL RELEASE AND TERMINATION AGREEMENT

BETWEEN: HIGHVIEW BUILDING CORP INC.
(hereinafter called the "Vendor")

AND: [REDACTED]
(hereinafter called the "Purchaser")

WHEREAS the Purchaser and the Vendor entered into an agreement of purchase and sale which was effective on the 21st day of July, 2020 (which agreement together with any addendums or amendments thereof are hereinafter referred to as the "Purchase Agreement") pertaining to the Purchaser's acquisition from the Vendor of Potl No. 6, (together with an undivided interest in the common elements appurtenant to such Potl (all of which is hereinafter collectively defined as the "Purchased Unit"), in accordance with condominium plan documentation proposed to be registered against those lands and premises situate in the City of Vaughan, municipally located at POTL# 6, 88 & 89 Nashville Road, Vaughan, Ontario and more particularly described in the Purchase Agreement (hereinafter referred to as the "Real Property");

AND WHEREAS for various pertinent reasons, the parties hereto now desire to terminate the Purchase Agreement and wish to release each other from any and all claims that they may have arising under (or in connection with) the Purchase Agreement, and have accordingly entered into these presents in order to evidence and confirm the same:

NOW THEREFORE THESE PRESENTS WITNESSETH that in consideration of the sum of TEN (\$10.00) DOLLARS of lawful money of Canada now paid by each of the parties hereto to the other, and in consideration of the mutual covenants and releases hereinafter set forth, and for other good and valuable consideration (the receipt and sufficiency of which is hereby expressly acknowledged), the parties hereto hereby confirm the accuracy and veracity of the foregoing recitals, and do hereby covenant and agree to the following:

1. The Purchase Agreement, together with any and all addendums thereto or amendments thereof, is hereby terminated and no further force or effect.
2. By no later than December 15, 2022, the Vendor shall remit to the Purchaser the sum of \$120,000.00, all inclusive, representing the aggregate of all deposit monies heretofore paid by the Purchaser to the Vendor on account of the purchase price of the Purchased Unit (the "Deposit Monies").
3. In addition, commencing on January 3, 2023 and on the first day of every month thereafter, the Vendor shall remit to the Purchaser 6 equal monthly installments, each in the sum of \$21,666.67 totaling \$130,000.00. The Vendor shall pay this amount, together with the Deposit Monies, to the Purchaser as full and complete compensation for the Purchaser agreeing to terminate the Purchase Agreement.
4. The parties covenant and agree that the contents, terms and conditions of this Mutual Release and Termination Agreement shall be kept strictly confidential. The parties shall not, under any circumstances, discuss or reveal the details of this Mutual Release and Termination Agreement with anyone except the parties' legal and financial advisors and as may be required by law and/or Court order.
5. The parties hereto hereby mutually release each other, and each of their respective heirs, estate trustees, administrators, successors, assigns, directors, officers, shareholders, solicitors and employees from and against any and all costs, damages, actions, causes of action, proceedings, demands and/or claims whatsoever which either of the parties hereto now has, or may hereafter have, against the other party hereto, by reason of, or in connection with, the Purchase Agreement (and any and all addendums thereto or amendments thereof) and/or the termination thereof pursuant to the foregoing provisions hereof; the Deposit Monies or in connection with the Purchased Unit and/or the aforementioned condominium project developed (or intended to be developed) on the Real Property.
6. Without restricting the generality of the foregoing, it is expressly understood and agreed that the Purchaser shall not make or pursue any claim(s) or proceedings(s) nor seek any compensation whatsoever, with respect to (or in connection with) the Purchase Agreement, the Purchased Unit, the Real Property and/or the Deposit Monies (or any portion thereof), against the Vendor, Tarion Warranty Corporation and any surety company or companies that have issued (or will hereafter be issuing) one or more bonds to Tarion Warranty Corporation (the "Program") any party acting as Escrow Agent, Aviva Insurance Company of Canada, Intact Insurance Company, and/or Liberty Mutual Insurance Company and/or any other sureties in respect of the Program, the Escrow Agent, or Deposit Monies, nor against any other person or corporation which would have the right to claim contribution or indemnity from the Vendor in connection with the Purchase Agreement or the termination thereof, or in connection with the Deposit Monies, the Purchased Unit and/or the aforementioned condominium project developed (or intended to be developed) on the Real Property.
7. Upon the execution of these presents by both parties hereto, all of the estate, right, title and interest of the Purchaser in and to the Purchased Unit and the Real Property (both at law and in equity, and whether in possession, expectancy or otherwise) shall be automatically released and quit-claimed to and in favour of the Vendor and its successors and assigns forever.

8. This Mutual Release and Termination Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal law of Canada, and that any claim, cause of action or dispute arising out of this Mutual Release and Termination Agreement shall be brought by arbitration under the *Arbitration Act, 1991, S.O. 1991, c. 17* (as required by the Tarion Addendum forming part of the original Purchase Agreement).
9. This Agreement shall enure to the benefit of and be binding upon, the parties hereto and their respective heirs, executors, administrators, successors and assigns.
10. This Agreement shall be read and construed with all changes of gender and/or number as may be required by the context, and if more than one individual comprises the Purchaser, then all of the foregoing covenants and agreements of the Purchaser shall be deemed and construed to be joint and several covenants and agreements thereof.
11. Each of the parties hereto further acknowledges and agrees that these presents may be executed via telefax transmission (and the execution of a telefaxed version hereof by any or all of the undersigned parties shall have the same force and effect as if same were originally executed), and that a photocopy, a telefaxed copy or a scanned e-mailed copy of this executed Mutual Release & Termination Agreement may be relied upon to the same extent as if it were an original executed version.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their hands and seals, or corporate seals, as the case may be, this _____ day of _____, 2022.

SIGNED, SEALED AND DELIVERED in the presence of:

Witness

Highview Building Corp Inc.

Per: Daniel Ciccone - CFO

I have authority to bind the corporation

Appendix “C”

THIS AGREEMENT made as of this 15 th day of December, 2017.

B E T W E E N :

DOMENIC MARZANO and **ANNA MARZANO**, both of the
Town of Woodbridge, in York Region:

(herein referred to collectively as "**Marzano**")

OF THE FIRST PART

- and -

HIGHVIEW BUILDING CORP INC., a corporation duly incorporated
under the law of the Province of Ontario

(herein referred to as the "**Owner**")

OF THE SECOND PART

WHEREAS:

A. Marzano sold, transferred and conveyed the real property (the "**Property**")
described in Schedule "**A**" annexed hereto, to the **Owner**; and

B. In pursuance of the **Owner**'s obligations to Marzano, the parties have
agreed to enter into this Agreement

NOW THEREFORE IN CONSIDERATION of the mutual covenants contained
herein, and other good and valuable consideration the receipt and sufficiency of which is
acknowledged by the parties hereto, the parties agree as follows:

- 1. (a)** The **Owner** has made application to construct and sell residential units
within a proposed multi-unit condominium development (the "**Project**")
to be constructed upon the **Property** by the **Owner**.
- (b)** The **Owner**, (in its capacity as transferor), hereby irrevocably grants to
Marzano, (in Marzano's capacity as a transferee) with the first opportunity
and right to obtain, from the **Owner** or any successor in title to the
Property, ownership and a transfer of a residential dwelling unit to be
located within the residential component of the **Project**, in fee simple,
including ownership of two underground parking stalls within the
residential parking areas of the **Project** (herein collectively the ("**Unit**").

- (c) The Owner shall provide Marzano with written notice (the “Notice”), not less than 10 days prior to the commencement of the offering for sale of residential properties on the Property and in the Project by the Owner;
- (d) The residence of portion of the Unit shall consist of not less than 1,900 square feet to a maximum of 2,100 square feet (excluding balcony or terrace area and excluding any allowance for common element hallways or other common element areas), as such area, to be calculated in accordance with Tarion Builder Bulletin 22 (or successor Bulletin);
- (e) For a period of 20 days after the delivery of the Notice by the Owner to Marzano, Marzano shall be entitled to make the first selection of the Unit from the any residential units intended for sale in the Project by the Owner, of the foregoing size, prior to any residential units in the Project being sold or reserved by any other person;
- (f) The Owner will not “hold back” any residential units in the Project, and any residential units in the Project are eligible for the Vendor to be considered as a Unit capable of being selected by Marzano;
- (g) The Owner represents and warrants to Marzano, upon which representations Marzano has relied upon, that residential units with the foregoing area will form part of the Project and will be available to Marzano. For greater certainty, Marzano, in Marzano’s sole discretion, may select a residential unit smaller than set out herein;
- (h) The transfer and conveyance of the Unit shall be without any cost, charge, fee or compensation or consideration of any nature or kind including without limiting the generality of the foregoing, any obligation for municipal, local, provincial or other levies or imposts of whatever nature or kind, to Marzano’
- (i) The Owner shall pay and incur and be responsible for those closing fees related to the conveyance of the Unit to Marzano, being Marzano’s legal counsel's fees and disbursements and the reimbursement to Marzano of the enrollment fee paid by the Owner to the Tarion Warranty Corporation in respect of the Unit. The Owner shall have available to Marzano the draft plans for the residential components of the Project, at such time;
- (j) The Unit, as selected by Marzano shall be transferred and conveyed by the Owner to Marzano free and clear of all liens, charges, security interests, municipal levies or imposts, or encumbrances of whatever nature and kind, save and except such title matters or condominium obligations as are uniform and applicable to all purchasers of residential units in the Project in accordance with the Owner’s standard form agreement of purchase and sale (provided nothing in such form shall contravene any of the provisions

herein) and in accordance with the condominium documents prepared by the Owner. For greater certainty, Marzano shall not be required to enter into the Owner's form of Agreement of Purchase and Sale, but the parties shall confirm in writing the selection of the Unit. I

- (k) Marzano shall be entitled to select, for inclusion in the Unit, from all or any of the upgrades/finishes/options/appliances offered to purchasers generally of residential units in the Project, any of such upgrades/finishes/options/appliances, to be provided by the Owner to Marzano without cost, charge or expense, to a maximum value of \$50,000, calculated at the prices provided to other purchasers of residential units within the Project;
- (l) Marzano shall have the right to take possession of the Unit concurrently with the granting of occupancy (as that term is defined in the Tarion Addendum applicable to residential units) generally to the other residential units on the same floor as the residential component of the Vendor's Unit. The Vendor's Unit shall be completed and occupancy (as that term is defined in the Tarion Addendum applicable to residential units) of same shall be granted to Marzano in accordance with the Owner's construction schedule, it being understood that occupancy clearance by the applicable governmental authority is typically granted on a floor-by-floor basis;
- (m) From the date Marzano takes occupancy of the Unit until registerable title to the Unit is conveyed to Marzano, Marzano shall not be required to pay any occupancy fees to the Owner or to the Declarant (as such term is defined in the *Condominium Act, 1998*) of the Project or to pay any common expenses to the condominium corporation registered created on the Property, however, Marzano shall be required to pay for any utilities consumed in the Unit and measured by a meter (whether a consumption, check or sub-meter or the like) during such period;
- (n) The Unit shall be conveyed to Marzano by the Owner on the first date that residential units within the condominium corporation to be registered upon the Property (the "**Condominium Corporation**") are conveyed to third-party unit purchasers, which date is approximately 30 days after the registration of the Condominium Corporation;
- (o) Marzano may lease the Unit, without cost or restriction, at any time after the occupancy date of the Unit. Marzano may sell, transfer or convey the rights herein to the Unit, including, without limitation, by bequest, at any time, without the prior written consent of the Owner, but upon written notice to the Owner, it being understood and agreed that Marzano and any assignee of Marzano's right to the Unit shall forthwith execute any documentation required by the Tarion Warranty Corporation or the solicitor for the deposit surety company for to the Project evidencing such

assignment and the particulars thereof. This obligation shall be considered an obligation running with title to the Property and shall survive the Closing and shall not merge on the Closing. For the purposes of calculating the payment of Land Transfer Taxes payable by Marzano on the conveyance of the Unit, the parties hereto acknowledge and agree that the purchase price of the Unit shall be \$550 per square foot of the residence comprising the Unit, such square footage being calculated in accordance with Tarion Builder Bulletin 22 (or successor Bulletin). The parties hereto acknowledge that Marzano is not eligible for the HST New Housing Rebate with regards to the conveyance of the Unit and that the Owner shall not be entitled to the assignment of said Rebate from Marzano on the conveyance of the Unit;

- (p) If Marzano does not select the Unit with 20 days after service of the Notice, then Marzano's first right and opportunity to select the Unit, as described above, shall be at an end and the Owner, shall be free thereafter and at any time from time to time to negotiate, offer and enter into offers and agreements with respect to the sale of dwellings within the Project as the Owner may see fit provided that, for greater certainty, Marzano shall remain entitled to a transfer of the Unit from remaining inventory of residential and parking units in the Project, if any (Marzano acknowledging that there may not be any residential units remaining in the Project), without cost, and otherwise upon the terms set out herein;
- (q) The parties hereto shall register a covenant on title to the Property at the time of Closing, confirming the right hereunder in favour of Marzano and the duties of the Owner hereunder, such covenant expiring upon the transfer and conveyance of title to the Unit upon the terms as aforesaid Marzano shall delete the covenant from title to the Property upon the transfer of title to the Unit;
- (r) The covenants that the rights herein in respect of the Unit shall run with title to the Property and shall binding upon the Owner, and the Owner's successors and assigns of title to the Property;
- (s) Upon the selection of the Unit by Marzano, the covenant registered on title to the Property shall be discharged by the Owner at the Owner's sole cost and expense and shall be replaced with a new covenant indicating the specific Unit selected by Marzano and indicating that the right hereunder in favour of Marzano to receive the conveyance of title to the Unit only applies to the Unit selected by Marzano. Marzano shall delete this covenant from title to the Property upon the conveyance of the Unit to Marzano, in accordance with the herein terms.
 - a. Prior to the conveyance of title to the Unit, Marzano shall enter into or assume a contract with the providers of utilities and/or the party

monitoring consumption of utilities within the Unit (the "Utilities Providers"), on the Utilities Providers' standard form, for the provision and/or metering of utilities services to the Unit. The fees, costs and charges (including, without limitation, any rental, security deposit, pre-payment, administration, commodity and non-commodity fees/charges) related to such utilities services and/or for monitoring consumption of same shall be adjusted for the month that Marzano takes occupancy of the Unit with Marzano being responsible for such fees, costs and charges from and after the occupancy date;

b. Marzano acknowledges (i) that water heater and related equipment within the Unit (the "Equipment") may be non-owned, at the sole discretion of the Owner (ii) the terms governing the lease/rental for the Equipment will be provided by the Owner prior to conveying the Unit to Marzano and Marzano may be required to execute a lease/rental document containing the terms prior to closing; and (iii) the terms of the lease/rental may contain a buy-out option allowing Marzano to purchase the Equipment if desired;

c. Marzano's legal fees and disbursements incurred by Marzano with regards to the taking of occupancy of the Unit and the conveyance of registered title to the Unit shall be paid by Marzano;

d. Registered title to the Unit shall be conveyed to the Vendor 20 business days after condominium corporation pertaining to the Unit is registered on title to the Property (or such earlier date as the parties hereto may agree);

e. Anna Marzano and Domenic Marzano may at any time transfer and convey the rights under this Agreement to each other,

2. The rights herein in favour of Marzano shall be and be deemed to be an interest in land and shall run with title to the Property.
3. Any notice, direction or other instrument required or permitted to be given to or by a party hereunder shall be in writing and shall be given by delivering the same personally or sending the same by pre-paid first-class registered mail, deposited in the mail in Canada

If to Marzano, to Marzano at:

25 Whiffletree Court
Woodbridge, Ontario
L4L 3K1

and

If to the Owner, to the Owner at

410 Chrislea Road, Unit 16
Woodbridge, Ontario
L4L 8B5

Any such notice, direction or other instrument, if delivered, shall be deemed to have been given on the date on which it was delivered and, if mailed as aforesaid, on the seventh (7th) day exclusive of the day of mailing.

4. Notwithstanding anything herein contained to the contrary, in the event that the Owner does not, for any reason, proceed with the development of the Property for a mixed use residential condominium development as provided herein and proceeds to develop the Property for residences, other than condominiums in a mixed-use Project, whether as a result of the intention of the Owner or as a result of governmental requirement or intervention, the Owner shall, at the sole option of Marzano three (3) years from the date hereof, either i) pay an amount to Marzano equal to the initial selling price per square foot of a 2,100 square foot residential unit (the "Unit Value") upon demand being made by Marzano, or ii) provide a credit to Marzano in an amount equal to the Unit Value against the purchase price of the type of residential unit constructed on the Property by the Owner. Notwithstanding, the foregoing, if a condominium unit is not transferred to Marzano in accordance with this Agreement within 5 years of the date of this Agreement, Owner will pay the sum of \$1,500,000 to Marzano in consideration of Owner's obligations herein.
5. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, estate trustees, legal personal representatives, successors and assigns. This Agreement shall not be assignable by the Owner, but Marzano may assign its rights in this Agreement without the prior written consent of the Owner.
6. Each of the provisions contained in this agreement is distinct and severable, and a declaration of invalidity of unenforceability of one or more provisions of this agreement by any court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.
7. This agreement constitutes the entire agreement between the parties pertaining to the matters contemplated herein and supersedes all prior agreements in respect of the matter provided herein. There are no other warranties, representations or agreements between the parties in connection with the transactions contemplated herein.
8. The obligations herein of the Owner owed to Marzano shall form an encumbrance and charge on the Property

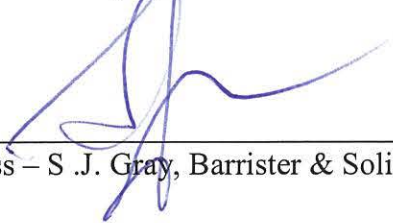
9. This Agreement shall be governed by and interpreted in accordance with the laws

THIS AGREEMENT MAY BE SIGNED IN COUNTERPARTS. THE BALANCE OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK. SIGNATURES APPEAR ON THE FOLLOWING PAGE.

of the Province of Ontario as applicable herein. The parties hereto irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Ontario.

IN WITNESS WHEREOF this agreement has been executed by the parties on the date first written above.

SIGNED, SEALED & DELIVERED)
in the presence of)



Witness – S .J. Gray, Barrister & Solicitor)



DOMENICO MARZANO)


ANNA MARZANO)

**HIGHVIEW BUILDING CORP
INC.**

Per: _____
John Di Massimo, A.S.O.

Per: _____
Daniel Ciccone, A.S.O.

We have authority to bind the Corporation.

of the Province of Ontario as applicable herein. The parties hereto irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Ontario.

IN WITNESS WHEREOF this agreement has been executed by the parties on the date first written above.

SIGNED, SEALED & DELIVERED)
in the presence of)

Witness – S.J. Gray, Barrister & Solicitor)

DOMENICO MARZANO

ANNA MARZANO

**HIGHVIEW BUILDING CORP
INC.**

Per: _____
John Di Massimo, A.S.O.

Per: _____
Daniel Ciccone, A.S.O.

We have authority to bind the Corporation.

SCHEDULE "A"

LEGAL DESCRIPTION OF PROPERTY

Firstly: PIN 03323-0266 (LT), Part of Lots 52 & 53, Plan 9, Vaughan as in R324126 and known municipally as 89 Nashville Road, Vaughan;

Secondly: PIN 03323-0265 (LT), Part of Lots 54, 55, 56 Plan 9, Vaughan as in R445446 and known municipally as 99 Nashville Road, Vaughan; and

Thirdly: PIN 03323-0574 (LT,) Part of Lots 52, 53, 54, 55 & 56, Plan 9 and Part of Lot 24, Concession 8 (Vaughan), shown as Part 1 on Plan 65R-35421, Vaughan and known municipally as Part of 10515 Highway 27, Vaughan

Appendix “D”

THIS AMENDING AGREEMENT made as of this 4th day of July, 2019

B E T W E E N :

DOMENIC MARZANO and **ANNA MARZANO**, both of
the Town of Woodbridge, in York Region

(herein referred to collectively as “Marzano”)

OF THE FIRST PART

- and -

HIGHVIEW BUILDING CORP INC., a corporation duly
incorporated under the law of the Province of Ontario

(herein referred to as the “Owner”)

OF THE SECOND PART

WHEREAS:

A. The parties hereto entered into an agreement (the “Option Agreement”) as of this 15th day of December, 2017, providing, *inter alia*, for an option, in the nature of a right of first opportunity and right granted to Marzano, to acquire a residential dwelling (the “Residence”) to be located on the land (the “Property”) referred to in Schedule A herein;

B. Notice of the Option Agreement was registered on title to the Property by Instrument YR2775218 on December 18, 2017 at 15:13 hours;

C. In accordance with the planning process for the Property, the Owner intends to develop freehold residences on the Property in accordance with plans lodged or to be lodged with the municipality from time to time; and

D. The parties wish to amend the Option Agreement in the manner set out herein to reflect the ongoing right of Marzano under the Option Agreement.

NOW THEREFORE THIS AGREEMENT witnesseth that in consideration of the mutual covenants herein, the parties agree to amend the Option Agreement in the manner set forth herein.

1. In connection with Marzano selecting a Residence for purchase pursuant to the Option Agreement, Marzano will pay to the Owner a deposit (the "Deposit") of \$200,000, which Deposit will be applied by the Owner as a credit to the purchase price of the Residence at the time of Closing on the statement of adjustments.

2. The provisions of Article 1 (k) of the Option Agreement are amended such that the Owner will provide to Marzano upgrades/finishes/options/appliances, without cost, charge or expense to Marzano, to a maximum of \$80,000, calculated at the prices provided to other purchasers of residential units on the Property.

3. The Parties acknowledge that Marzano has chosen the "Coleridge" residence (Lot 20) pursuant to the Option Agreement.

4. The provisions of Article 4 of the Option Agreement are amended to provide that, in the event that the Residence is not built by the Owner and title to the Residence transferred to Marzano in accordance with the Option Agreement, on or prior to February 24, 2023, the Owner will pay the sum of \$1,700,000 to Marzano (less any amount which Marzano may recover under any Tarion Warranty Corporation insurance or indemnity paid to Marzano, if any, to which Marzano may be entitled), in consideration of the obligations of the Owner to Marzano under the Option Agreement.

5. In all other respects the parties hereto confirm and affirm the terms of the provisions of the Option Agreement, save and except where amended by the provisions of this Agreement.

6. Any notice, direction or other instrument required or permitted to be given to or by a party hereunder shall be in writing and shall be given by delivering the same personally or sending the same by pre-paid first-class registered mail, deposited in the mail in Canada

If to Marzano, to Marzano at:

25 Whiffletree Court
Woodbridge, Ontario
L4L 3K1

and

If to the Owner, to the Owner at

410 Chrislea Road, Unit 16
Woodbridge, Ontario
L4L 8B5

Any such notice, direction or other instrument, if delivered, shall be deemed to have been given on the date on which it was delivered and, if mailed as aforesaid, on the seventh (7th) day exclusive of the day of mailing.

7. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, estate trustees, legal personal representatives, successors and assigns. This Agreement shall not be assignable by the Owner, but Marzano may assign its rights in this Agreement without the prior written consent of the Owner.

8. Each of the provisions contained in this agreement is distinct and severable, and a declaration of invalidity of unenforceability of one or more provisions of this agreement by any court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

9. This agreement constitutes the entire agreement between the parties pertaining to the matters contemplated herein and supersedes all prior agreements in respect of the matter provided herein. There are no other warranties, representations or agreements between the parties in connection with the transactions contemplated herein.

10. The obligations of the Owner herein and under the Option Agreement owed to Marzano shall form an encumbrance and charge on the Property. The Owner hereby consents to the registration of this Agreement on title to the Property and irrevocably appoints Marzano as the agent of the Owner to register this Agreement on title to the Property.

11. This Agreement shall be governed by and interpreted in accordance with the law of the Province of Ontario as applicable herein. The parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Ontario.

**THIS AGREEMENT MAY BE SIGNED IN COUNTERPARTS. SIGNATURES
APPEAR ON THE FOLLOWING PAGE.**

SCHEDULE "A"

LEGAL DESCRIPTION OF PROPERTY

Firstly: PIN 03323-0266 (LT), Part of Lots 52 & 53, Plan 9, Vaughan as in R324126 and known municipally as 89 Nashville Road, Vaughan;

Secondly: PIN 03323-0265 (LT), Part of Lots 54, 55, 56 Plan 9, Vaughan as in R445446 and known municipally as 99 Nashville Road, Vaughan; and

Thirdly: PIN 03323-0574 (LT,) Part of Lots 52, 53, 54, 55 & 56, Plan 9 and Part of Lot 24, Concession 8 (Vaughan), shown as Part 1 on Plan 65R-35421, Vaughan and known municipally as Part of 10515 Highway 27, Vaughan
TORONTO 42281-6 1626373v1

Appendix “E”



**First Report to Court of
KSV Restructuring Inc.
as Receiver and Manager of
Stateview Homes (Minu Towns) Inc.,
Stateview Homes (Nao Towns) Inc.,
Stateview Homes (Nao Towns II) Inc.,
Stateview Homes (On the Mark) Inc.,
TLSFD Taurasi Holdings Corp.,
Stateview Homes (High Crown Estates) Inc.,
Highview Building Corp Inc.,
Stateview Homes (BEA Towns) Inc., and
Stateview Homes (Elm&Co) Inc.**

May 30, 2023

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COURT FILE NUMBERS: CV-23-00698395-00CL
CV-23-00698632-00CL
CV-23-00698637-00CL
CV-23-00698576-00CL
CV-23-00699067-00CL

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

B E T W E E N:

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION
APPLICANT

- AND -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS)
INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS
CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**
RESPONDENTS

DORR CAPITAL CORPORATION
APPLICANT

- AND -

STATEVIEW HOMES (BEA TOWNS) INC. AND HIGHVIEW BUILDING CORP INC.
RESPONDENTS

**ATRIUM MORTGAGE INVESTMENT CORPORATION AND DORR
CAPITAL CORPORATION**
APPLICANT

- AND -

**STATEVIEW HOMES (NAO TOWNS II) INC., DINO TAURASI AND
CARLO TAURASI**
RESPONDENTS

MERIDIAN CREDIT UNION

APPLICANT

- AND -

STATEVIEW HOMES (ELM&CO) INC.

RESPONDENTS

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

**FIRST REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER**

MAY 29, 2023

1.0 Introduction

1. The Ontario Superior Court of Justice (the “Court”) issued separate receivership orders on May 2, 2023 (the “May 2nd Receivership Orders”) appointing KSV Restructuring Inc. (“KSV”) as the receiver and manager (the “Receiver¹”) of the property, assets and undertaking owned by the following entities in the Stateview Group of Companies (the “Stateview Group”), including their real property:
 - a) Stateview Homes (Nao Towns II) Inc. (“Nao Phase II”), pursuant to an action commenced by Atrium Mortgage Corporation (“Atrium”);
 - b) Stateview Homes (BEA Towns) Inc. (“BEA”), pursuant to an application commenced by Dorr Capital Corporation (“Dorr”);
 - c) Highview Building Corp Inc. (“Highview”), pursuant to an application commenced by Dorr; and
 - d) Stateview Homes (Nao Towns) Inc. (“Nao Phase I”), Stateview Homes (Minu Towns) Inc. (“Minu”), Stateview Homes (High Crown Estates) Inc. (“High Crown”), Stateview Homes (On the Mark) Inc. (“On the Mark”) and TLSFD Taurasi Holdings Corp. (“Taurasi Holdings”), pursuant to an application commenced by Kingsett Mortgage Corporation (“Kingsett”) and Dorr.

¹ Includes KSV’s role as receiver and manager of Elm, as defined below.

2. The Court issued an order (the “May 18th Receivership Order” and together with the May 2nd Receivership Orders, the “Receivership Orders”) appointing KSV as Receiver of the property, assets and undertaking of Stateview Homes (Elm&Co) Inc. (“Elm”), including its real property, pursuant to an application by Meridian Credit Union Limited (“Meridian” and together with Atrium, Dorr, and Kingsett, the “Mortgagees”).
3. Herein the entities subject to the Receivership Orders are collectively referred to as the “Receivership Companies”; the property owned by each of the Receivership Companies is referred to as the “Property”; the real property owned by each of the Receivership Companies is referred to as a “Real Property”; and collectively, all of the real properties are referred to as the “Real Properties”.
4. Copies of the Receivership Orders are available on the Receiver’s case website by clicking on the hyperlinks below.
 - a) [NAO Phase II receivership order](#)
 - b) [BEA receivership order](#)
 - c) [Highview receivership order](#)
 - d) [Nao Phase I, Minu, High Crown, On the Mark and Taurasi Holdings receivership order](#)
 - e) [Elm receivership order](#)
5. As more fully detailed below, a principal focus of the receivership proceedings at this time is to conduct a sale process (the “Sale Process”) for all of the Real Properties, except for the On the Mark Real Property, which is currently at an advanced stage of development, as more fully discussed below.
6. This report (the “Report”) is filed by KSV in its capacity as Receiver.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about these proceedings;
 - b) provide the Court with the Receiver’s material findings since its appointment;
 - c) advise the Court of the status of purchase agreements that were entered into between homebuyers (the “Homebuyers”) and the Receivership Companies prior to these receivership proceedings;
 - d) detail the proposed Sale Process;
 - e) discuss the status of the On the Mark project;
 - f) discuss the steps that the Receiver has taken to preserve and obtain data and information related to the Receivership Companies;

- g) summarize the Receiver's activities since the start of these receivership proceedings; and
- h) recommend that this Court issue orders:
 - i. approving the Sale Process; and
 - ii. approving this Report and the Receiver's activities as set out in this Report.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon: (i) discussions with the Stateview Group's management ("Management"); (ii) the Receivership Companies' unaudited financial information; (iii) information provided by the Mortgagees; (iv) discussions with various stakeholders in these proceedings (including their legal representatives); (v) the Information Officer (as defined below); (vi) the Stateview Group's external legal counsel, Norton Rose Fulbright Canada LLP ("Norton Rose") and (vii) the application materials (collectively, the "Information").
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information 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 as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Report by any party.
3. Additional background information regarding the Receivership Companies and the reasons for the appointment of the Receiver are provided in the respective application materials of the Mortgagees. Copies of the Court materials filed to-date in these proceedings are available on the [Receiver's website](#) (the "Website"). The Website also includes information for Homebuyers who purchased homes from the Receivership Companies.

2.0 Background

2.1 The Stateview Group

1. The Stateview Group is a real estate developer with its head office in Vaughan, Ontario. The Stateview Group primarily develops low-rise residential projects in Southern Ontario.
2. Several Stateview Group companies are not subject to receivership proceedings (the "Non-Receivership Companies"), including Stateview Construction Ltd. ("SV Ltd.") which provides administrative and management services to companies in the Stateview Group. The Receiver understands that all Stateview Group employees are employed by SV Ltd.

3. The principals of the Stateview Group are Carlo Taurasi, the Chief Executive Officer and Dino Taurasi, the President (together, the “Taurasis”).

2.2 Toronto-Dominion Bank

1. The Stateview Group previously had bank accounts (the “TD Accounts”) at Toronto Dominion Bank (“TD Bank”). On March 23, 2023, TD Bank commenced an action against various Stateview Group companies and other parties, including, *inter alia*, the Receivership Companies and the Taurasis (collectively, the “Defendants”) to attempt to recover an approximate \$37 million loss resulting from a “cheque kiting” scheme that took place between April 2022 to March 2023. The Taurasis allege that the Stateview Group’s former Chief Financial Officer, Daniel Ciccone, was responsible for the scheme.
2. Certain of the Defendants, including all of the Receivership Companies and the Taurasis (together, the “Settlement Parties”) entered into a Settlement Agreement with TD Bank dated March 31, 2023 (the “TD Settlement Agreement”), pursuant to which, *inter alia*, they acknowledged their joint and several liability to TD Bank arising out of the kiting scheme. It is the Receiver’s understanding that none of the Mortgagees were privy to or aware of the TD Settlement Agreement until after it was completed. In connection with the Settlement Agreement, TD Bank was granted (and subsequently registered) mortgages on certain Real Property owned by Taurasi Holdings, BEA, Nao Phase II, Highview and Elm to secure the amounts owing to TD Bank under the Settlement Agreement (collectively, the “TD Mortgages”). The Receiver has not yet made any independent inquiries into the circumstances giving rise to the granting and registration of the TD Mortgages.
3. On April 4, 2023, the Court issued an order (the “TD Order”) approving the implementation of the TD Settlement Agreement and appointing BDO Canada Limited as the information officer (the “Information Officer”) in respect of the Stateview Group. A copy of the TD Order is attached as Appendix “A”.
4. The TD Settlement Agreement requires that the Settlement Parties pay approximately \$37 million in instalments over an approximately three-month period, including a \$3.150 million payment upon the making of the TD Order, inclusive of an “administration fee”.
5. On May 15, 2023, the Receiver was advised by the Information Officer that the \$3.150 million payment was made to TD Bank. On May 16, 2023, Norton Rose advised the Receiver in an email that Melissa Taurasi, Carlo Taurasi’s wife, funded \$2.2 million and Dino Taurasi funded the balance.
6. Pursuant to the TD Order, the Information Officer’s mandate is to:
 - a) gain an understanding of the Stateview Group’s governance policies with regards to treasury functions and other functional areas as required;
 - b) review the historical source and application of funds received and disbursed by the Stateview Group and the deposit of funds into the bank accounts of the Stateview Group;

- c) monitor on an ongoing basis, the source and application of funds received and disbursed by the Stateview Group, and the deposit of funds into the bank accounts of the Stateview Group;
- d) monitor the activities of the Stateview Group to ensure that appropriate cash management is being undertaken at all times;
- e) review the books and records and computer files, records, software and other systems of the Stateview Group as necessary; and
- f) report to TD Bank and the Stateview Group from time to time on the financial circumstances of the Stateview Group, including without limitation, with respect to their assets, liabilities, cash flows, intercompany transfers and payments to related parties or shareholders.

2.3 The Receivership Companies

1. Each of the Receivership Companies is a single-purpose real estate development company that owns a specific project (each a “Project”, and collectively the “Projects”), except for Taurasi Holdings which owns four industrial properties. The Real Properties are located in Southern Ontario.
2. The Project names, municipal addresses and status of the Projects is provided in the table below.

Project	Address	Status
Minu Towns	9940 Ninth Line, Markham	Raw land
Nao Towns	5112, 5122, 5248 14th Avenue, Markham	Raw land
Nao Towns II	7810, 7822, 7834, 7846, McCowan Road, Markham	Raw land
Nashville (Highview)	89, 99 Nashville Road, Kleinberg,	Raw land
BEA Towns	189 Summerset Drive, Barrie	Raw land
Elm	12942 York Durham Line, Stouffville	Raw land
High Crown	13151 – 13161 Keele Street, King City	Under construction, approximately 30% complete
On the Mark	16 th Avenue and Woodbine Avenue, Markham	Under construction, approximately 90% complete

2.3.1 Industrial Properties

1. Taurasi Holdings owns four industrial properties totaling 116,065 square feet of leasable area which is currently 100% occupied (the “Industrial Properties”). The Industrial Properties are located at the following municipal addresses in Vaughan, Ontario:
 - 301 Bradwick Drive;
 - 596 Oster Lane;
 - 448 North Rivermede Road; and
 - 6-8 Bradwick Drive.
2. The Industrial Properties are managed by Argo Property Management Ltd. (“Argo”), a third-party property management company.
3. The Receiver has advised each of the tenants of the Industrial Properties (the “Tenants”) of the receivership and has directed them to pay rent directly to the Receiver during these proceedings. The Industrial Properties generate approximately \$130,000 in monthly rent, including HST.

3.0 Creditors

1. The table below provides a summary of the amounts of the mortgages registered on title to each of the Real Properties as of the dates of the Receivership Orders.

<i>(Unaudited; \$000s)</i>	
Real Property²	Amount Owing
Minu	67,632
Nao Phase I	38,905
High Crown	28,515
On the Mark	18,471
Taurasi Holding	30,388
NAO Phase II	45,299
Highview	16,438
BEA	58,972
Elm	45,325
Total	349,945

² The table excludes the TD Bank mortgage. Interest and costs continue to accrue on each mortgage. All amounts are subject to confirmation.

- As more fully detailed in each of the Mortgagees' materials seeking the appointment of the Receiver, certain of the mortgages in the table are cross-collateralized, such that the shortfall on certain Real Properties can be satisfied in full or in part from the surplus on certain other Real Properties. This will be fully detailed in a future Receiver's report, as required.
2. In addition to the above, several parties who provided services to the Projects have registered construction liens on certain of the Real Properties, including construction trades and real estate consultants. The Receiver is continuing to review and assess the various construction liens, including seeking further information from lienholders, where necessary.
 3. Certain of the Receivership Entities also are in arrears in respect of municipal taxes, as well as amounts owing to Canada Revenue Agency ("CRA"). In regard to the amounts owing to CRA, the Receiver received a letter from CRA dated May 16, 2023 indicating that Taurasi Holdings owes CRA \$250,271.75 in respect of unpaid harmonized sales tax ("HST"), approximately \$130,624.22 of which CRA asserts is a trust claim.

4.0 Receiver's Preliminary Findings

4.1 Overview

1. The following section provides a high-level summary of certain of the Receiver's preliminary findings. The findings in this section are subject to change based on the Receiver's further investigations. The Receiver continues to review and consider the issues summarized in this section, as well as other issues, including but not limited to payments from Receivership Companies to non-arm's length parties, including Non-Receivership Companies and related individuals. In due course, the Receiver will consider whether any relief should be sought in respect of these transactions, in consultation with affected parties.

4.2 Cash

1. The Stateview Group, including the Receivership Companies, presently have bank accounts at Bank of Montreal ("BMO"), which accounts were opened following the TD Settlement Agreement. The Receiver also understands that certain of the Non-Receivership Companies have one or more accounts at Royal Bank of Canada.

2. Immediately after the May 2nd Receivership Orders were granted, the Receiver communicated with the Information Officer and with the Stateview Group’s representatives to determine the cash balances in each Receivership Companies’ bank accounts, including Elm, as the Receiver was aware that Meridian intended to forthwith bring an application for the appointment of KSV as receiver of that entity. Concurrently, the Receiver advised BMO that the Receivership Companies’ bank accounts should be restricted to deposit only. KSV had no authority over the Elm account at the time, so it was unable to place any restrictions on the Elm account. The Receiver, however, advised the Stateview Group that it was its view that any monies in Elm’s account should only be used for Elm’s purposes given the pending receivership application (to which the Stateview Group consented).
3. The Information Officer advised the Receiver that, as of May 1, 2023, the Receivership Companies’ accounts had the following balances³:

(Unaudited; \$000)	Cash Balance
Minu	14
Nao Phase I	75
High Crown	21
On the Mark	55
Taurasi Holdings	151
Highview	Nil
BEA	Nil
Elm	779
Total	1,095

4.2.1 Elm Cash

1. On May 8, 2023, the Receiver learned that the Stateview Group had used funds in the Elm account to pay costs unrelated to Elm.
2. On May 9, 2023, the Receiver’s counsel, Paliare Roland Rosenberg Rothstein LLP (“Paliare”) ⁴, wrote to Norton Rose to obtain details regarding the use of Elm funds since May 1, 2023. The letter stated, “we trust that Stateview Elm’s cash not be further dissipated in advance of the hearing of the receivership application and that any remaining monies should be, at the very least, segregated until the return of the receivership application”.
3. On May 10, 2023, Norton Rose responded to Paliare’s letter to confirm that Elm would not disburse any further funds in advance of the receivership application for Elm. Norton

³ The Receiver has been advised that Highview does not have a bank account and that NAO I and NAO II share a bank account.

⁴ Paliare is acting as counsel to the Receiver on the NAO Phase II, BEA, Highview and Elm receiverships. Cassels is counsel to the Receiver on the NAO Phase I, Minu, On the Mark, High Crown and Taurasi Holdings receiverships.

Rose further advised that Elm's then current bank account balance was approximately \$450,000.

4. On May 12, 2023, Cassels Brock & Blackwell LLP ("Cassels") wrote to the Information Officer asking that the Information Officer "promptly deliver to KSV a full accounting and reconciliation of all disbursements from accounts of any of the Stateview companies subject to the Stateview Receiverships to any related persons or companies" A copy of this letter is attached as Appendix "B".
5. On May 17, 2023, Norton Rose advised that Elm's bank balance was then approximately \$307,000. A copy of the email from Norton Rose is attached as Appendix "C".
6. On May 18, 2023, following KSV's appointment as Receiver of Elm, BMO advised the Receiver that the balance in Elm's bank account was approximately \$303,000.
7. Since May 18, 2023, the Receiver has been provided with support for certain disbursements in the Elm bank account for the period after May 8, 2023. Certain disbursements relate to professional fees, as well as related-party payments that do not appear to relate to the Elm project. The Receiver continues to review this issue.

4.2.2 On the Mark HST Proceeds

1. 38 of the 70 home sales for the On the Mark project were completed prior to the May 2nd Receivership Orders. On the Mark collected approximately \$4 million of HST on these sales.
2. On April 12, 2023, Kingsett issued its Notice of Intention to Enforce Security to On the Mark (the "OTM Notice").
3. On May 9, 2023, the Information Officer provided the Receiver with a schedule reflecting the use of the closing proceeds, including amounts that are subject to a CRA trust claim. The schedule shows that between April 11 and April 24, 2023, the Stateview Group used the monies to pay, among other things:
 - approximately \$2.23 million for payables owing by certain of the Receivership Companies, including On the Mark, Minu and High Crown;
 - approximately \$266,000 for payables owing by certain Non-Receivership Companies;
 - approximately \$452,000 for SV Ltd. payroll; and
 - approximately \$440,000 for professional fees.

4.3 Homebuyers

1. Prior to these receivership proceedings, each of the Receivership Companies, other than Taurasi Holdings, sold freehold homes to Homebuyers, each of whom paid deposits.

2. As freehold homes, the Receivership Companies were not required to keep the deposits in trust. The Receiver has been advised by the Stateview Group's representatives that all deposits have been spent; however, the use of those funds has not yet been determined and the Receiver has not, as of the date of this Report, commenced a tracing exercise.
3. As reflected in the table below, the Homebuyer deposits total approximately \$77.2 million.

Project	(unaudited)	
	# of Homebuyers	Deposits (\$000s)
Minu	147	19,208
Nao Phase I	96	7,680
High Crown	47	4,933
On the Mark ⁵	32	4,218
Nao Phase II	76	7,617
Highview	4	None
BEA	218	17,440
Elm	145	16,076
Total	765	77,172

4. Since being appointed, the Receiver has corresponded with several Homebuyers regarding their deposits and the status of their purchase agreements. As a result of concerns raised by Homebuyers, and to communicate a consistent message to Homebuyers, the Receiver posted a notice to Homebuyers on its [Website](#) on May 5, 2023. The notice advises of the status of the deposits and discusses deposit protection provided by Tarion Warranty Corporation ("Tarion"), an organization that, among other things, provides deposit insurance to homebuyers and administers Ontario's new home warranty program.
5. The Receiver has also corresponded with Tarion's legal counsel, Torys LLP, to provide it with information concerning these proceedings and the status of the deposits, following which Tarion posted a notice on its website. Tarion's notice is attached as Appendix "D".
6. The Receiver intends to keep Homebuyers and Tarion advised of issues related to the developments in which they purchased their homes, as well as the status of their deposits.

⁵ Excludes deposits paid by Homebuyers for the On the Mark Project who have closed their sales.

7. The Receiver also understands that the Stateview Group planned to develop another project called On the Mark 2. As of the date of the May 2nd Receivership Orders, the Stateview Group, through an entity known as Stateview Homes Ltd. (“SHL”), had negotiated an option to purchase the On the Mark 2 lands, which agreement is subject to an ongoing dispute between the Stateview Group and the vendor. It is the Receiver’s understanding that, notwithstanding that SHL has not completed its acquisition of this real property, it sold homes and took deposits from purchasers on this project. These deposits were not held in trust and, consistent with all other deposits paid to the Stateview Group, appear to have been spent.

5.0 Sale Process

1. The recommended Sale Process is for all Real Properties, together with all other property, assets and undertaking of the Receivership Companies related to the Real Properties, other than On the Mark. Information regarding the status of, and next steps for, the On the Mark project is provided in Section 6 below.

5.1 Realtor Selection Process

1. Based on discussions with the Mortgagees (which differ by Project), the Receiver invited two national real estate brokerages to submit proposals to market for sale the Real Properties owned by Minu, Nao Phase I, High Crown and Taurasi Holdings and four national real estate brokerages to submit proposals to market for sale the Real Properties owned by Nao Phase II, Highview, BEA and Elm (collectively, the “RFP”).
2. The RFP process provided the Receiver’s criteria for selecting the successful realtor or realtors. The Receiver requested that proposals be submitted by 5pm on May 17, 2023. A copy of the RFP materials is provided as Appendix “E”.
3. All realtors submitted proposals by the RFP deadline (the “Realtor Proposals”) and presented their proposals to the Receiver and the Mortgagees at meetings on May 19 and 23, 2023.
4. In consultation with the Mortgagees, the Receiver selected: (i) Cushman & Wakefield ULC to sell the NAO Phase II and Elm Projects; (ii) Colliers International to sell the BEA and Highview Projects; (iii) Jones Lang LaSalle Real Estate Services, Inc. to sell the Industrial Properties and the High Crown Project; and (iv) CBRE Limited to sell the NAO Phase I and Minu Projects. These decisions were based on, among other things, each realtors’ knowledge of the specific Projects, their familiarity with the applicable market, their proposed marketing processes, their commission structures, the experience of their teams and feedback from the Mortgagees.

5.2 Sale Process

- The recommended Sale Process is set out in the table below. The timelines are based on KSV's extensive experience selling real estate in court-supervised proceedings, as well as guidance from the realtors. The timelines assume that the Court approves the Sale Process on the return of this motion and that the Sale Process launches on June 7, 2023. To the extent that the Sale Process is delayed, the deadlines may be correspondingly adjusted.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Prepare marketing materials	<ul style="list-style-type: none"> ➤ Realtors and the Receiver to: <ul style="list-style-type: none"> ○ prepare a teaser and confidential information memorandum (“CIM”) for each Project; ○ populate virtual data rooms for each Project; and ○ prepare a confidentiality agreement (“CA”). 	As soon as possible, but no later than June 21, 2023
Prospect Identification	<ul style="list-style-type: none"> ➤ For each Real Property, realtors to: <ul style="list-style-type: none"> ○ develop master prospect lists; ○ prioritize prospects; ○ have pre-marketing discussions with targeted prospects; ○ engage in discussions with planners, consultants and municipalities; and ○ consult with the Receiver regarding the above. 	
Consulting Reports	<ul style="list-style-type: none"> ➤ The Receiver is arranging for updated and/or new consulting reports to facilitate due diligence by interested parties. These will be made available in the data rooms. 	
<i>Phase 2 – Marketing and Diligence</i>		
Stage 1	<ul style="list-style-type: none"> ➤ Mass market introduction, including: <ul style="list-style-type: none"> ○ sending offering summary and marketing materials, including marketing brochure to each realtors' client base, including specifically targeted prospects; ○ publishing the acquisition opportunity in such journals, publications and online as the realtor and the Receiver believe appropriate to maximize interest in this opportunity; ○ posting “for sale” signs on each Real Property, to the extent applicable; ○ engaging in direct canvassing of most likely prospects and tailoring the pitch to each of these candidates based on the brokers knowledge of these parties; 	Estimated to be 4 to 5 weeks from launch.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
	<ul style="list-style-type: none"> o posting the acquisition opportunity on MLS for each Project on an unpriced basis, if requested by the Receiver; and o meeting with prospective bidders to explain the potential of each site. ➤ Receiver and its legal counsel to prepare a Vendor’s form of Purchase and Sale Agreement (the “PSA”) which will be made available to prospective purchasers in each virtual data room. ➤ Realtors to provide additional information to qualified prospects which execute the CA, including access to data rooms and a copy of the CIM. ➤ Realtors and Receiver to facilitate diligence by interested parties. 	
Stage 2 – Bid Deadline	<ul style="list-style-type: none"> ➤ Prospective purchasers to submit offers in the form of the PSA, with any changes to the PSA blacklined. 	Estimated bid date is between July 19 and July 26, 2023, based on, <i>inter alia</i> , the date on which the Sale Process launches, market feedback and consultation with the realtors.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 3 – Offer Review and Negotiations</i>		
Short-listing of Offers and Selection of Successful Bids	<ul style="list-style-type: none"> ➤ Realtors to collect, summarize and provide to the Receiver commentary on initial bids received to the Receiver. Receiver will consult with Mortgagees on the offers received. ➤ Short listing of bidders. ➤ Further bidding - bidders may be asked to improve their offers. The Receiver may invite parties to participate in as many rounds of bidding as is required to maximize the consideration and minimize closing risk. The Receiver may also seek to clarify terms of the offers submitted and to negotiate such terms. ➤ The Receiver will be at liberty to consult with Mortgagees regarding the offers received, subject to any confidentiality requirements that the Receiver believes appropriate. ➤ The Receiver will select the successful bidder(s), having regards to, among other things: <ul style="list-style-type: none"> ○ total consideration (cash and assumed liabilities); ○ form of consideration, including the value of any carried interest; ○ 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. 	Two weeks from offer bid deadline
Selected bidders to perform final due diligence	<ul style="list-style-type: none"> ➤ Bidders to address their conditions. ➤ Back up bidders will be kept “warm” in order to have options in case selected bidder does not close. 	30 to 60 days from selection of successful bidders
Sale Approval Motion(s) and Closing(s)	<ul style="list-style-type: none"> ➤ Upon execution of definitive transaction documents, the Receiver will seek Court approval of the successful offer(s), on not less than 7 calendar days’ notice to the service list and registered secured creditors. 	15 to 30 days from the date that the selected bidder confirms all conditions have been satisfied or waived
Closings	<ul style="list-style-type: none"> ➤ Following Court approval 	ASAP

2. Additional terms of the Sale Process include:

- a) the NAO Phase I and NAO Phase II properties will have the same bid deadline so that interested parties can submit an offer for both. Interested parties will be required to provide a value for each Real Property given the stakeholders on each Real Property is different;
- b) bidders will have the opportunity to submit offers on an *en bloc* basis, provided that they provide separate values for each Real Property. (It is possible that the bid dates for all Real Properties may not align. In the event that an *en bloc* buyer emerges, which the Receiver considers unlikely, the Receiver will work with the bidder to structure its offer accordingly);
- c) the Real Properties will be marketed and sold on an “as-is, where-is” basis, with standard representations and warranties for a receivership transaction;
- d) to the extent permitted by law, all of the right, title and interest of the Receivership Companies in the Real Properties will be sold free and clear of all pledges, liens, security interests, encumbrances and claims, pursuant to approval and vesting orders to be sought by the Receiver;
- e) to the extent permitted by law, interested parties will not be required to assume the Homebuyer purchase agreements;
- f) the Receiver will have the right to reject any and all offers, including the highest and best offers;
- g) any Mortgagee will have the right to credit bid the debt owing to it in respect of a Real Property at the conclusion of the Sale Process if the offers are not sufficient to repay its mortgages on such Real Property in full;
- h) if, in the Receiver’s sole discretion, it will assist to maximize recoveries, the Receiver will have the right to: (i) waive strict compliance with the terms of the Sale Process, including the right to amend any of the deadlines in the table above by up to four weeks without an order of the Court; and (ii) modify and adopt such other procedures that will better promote the sale of the Real Properties or increase recoveries for stakeholders;
- i) any material modifications to, or the termination of, the Sale Process for any or all of the Real Properties shall require Court approval, subject however, to the right to extend bid deadlines as set out in paragraph (h) above; and
- j) any transaction or transactions entered into by the Receiver shall be subject to Court approval.

5.3 Listing Agreements

1. The listing agreements are presently being drafted and are expected to be finalized by the return of this motion; however, the commission structure for each Real Property is provided in Appendix “F”. The listing agreements are expected to be in the standard form for a receivership transaction. If there is anything unusual with any of the listing agreements, the Receiver will advise the Court on the return of this motion.
2. Each of the realtors will spend considerable time and effort preparing for and marketing each of the Real Properties. If the Stateview Group completes a refinancing of some or all of its mortgages (which the Stateview Group has advised it is working on), each realtor should be entitled to a work fee for its time and effort. Accordingly, each of the listing agreements includes a work fee of \$100,000 (plus HST and actual disbursements), for each Real Property where the mortgages are refinanced and \$150,000 in the event a Real Property is acquired by a mortgagee through a credit bid.⁶ The work fees are significantly less than the commissions to which the brokers would be entitled if they sold the Real Properties.
3. The Receiver is not aware of the status of the Stateview Group’s refinancing efforts. The Receiver believes that the Sale Process should be commenced immediately, which is supported by all Mortgagees.

5.4 Sale Process Recommendation

1. The Receiver recommends that the Court issue an order approving the Sale Process for the following reasons:
 - a) the Sale Process is reasonable and appropriate at this time based on the issues identified above, including: (i) the early development stage of the Projects; (ii) the illiquidity of the Projects; (iii) feedback from Mortgagees; and (iv) the lack of any other viable option, including an unconditional refinancing sufficient to repay in full all mortgagees;
 - b) the Sale Process is a fair, open and transparent process developed with input from the selected realtors, and is intended to canvass the market broadly on an efficient basis to obtain the highest and best price;
 - c) the Sale Process is flexible and provides the Receiver with the timelines, procedures and flexibility that it believes are necessary to maximize value;
 - d) the Sale Process includes procedures commonly used to sell real estate development projects, including by KSV in other court-supervised real property sale processes;

⁶ Each broker is engaged on two sites. If the two sites were both credit bid, the fee to the respective broker’s fee would be \$300,000. One work fee would be paid for all Industrial Properties in the event of a refinancing or credit bid in respect of Taurasi Holdings.

- e) each of the selected realtors is a leading national brokerage, with the experience and expertise to market the Real Properties, including knowledge of the markets in which the Real Properties are located and a marketing plan tailored to each Real Property; and
- f) there will be no delay commencing the Sale Process as each of the realtors is preparing its marketing materials, working on their prospect lists and, with the Receiver, updating data rooms.

6.0 On the Mark

1. As noted above, 38 of 70 home sales on this Project have been completed. The remaining 32 homes were scheduled to close by the end of June 2023.
2. Construction at the On the Mark Project has been halted due to the commencement of the receivership proceedings, which will result in closing delays. As of the commencement date of the receivership, Kingsett advised the Receiver that it was not aware of any significant payables, other than holdbacks, related to this Project, and that the cost to finish the Project was estimated to be approximately \$3 million based on the information that had been provided to Kingsett by the Stateview Group. Since that time, the Receiver has learned that there is approximately \$12 million of payables owing on the Project, including the unremitted HST of approximately \$4 million discussed above. The cost to complete this Project is also expected to be several million dollars more than originally estimated.
3. On May 10, 2023, the Receiver sent a notice to all On the Mark Homebuyers that have not yet closed on their homes, advising that the Receiver is reviewing the status of the On the Mark Project, including the completion of the units and the agreements of purchase and sale, and that it would provide Homebuyers on this Project with further updates in due course.
4. The Receiver has engaged a former president of a major Toronto developer to assist it to consider the feasibility of completing this Project based on its recent findings.
5. The Receiver is hopeful to be able to make a recommendation regarding this Project in the next few weeks. The Receiver will post a Homebuyer notice once a determination has been made.

7.0 Securing Data and Information

1. Since its appointment, the Receiver has been working to secure data and information related to the Receivership Companies. The Receiver believes that securing this data and information promptly is particularly important in this case given that the Stateview Group has already acknowledged certain malfeasance.
2. The Receiver understands that relevant data and information relating to the Receivership Companies resides, at least, on Stateview Group's servers. The Receiver wishes to image these servers immediately.

3. In addition to the servers, the Receiver wishes to image the Taurasis' personal phones in case any data resides on those devices that is not otherwise stored on the Stateview Group's servers. The Taurasis have advised, and will confirm to the Receiver in writing, that they have no other personal devices, including computer, tablets and the like.
4. The Receiver has retained Kroll Consulting Canada Co. ("Kroll") to carry out the imaging of the servers and personal devices.
5. On May 16, 2023, Stateview Group's counsel advised the Receiver that it was agreeable to backing up the Stateview Group's electronic records but that it could not agree to produce such records until a protocol was developed given that the records included information relating to Non-Receiverhip Companies and there were privilege issues to address.
6. The Receiver subsequently reached an understanding with Stateview Group and the Taurasis for:
 - a) preservation of data and information on the Stateview Group servers and the Taurasis personal cell phones; and
 - b) delivery to the Receiver of electronic books and records (including banking records) for each of the Receivership Companies as well as any other documentation or information relating to the Receivership Companies that the Receiver may request from time to time.

8.0 Receiver's Activities

1. In addition to the activities described above, the Receiver's activities since the May 2nd Receivership Orders have included:
 - a) corresponding extensively with Cassels and/or Paliare regarding these proceedings;
 - b) corresponding extensively with the Mortgagees regarding, among other things, the status of the Real Properties, the proposed realization plan with respect to each of the Real Properties and the Sale Process;
 - c) corresponding with Kingsett regarding the status of construction on the On the Mark and the High Crown Projects and addressing issues related to the trades, liens, costs-to-complete construction, and funding of construction costs;
 - d) corresponding with representatives of the Receivership Companies, including Management, to obtain information concerning the Projects and the business of the Receivership Companies;
 - e) corresponding with the Information Officer to, *inter alia*, obtain information regarding all aspects of the Receivership Companies business and operations, including bank account activity;
 - f) attending periodically at the Receivership Companies' head office;

- g) corresponding with the Receivership Companies' insurance broker to confirm coverage and corresponding with Cassels regarding same;
- h) retaining a contractor to address ad hoc matters at the On the Mark and High Crown Projects, including to assist in repairs and maintenance activities and to perform water testing;
- i) familiarizing itself with each of the Projects, including corresponding with certain of the Receivership Companies' consultants;
- j) reviewing information provided by the Mortgages regarding each of the Real Properties, including appraisals, development applications, environmental reports and other consulting reports;
- k) reviewing liens registered against certain of the Real Properties and dealing with Paliare or Cassels (as applicable) regarding same;
- l) dealing with issues related to copying the Receivership Companies' servers and other electronic records;
- m) preparing and sending to creditors and to the Official Receiver the statutory notices required pursuant to subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*; and
- n) preparing this Report.

9.0 Conclusion

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

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
STATEVIEW HOMES (MINU TOWNS) INC.,
STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC.,
TLSFD TAURASI HOLDINGS CORP., STATEVIEW HOMES (HIGH CROWN ESTATES) INC.,
STATEVIEW HOMES (BEA TOWNS) INC., HIGHVIEW BUILDING CORP INC.,
STATEVIEW HOMES (NAO TOWNS II) INC. AND STATEVIEW HOMES (ELM&CO) INC.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “F”



Memorandum – Sale Process

To: KSV Restructuring Inc.
From: Colliers International
Date: September 6th, 2023
Re: Disposition Process – 89 & 99 Nashville Road, Kleinburg, Ontario

As per your request, Colliers International (“Colliers”) is pleased to provide this memorandum summarizing the sale process employed by Colliers in the sale of 89 & 99 Nashville Road, Kleinburg, Ontario (the “Subject Property”).

1. Sale Process:

- On Monday, June 5th 2023, Colliers and KSV Restructuring Inc. (“KSV”) mutually executed a Listing Agreement authorizing Colliers to list the Subject Property for sale.
- Colliers’ agents immediately began pre-marketing efforts of reviewing existing property documents and preparing marketing materials for the Subject Property.
- On Thursday, June 15th 2023, the listing was “launched” via email to Colliers database of over 6,200 buyer prospect contacts. Colliers’ agents began directly soliciting interest in the Subject Property via direct calls and meeting requests with parties that it thought would have an interest in this Subject Property based on its location and contemplated development.
- By Tuesday, June 20th, 2023, the virtual data room was populated with relevant existing property documents and the Confidential Information Memorandum (“CIM”) was prepared highlighting the specifics and features of the Subject Property.
- On Wednesday, June 21st 2023, the listing was advertised to co-operating brokers via the Multiple Listing Services (“MLS”) website.
- By Thursday, June 29th, 2023, Confidentiality Agreements (“CA’s”) had been executed by 15 potential purchasers. All purchasers that fully executed CAs were provided access to the virtual data room.
- On Thursday, July 27th, 2023 a “bid date” of Thursday, August 10th, 2023 was announced. The bid date was announced via: an updated email to Colliers database of over 6,200 buyer prospect contacts, updated comments in the MLS website posting, and a notice added to the virtual data room.
- By Thursday, August 3rd, 2023, CAs had been executed by 39 potential purchasers. All purchasers that fully executed CAs were provided access to the virtual data room. Refer to Schedule “A” attached hereto for a list of potential purchasers that executed CA’s.
- By end of day Thursday, August 10th, 2023, three written offers had been submitted for the Subject Property. Refer to Schedule “B” attached hereto for a summary of offers received.

2. Buyer Selection:

- Upon reviewing the August 10th, 2023 offers, the Tieu Developments offer was discounted due to the amount of the deposit, undefined conditional period, timing of sale proceeds, lack of purchaser track record, lack of purchaser pre-offer due diligence (the prospective purchaser had not signed a CA or reviewed the materials in the virtual data room) and the condition that the Subject Property had to be acquired along with eight other properties. The offer from 2133904 Ontario Inc. (“City Park Homes”) was selected by KSV in collaboration with Colliers as the winning bid.
- On Friday, August 11th, 2023, Colliers contacted the agent representing City Park Homes requesting the deposit of [REDACTED] per the Agreement of Purchase and Sale (“APS”) submitted.

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Toronto, ON
M9C 5J5 Canada

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Fax:+1 416 777 2277
collierscanada.com



- On Monday, August 21st, 2023, City Park Homes provided a deposit of [REDACTED] and a revised Agreement of Purchase and Sale with a closing period 20 business days from the date of the vesting order. On Tuesday, August 22nd, 2023, the APS between 2133904 Ontario Inc (City Park Homes) and KSV was mutually agreed and executed.

Sincerely,

A handwritten signature in blue ink that reads "Victor Cotic".

A handwritten signature in blue ink that reads "Jeremiah Shames".

Victor Cotic
Executive Vice President,
Sales Representative,
National Investment Services

Jeremiah Shames
Senior Vice President,
Sales Representative,
Private Capital Group



Schedule A – Summary of Executed CAs

#	COMPANY	CA Executed	#	COMPANY	CA Executed
	Tieu Development Inc.	N/A	20	Stone Castle Realty Group	6/21/2023
1	David Minor	7/24/2023	21	Avanew Inc.	6/29/2023
2	Green Park	7/11/2023	22	Eringate Homes	6/14/2023
3	Venetain Development Group	7/11/2023	23	Ferrow Real Estate Inc	6/15/2023
4	Hjcs holding corp.	6/15/2023	24	Tony Paglia	7/24/2023
5	MKSBW	6/15/2023	25	Narinder Bhchu	6/28/2023
6	Salford Developments	7/11/2023	26	MFS Realty	6/27/2023
7	Insoho Developments	7/13/2023	27	Coco International Inc.	6/23/2023
8	Centurion Homes	7/14/2023	28	Fiducia Business Services Inc.	6/21/2023
9	Tucci Real Estate Investments	8/2/2023	29	KB Investments	6/15/2023
10	Acme Homes	7/20/2023	30	MacPherson Builders Ltd.	6/23/2023
11	Tercot Development Group	7/28/2023	31	Sierra	7/14/2023
12	Melrose Investments	7/31/2023	32	Sage Real Estate	6/15/2023
13	Genesis Homes	7/11/2023	33	Terraco Developments	6/23/2023
14	Jolly Hirji	6/28/2023	34	Fernbrook	7/12/2023
15	BBS Group	7/7/2023	35	National Homes	6/23/2023
16	Sorbara	7/14/2023	36	Julian Alessandro	6/19/2023
17	Menkes	7/12/2023	37	Paul Mantini	6/16/2023
18	Equiton	7/12/2023	38	Oakbank	7/7/2023
19	Rinomato	7/12/2023	39	Innovia Corporation	6/15/2023

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Schedule B - Summary of Offers

OFFER SUMMARY REMOVED

Appendix “G”

AGREEMENT OF PURCHASE AND SALE

BETWEEN

KSV RESTRUCTURING INC.,
solely in its capacity as the Court-appointed receiver and manager
of Highview Building Corp Inc. and not in its personal capacity or
in any other capacity

- and -

2133904 ONTARIO INC.

Dated: August 10, 2023

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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this 10th day of August, 2023.

BETWEEN:

KSV RESTRUCTURING INC.,

solely in its capacity as the Court-appointed receiver and manager of Highview Building Corp Inc., and not in its personal capacity or in any other capacity

(in such capacity, the “**Receiver**”)

- and -

2133904 ONTARIO INC.

(the “**Purchaser**”)

WHEREAS pursuant to an order of The Honourable Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on May 2, 2023 (the “**Receivership Order**”), KSV Restructuring Inc. (“**KSV**”) was appointed as the Receiver, without security, of Highview Building Corp. (the “**Debtor**”) including the real property municipally known as 89 Nashville Road, Kleinberg, Ontario and 99 Nashville Road, Kleinberg, Ontario and having the legal description set out in Schedule “A” (the “**Real Property**”);

AND WHEREAS pursuant to an order of The Honourable Justice Penny of the Court made on June 5, 2023 (the “**Sale Process Order**”), the Court approved the Sale Process (as defined in the Sale Process Order);

AND WHEREAS the Purchaser wishes to purchase and the Receiver wishes to sell the Purchased Assets (as defined herein) upon the terms and subject to the conditions set out herein;

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

ARTICLE 1 DEFINED TERMS

1.1 Definitions.

In this Agreement:

“**Accounts Payable**” means all amounts relating to the Business owing to any Person in connection with the purchase of goods or services in the ordinary course of business;

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

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

“**Approval and Vesting Order**” means the approval and vesting order issued by the Court approving this Agreement and the transactions contemplated by this Agreement and conveying to the Purchaser the Purchased Assets free and clear of all Encumbrances other than the Permitted Encumbrances, and which order shall be in a form substantively similar to the draft order attached as **Schedule “B”** hereto;

“**Assignable Assets**” has the meaning given in section 3.1(3) herein;

“**Business**” means the business of the Debtor;

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

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

“**Closing**” means the successful completion of the Transaction;

“**Closing Date**” means the date that is the later of: (i) the first Business Day following the date that is twenty business days following the date on which the Approval and Vesting Order is issued by the Court; and (ii) the first Business Day following the date on which any appeals or motions to set aside or vary the Approval and Vesting Order have been finally determined, or, if the Parties agree, such other date as agreed in writing by the Parties. The outside date of the Closing Date shall be December 15th, 2023 (the “**Outside Closing Date**”). In the event that the Vendor has been unable to secure the Approval and Vesting Order as aforementioned in a timely fashion to accommodate a closing no later than December 15th, 2023, this Agreement shall be null and void and of no further force or effect whatsoever and each party shall be fully released from all obligations and liabilities under this Agreement and the Deposits shall be returned to the Purchaser forthwith without penalty or deduction. In the event that the Transaction cannot be completed by the Outside Closing Date then the Purchaser may, in its absolute and unfettered discretion, elect to extend Closing for an additional period of ninety (90) days upon prior written notice to the Receiver;

“**Closing Time**” means 2:00 p.m. (Toronto time) on the Closing Date or such other time as agreed in writing by the Parties;

“**Consents and Approvals**” means the consents and approvals of all relevant third parties, if any;

“**Contracts**” means all of the contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which the Debtor is a party and disclosed to the Purchaser in this Agreement;

“**Court**” has the meaning set out in the recitals hereof;

“**Deposit**” has the meaning given in section 4.2 herein;

“**Encumbrances**” means all liens, charges, security interests, pledges, leases, offers to lease, title retention agreements, mortgages, restrictions on use, development or similar agreements, work orders, deficiency notices or orders to comply, easements, rights-of-way, title defects, options or adverse claims or encumbrances of any kind or character whatsoever affecting the Purchased Assets;

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

“**Excluded Assets**” means all assets, undertakings and properties other than the Purchased Assets, which Excluded Assets includes the following:

- (a) the Debtor’s cash or cash equivalents;
- (b) the Debtor’s accounts receivable;
- (c) original tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of the Debtor or the Purchased Assets;
- (d) the benefit of any prepaid expenses or deposits with any Person (including, without limitation, the benefit of any prepaid rent), public utility or Governmental Authority; and
- (e) the benefit of any refundable Taxes payable or paid by the Debtor or paid by the Receiver in respect of the Purchased Assets and applicable to the period prior to the Closing Date net of any amounts withheld by any taxing authority, and any claim or right of the Debtor or the Receiver to any refund, rebate, or credit of Taxes for the period prior to the Closing Date;

“**Excluded Liabilities**” has the meaning given in section 3.3 herein;

“**Governmental Authority**” means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making

organizations or entities governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof, including, without limitation, any municipality in which the Real Property is located; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and “**Governmental Authority**” means any one of them;

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

“**Interim Period**” means the period from and including the date that this Agreement is executed by the Parties to and including the Closing Date;

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

“**KSV**” has the meaning set out in the recitals hereof;

“**Notice**” has the meaning given in section 14.3 herein;

“**Parties**” means the Receiver and the Purchaser;

“**Permits**” means all the authorizations, registrations, permits, certificates of approval, approvals, consents, commitments, rights or privileges issued, granted or required, if any, by any Governmental Authority in respect of the Purchased Assets;

“**Permitted Encumbrances**” means all those Encumbrances described in **Schedule “C”** hereto;

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

“**Property**” has the meaning set out in the Receivership Order;

“**Purchase Price**” has the meaning set out in section 4.1 herein;

“**Purchased Assets**” means all the right, title and interest, if any, of the Debtor in and to the following:

- (a) the Real Property;
- (b) the Contracts;
- (c) original or photostatic copies of all plans, surveys, consultants' reports (including, without limitation, environmental reports, appraisals, feasibility studies, surveys, title insurance policies and soil studies), engineering reports, realty tax receipts and assessment information, drawings, plans and specifications (conceptual or otherwise) of every nature and kind pertaining to the Real Property and the

development and servicing thereof, including, without limitation any architectural and engineering drawings and sketches pertaining to the Real Property and development and/or rezoning applications and other similar documents issued or filed with any Governmental Authority pertaining to the Real Property; and

- (d) the Permits, but only to the extent transferable to the Purchaser or the Purchaser’s permitted assignees;

“**Purchaser**” means 2133904 Ontario Inc., a corporation duly formed and validly subsisting under the laws of Province of Ontario;

“**Real Property**” has the meaning set out in the recitals hereof;

“**Receiver**” has the meaning set out in the recitals hereof;

“**Receivership Order**” has the meaning set out in the recitals hereof;

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

“**Third Party**” has the meaning given in section 3.1(3) herein; and

“**Transaction**” means the transaction of purchase and sale contemplated by this Agreement.

**ARTICLE 2
SCHEDULES**

2.1 Schedules.

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

<u>Schedule</u>	<u>Description</u>
Schedule A	Real Property
Schedule B	Approval and Vesting Order
Schedule C	Permitted Encumbrances

**ARTICLE 3
AGREEMENT TO PURCHASE**

3.1 Purchase and Sale of Purchased Assets.

- (1) Relying on the representations and warranties herein, the Receiver hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to

purchase, the Purchased Assets, free and clear of all Encumbrances other than the Permitted Encumbrances.

- (2) Subject to the Closing, the Receiver hereby remises, releases and forever discharges to, and in favour of, the Purchaser, all of its rights, claims and demands whatsoever in the Purchased Assets.
- (3) This Agreement or any document delivered in connection with this Agreement shall not constitute an assignment of any rights, benefits or remedies under any Permits or Consents and Approvals (collectively, the “**Assignable Assets**”) that form part of the Purchased Assets and which are not assignable by the Receiver to the Purchaser without the required consent of the other party or parties thereto or a Governmental Authority (collectively, the “**Third Party**”). To the extent any such consent is required and not obtained by the Receiver prior to the Closing Date, then, to the extent permitted by Applicable Law:
 - (a) the Receiver will, at the request and direction of the Purchaser, acting reasonably, assist the Purchaser, in a timely manner and on a commercially reasonable best-efforts basis, in applying for and obtaining all consents or approvals required under the Assignable Assets in a form satisfactory to the Receiver and the Purchaser, acting reasonably, and take such actions and do such things as may be reasonably and lawfully designed to attempt to provide the benefits of the Assignable Assets to the Purchaser, including temporarily holding those Assignable Assets in trust for the benefit of the Purchaser or acting as agent for the Purchaser pending such assignment. Each Party shall bear their own costs in regards to this matter; and
 - (b) in the event that the Receiver receives funds with respect to those Assignable Assets, the Receiver will promptly pay over to the Purchaser all such funds collected by the Receiver.

3.2 Excluded Assets.

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

3.3 Excluded Liabilities.

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

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

ARTICLE 4
PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price.

The purchase price for the Purchased Assets shall be the aggregate of [REDACTED] [REDACTED] (the “Purchase Price”).

4.2 Deposit.

- (1) The Parties agree that the Purchaser has paid the Receiver a deposit of [REDACTED] [REDACTED] (the “Deposit”), which Deposit shall be held in accordance with the provisions of this Agreement pending completion or other termination of this Agreement.
- (2) The Parties agree that the Receiver shall cause the Deposit to be placed in a non-interest bearing account and on completion of the Transaction shall be credited to the Purchaser on the Closing Date.

4.3 Satisfaction of Purchase Price.

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

- (a) payment of the Deposit upon execution of this Agreement; and
- (b) the remainder of the Purchase Price, being the net amount owing after deducting the Deposit, shall be paid by the Purchaser to the Receiver on Closing.

4.4 Allocation of Purchase Price.

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

4.5 Adjustment of Purchase Price.

- (1) The Purchase Price shall be adjusted as of the Closing Time in a manner and amount ordinarily undertaken in a real estate transaction and shall be adjusted on the premise that the Vendor will be responsible for all costs pertaining to the Real Property for the period prior to the Closing Date, for any property Taxes (including interest thereon), utilities and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a receivership sale. The Receiver shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval by no later than three Business Days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined by two Business Days prior to the Closing Date, then, and only then: (i) an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably; and (ii) the Parties shall enter into an agreement on or prior to the Closing Date to readjust the adjustments within 60 days after the Closing Date, which readjustment shall serve as a final determination.
- (2) Other than as provided for in this section 4.5, there shall be no adjustments to the Purchase Price.

ARTICLE 5 TAXES

5.1 Taxes.

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

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing.

Closing shall take place at the Closing Time on the Closing Date or at such other time as the Parties may agree in writing.

6.2 Tender.

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

6.3 Receiver's Closing Deliverables.

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

- (1) a copy of the issued Approval and Vesting Order and the attached Receiver's Certificate;
- (2) a statement of adjustments prepared in accordance with section 4.5 hereof;
- (3) an undertaking by the Receiver to readjust the adjustments set out in section 4.5 hereof;
- (4) an assignment and assumption agreement for all Permits and Consents and Approvals pertaining to the Purchased Assets (to the extent assignable) relating to the period from and after the Closing Date, and to the extent not assignable, an agreement by the Receiver to hold same in trust for the Purchaser;
- (5) a certificate from the Receiver, dated as of the Closing Date, certifying:
 - (a) that, except as disclosed in the certificate, the Receiver has not been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction;
 - (b) that all representations, warranties and covenants of the Receiver contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time; and
 - (c) the non-merger specified in section 14.2 and elsewhere herein;
- (6) an acknowledgement, dated as of the Closing Date, that each of the conditions in section 7.1 hereof has been fulfilled, performed or waived as of the Closing Time; and

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

6.4 Purchaser's Closing Deliverables.

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

- (1) the indefeasible payment and satisfaction in full of the Purchase Price according to section 4.3 hereof;
- (2) an undertaking by the Purchaser to readjust the adjustments set out in section 4.5 hereof;
- (3) an acknowledgement, dated as of the Closing Date, that each of the conditions in section 7.3 hereof has been fulfilled, performed or waived as of the Closing Time;
- (4) an assignment and assumption agreement for all Permits and Consents and Approvals pertaining to the Purchased Assets (to the extent assignable) relating to the period from and after the Closing Date, and to the extent not assignable, an agreement to hold same in trust for the Purchaser;
- (5) a certificate from the Purchaser, dated as of the Closing Date, certifying:
 - (a) that all representations, warranties and covenants of the Purchaser contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time; and
 - (b) the non-merger specified in section 14.2 and elsewhere herein;
- (6) if necessary, payment or evidence of payment of HST applicable to the Purchased Assets or, if applicable, appropriate tax exemption and indemnification warranty to the Receiver, with respect to HST in accordance with Section 5.1 hereof; and
- (7) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Receiver, acting reasonably, Applicable Law or any Government Authority.

6.5 Receiver's Certificate.

Upon receipt of written confirmation from the Purchaser that all of the conditions contained in section 7.3 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Receiver of all of the conditions contained in section 7.1, the Receiver shall forthwith deliver to the Purchaser the Receiver's Certificate comprising Schedule "A" of the Approval and Vesting Order, and shall file same with the Court.

ARTICLE 7
CONDITIONS PRECEDENT TO CLOSING

7.1 Conditions in Favour of the Receiver.

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

- (1) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (2) all the covenants of the Purchaser contained in this Agreement to be performed on or before the Closing Date shall have been duly performed by the Purchaser;
- (3) the Purchaser shall have complied with all the terms contained in this Agreement applicable to the Purchaser prior to the Closing Date;
- (4) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
- (5) the Court shall have issued the Approval and Vesting Order.

7.2 Conditions in Favour of Receiver Not Fulfilled.

If any of the conditions contained in section 7.1 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Receiver, then the Receiver may, at its sole discretion, and without limiting any rights or remedies available to it at law or in equity:

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

7.3 Conditions in Favour of the Purchaser.

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

- (a) all the representations and warranties of the Receiver contained in this Agreement shall be true and correct in all material respects on the Closing Date;

- (b) all the covenants of the Receiver under this Agreement to be performed on or before the Closing Date shall have been duly performed by the Receiver;
- (c) the Receiver shall have complied with all the terms contained in this Agreement applicable to the Receiver prior to the Closing Date;
- (d) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
- (e) the Court shall have issued the Approval and Vesting Order.

7.4 Conditions in Favour of Purchaser Not Fulfilled.

If any of the conditions contained in section 7.3 hereof is not fulfilled on or prior to the Closing Date and such non-fulfillment is not directly or indirectly as a result of any action or omission of the Purchaser, then the Purchaser may, in its sole discretion:

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

ARTICLE 8 REPRESENTATIONS & WARRANTIES OF THE RECEIVER

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

- (1) the Receiver has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action on the part of the Receiver, subject to the Approval and Vesting Order. This Agreement is a valid and binding obligation of the Receiver enforceable in accordance with its terms;
- (2) the Receiver has been duly appointed by the Court, with the full right, power and authority to enter into this Agreement, perform its obligations hereunder and convey the Purchased Assets; and
- (3) the Receiver is not a non-resident of Canada for the purposes of the ITA.

ARTICLE 9 REPRESENTATIONS & WARRANTIES OF THE PURCHASER

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

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

ARTICLE 10 COVENANTS

10.1 Mutual Covenants.

Each of the Receiver and the Purchaser hereby covenants and agrees that, from the date hereof until Closing, each shall take all such actions as are necessary to have the Transaction approved in the Approval and Vesting Order on substantially the same terms and conditions as are contained in this Agreement, and to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions set forth in Article 7 hereof.

10.2 Receiver Covenants.

The Receiver hereby covenants and agrees that, from the date hereof until Closing, it shall take all such reasonable actions as are necessary to provide to the Purchaser all necessary information in respect of the Purchased Assets reasonably required to complete, if necessary, the

applicable tax elections in accordance with section 5.1 hereof and to execute all necessary forms related thereto.

10.3 Purchaser Covenants.

The Purchaser hereby covenants and agrees that, from the date hereof until the Closing Date, it shall take all such actions as are necessary to provide to the Receiver all necessary information in respect of the Purchaser reasonably required to complete, if necessary, the applicable tax elections in accordance with section 5.1 hereof and to execute all necessary forms related thereto.

ARTICLE 11 POSSESSION AND ACCESS PRIOR TO CLOSING

11.1 Possession of Purchased Assets.

At the Closing Time, the Purchaser shall take possession of the Purchased Assets where situated. In no event shall the Purchased Assets be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in the Approval and Vesting Order have been satisfied or waived and the Purchaser and Receiver have satisfied or waived all the delivery requirements outlined in Article VII hereof.

11.2 Examination of Title and Access to the Purchased Assets.

- (1) The Purchaser acknowledges and agrees that it shall, at its own cost and expense (regardless of results), examine title to the Purchased Assets, and satisfy itself as to the state thereof, satisfy itself as to outstanding work orders affecting the Purchased Assets, satisfy itself as to the use of the Real Property being in accordance with applicable zoning requirements and satisfy itself that any and all buildings and structures on the Real Property, if any, may be insured to the satisfaction of the Purchaser. The Purchaser further acknowledges and agrees that it shall not call upon the Receiver to produce any title deed, abstract of title, survey or other evidence of title that is not within the Receiver's possession or control.
- (2) The Purchaser and its agents and representatives may have reasonable access to the Real Property during normal business hours in the Interim Period for the purpose of enabling the Purchaser, at its sole cost and expense (regardless of results), to conduct such non-destructive, non-invasive inspections of the Real Property as it deems appropriate. The Purchaser agrees that such tests and inspections shall not include any tests or inspections by any Governmental Authority and specifically acknowledges and agrees that it shall not request or, through its actions, prompt or cause any tests or inspections to be made by any Governmental Authority. Such inspection may, if the Receiver so desires, be conducted in the presence of a representative of the Receiver.
- (3) The Purchaser covenants and agrees to repair or pay the costs to repair any damage occasioned during or resulting from the inspection of the Real Property conducted by the Purchaser or its authorized representatives, as outlined above, and to return the Real Property to substantially the condition same was in prior to such inspections. The

Purchaser covenants and agrees to indemnify and save the Receiver harmless from and against all losses, costs, claims, third party claims, damages, expenses (including actual legal costs) which the Receiver may suffer as a result of the inspection of the Real Property conducted by the Purchaser or its authorized representatives, as outlined above.

11.3 Risk.

- (1) The Purchased Assets shall be and remain at the risk of the Receiver until Closing and at the risk of the Purchaser from and after Closing.
- (2) If, prior to Closing, the Purchased Assets are substantially physically damaged or destroyed by fire, casualty or otherwise, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within 15 calendar days after notification to the Purchaser by the Receiver of the occurrence of such physical damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 calendar days of the Closing Date), in which event this Agreement shall be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any physical damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such physical damage or destruction. For the purposes of this section, substantial physical damage or destruction shall be deemed to have occurred if the physical loss or damage to the Purchased Assets exceeds 15% of the total Purchase Price (inclusive of the Deposit).
- (3) If, prior to the Closing Date, all or a material part of the Real Property is expropriated or a notice of expropriation or intent to expropriate all or a material part of the Real Property is issued by any Governmental Authority, the Receiver shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within five Business Days after the Purchaser receives Notice in writing from the Receiver of such expropriation, elect to either: (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation shall be payable to the Purchaser and all right, title and interest of the Receiver or the Debtor to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis; or (ii) terminate this Agreement and not complete the Transaction, in which case all rights and obligations of the Receiver and the Purchaser (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and the Deposit shall be returned to the Purchaser forthwith.

ARTICLE 12 AS IS, WHERE IS

12.1 Condition of the Purchased Assets.

Subject to subsection 11.2 and 11.3 of this Agreement, the Purchaser acknowledges that the Receiver is selling and the Purchaser is purchasing the Purchased Assets on an “*as is, where*

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

ARTICLE 13 TERMINATION

13.1 Termination of this Agreement.

This Agreement may (or, in the case of section 13.1(5) below, shall) be validly terminated:

- (1) upon the mutual written agreement of the Parties;
- (2) pursuant to section 7.2 hereof by the Receiver;
- (3) pursuant to section 7.4 hereof by the Purchaser;
- (4) pursuant to section 11.3 hereof; or
- (5) automatically, should Closing have not occurred prior to the discharge of KSV as the Receiver, unless the Receiver’s interest in this Agreement has been assigned prior to (or as part of) the Receiver’s discharge.

13.2 Remedies for Breach of Agreement.

If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Receiver under this Agreement, then the Deposit, without deduction, shall be returned to the Purchaser forthwith (and, for greater certainty, and notwithstanding any other provision in this Agreement, this shall be the Purchaser’s sole right and remedy as a result of the Receiver’s breach). If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of the Purchaser under this Agreement, then the Deposit shall be forfeited to the Receiver as liquidated damages and not as a penalty, which Deposit the Parties agree is a genuine estimate of the liquidated damages that the Receiver would suffer in such circumstances (and, for greater certainty, and notwithstanding any other provision in this Agreement, this shall be the Receiver’s sole right and remedy as a result of the Purchaser’s breach).

13.3 Termination If No Breach of Agreement.

If this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of a Party, then:

- (1) all obligations of each of the Receiver and the Purchaser hereunder shall end completely, except those that survive the termination of this Agreement;
- (2) the Deposit, without deduction, shall be returned to the Purchaser forthwith; and
- (3) neither Party shall have any right to specific performance, to recover damages or expenses or to any other remedy (legal or equitable) or relief.

ARTICLE 14 GENERAL CONTRACT PROVISIONS

14.1 Further Assurances.

From time to time after Closing, each of the Parties shall execute and deliver such further documents and instruments and do such further acts and things as may be required to carry out the intent and purpose of this Agreement and which are not inconsistent with the terms hereof.

14.2 Survival Following Completion.

Notwithstanding any other provision of this Agreement, section 4.5, article 8, article 9, section 13.2 and section 13.3 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the discharge of KSV as the Receiver, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof, provided that KSV has complied with all its obligations pursuant to this Agreement as the Receiver, which will include where appropriate the return of the Deposits to the Purchaser.

14.3 Notice.

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

- (a) to the Receiver:

KSV Restructuring Inc.
220 Bay Street, 14th Floor
PO Box 20
Toronto, ON M5J 2W4
Attention: Bobby Kofman and Jordan Wong
Email: bkofman@ksvadvisory.com,

and jwong@ksvadvisory.com

and a copy to the Receiver's counsel to:

Paliare Roland LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
Attention: Jeffrey Larry and Dan Rosenbluth
Email: jeff.larry@paliareroland.com and
daniel.rosenbluth@paliareroland.com

(b) to the Purchaser:

2133904 Ontario Inc.
c/o City Park Homes Inc.
950 Nashville Road
Kleinburg, ON L0J 1C0

Attention: Chris Zeppa
Email: czeppa@cityparkhomes.ca

and a copy to the Purchaser's counsel to:

Parente Borean LLP
3883 Highway 7, Suite 207
Woodbridge, ON L4L 6C1

Attention: Don Parente and Gerry Borean
Email: donparente@parenteborean.com and gborean@parenteborean.com

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

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

14.4 Waiver.

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

14.5 Consent.

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

14.6 Governing Law.

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

14.7 Entire Agreement.

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

14.8 Time of the Essence.

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

14.9 Time Periods.

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

14.10 Assignment.

This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Purchaser may not assign this Agreement except with prior written notice to the Receiver as hereinafter provided in this section 14.10. Up until the granting of the Approval and Vesting

Order, the Purchaser shall have the right to direct that title to the Purchased Assets be taken in the name of another person, entity, joint venture, partnership or corporation (presently in existence or to be incorporated) provided that the Purchaser notifies the Receiver of the name of the assignee at least 7 Business Days prior to issuance of the Approval and Vesting Order and that the assignee shall, in writing, agree to assume and be bound by the terms and conditions of this Agreement (the “**Assumption Agreement**”) and a copy of such Assumption Agreement is delivered to the Receiver forthwith after having been entered into, in which case the Purchaser shall nonetheless not be released from any and all further obligations and liabilities hereunder.

14.11 Expenses.

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

14.12 Severability.

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

14.13 No Strict Construction.

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

14.14 Cumulative Remedies.

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

14.15 Currency.

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

14.16 Receiver’s Capacity.

It is acknowledged by the Purchaser that KSV is entering into this Agreement solely in its capacity as the Receiver and that KSV shall have absolutely no personal or corporate liability under or as a result of this Agreement in any respect, except for non-compliance with its obligations pursuant to this Agreement.

14.17 Planning Act.

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

14.18 No Third Party Beneficiaries.

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns, nothing in this Agreement shall be construed to create any rights or obligations except amongst the Parties and no other person or entity shall be regarded as a third party beneficiary of this Agreement.

14.19 Number and Gender.

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

14.20 Counterparts.

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

[SIGNATURE PAGE FOLLOWS.]

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

KSV RESTRUCTURING INC., solely in its capacity as the Court-appointed receiver and manager of the Debtor and not in its personal capacity or in any other capacity

Per: 

Name: Bobby Kofman

Title: President

ACCEPTED by the Purchaser this 10th day of August, 2023

2133904 ONTARIO INC.

Per: 

Name: Chris Zeppa

Authorized Signing Officer

SCHEDULE A (APS)

“Real Property”

PIN 03323 – 0578 (LT) LRO #65 PART OF LOTS 54, 55 & 56, PLAN 9, PART 1, PLAN 65R37961; CITY OF VAUGHAN

PIN 03323 – 0579 (LT) LRO #65 PART OF LOTS 52 & 53, PLAN 9, PART 2, PLAN 65R37961; CITY OF VAUGHAN

PIN 03323 – 0580 (LT) LRO #65 PART LOTS 52, 53, 54, 55 & 56, PLAN 9 & PART LOT 24, CONCESSION 8(VGN), PART3, PLAN 65R37961; CITY OF VAUGHAN

**SCHEDULE B (APS)
“Approval and Vesting Order”**

Court File No. CV-23-00698632-00CL

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

THE HONOURABLE

)

<*>DAY, THE <*>

JUSTICE

)

DAY OF <*>, 2023

)

B E T W E E N :

DORR CAPITAL CORPORATION

Applicant

- and -

HIGHVIEW BUILDING CORP INC.

Respondent

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

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of the assets, undertakings and properties of Highview Building Corp Inc. (the “**Debtor**”), for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and <*> (the “**Purchaser**”), as purchaser,

dated <*>, 2023 (the “**Sale Agreement**”) and vesting in the Purchaser the Purchased Assets (as defined in the Sale Agreement), was heard this day.

ON READING the Receiver’s Report to the Court and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of <*> sworn <*>, 2023, filed,

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

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the “**Receiver's Certificate**”), all of the Purchased Assets described in the Sale Agreement, including, without limitation, all of the Debtor's right, title and interest in and to the real property listed on **Schedule “B”** hereto (the “**Real Property**”), shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or

charges created by the Order of The Honourable Justice Steele made on May 2, 2023; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule “C”** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “D”**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject Real Property identified in **Schedule “B”** hereto in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule “C”** hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor,

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

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

may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that this Order is effective from today's date and is enforceable without the need for entry and filing.

Schedule “A” (AVO) – Form of Receiver’s Certificate

Court File No. CV-23-00698632-00CL

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

B E T W E E N :

DORR CAPITAL CORPORATION

Applicant

- and -

HIGHVIEW BUILDING CORP INC.

Respondent

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

RECEIVER’S CERTIFICATE

WHEREAS pursuant to an Order of The Honourable Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on May 2, 2023, KSV Restructuring Inc. was appointed as receiver and manager (in such capacity, the “**Receiver**”), without security, of the assets, undertakings and properties of Highview Building Corp Inc. (the “**Debtor**”).

AND WHEREAS pursuant to an Order of the Court dated <*>, 2023, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and <*> (the “**Purchaser**”), as purchaser, dated <*>, 2023 (the “**Sale Agreement**”), and provided for the vesting in the Purchaser of the Purchased Assets (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate

confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

AND WHEREAS unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

NOW THEREFORE THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV RESTRUCTURING INC., solely in its capacity as the Court-appointed receiver and manager of the Debtor, and not in its personal capacity or in any other capacity

Per:

Name: Bobby Kofman

Title: President

Schedule “B” (AVO) – Real Property

Municipal Address:

89 Nashville Road, Kleinberg, Ontario

99 Nashville Road, Kleinberg, Ontario

Legal Description:

PIN 03323 – 0578 (LT) LRO #65 PART OF LOTS 54, 55 & 56, PLAN 9, PART 1, PLAN 65R37961; CITY OF VAUGHAN

PIN 03323 – 0579 (LT) LRO #65 PART OF LOTS 52 & 53, PLAN 9, PART 2, PLAN 65R37961; CITY OF VAUGHAN

PIN 03323 – 0580 (LT) LRO #65 PART LOTS 52, 53, 54, 55 & 56, PLAN 9 & PART LOT 24, CONCESSION 8(VGN), PART3, PLAN 65R37961; CITY OF VAUGHAN

Schedule "C" (AVO) – Instruments to Be Deleted from Title**PIN 03323-0578 (LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
YR2775168	2017/12/18	Transfer	\$5,350,000	Marzano, Domenico Marzano, Anna	Highview Building Corp Inc.
YR2775218	2017/12/18	Notice	\$1	Marzano, Domenico Marzano, Anna	Highview Building Corp Inc.
YR2775219	2017/12/18	Notice	\$1	Enza Realty Ltd.	Highview Building Corp Inc.
YR2775220	2017/12/18	Notice	\$1	Enza Realty Ltd.	Highview Building Corp Inc.
YR2854532	2018/07/26	APL Absolute Title		Highview Building Corp.	
YR2980803	2019/07/08	Notice	\$2	Marzano, Domenic Marzano, Anna	Highview Building Corp Inc.
YR3391965	2022/03/09	Charge	\$9,000,000	Highview Building Corp Inc.	Dorr Capital Corporation
YR3391966	2022/03/09	No Assgn Rent Gen		Highview Building Corp Inc.	Dorr Capital Corporation
YR3511235	2022/12/22	Charge	\$5,300,000	Highview Building Corp. Inc.	MCO Management Inc.
YR3541887	2023/04/18	Charge	\$1,945,000	Highview Building Corp. Inc.	2515792 Ontario Inc.
YR3547500	2023/05/02	APL Court Order		Ontario Superior Court of Justice (Commercial List)	Dorr Capital Corporation
YR3548859	2023/05/05	Construction Lien	\$99,598	GEI Consultants Ltd.	
YR3568785	2023/06/30	Certificate		GEI Consultants Ltd.	

PIN 03323-0579 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
YR2775168	2017/12/18	Transfer	\$5,350,000	Marzano, Anna Marzano, Domenico	Highview Building Corp Inc.
YR2775218	2017/12/18	Notice	\$1	Marzano, Domenico Marzano, Anna	Highview Building Corp Inc.
YR2775219	2017/12/18	Notice	\$1	Enza Realty Ltd.	Highview Building Corp Inc.
YR2775220	2017/12/18	Notice	\$1	Enza Realty Ltd.	Highview Building Corp Inc.
YR2854532	2018/07/26	APL Absolute Title		Highview Building Corp.	
YR2980803	2019/07/08	Notice	\$2	Marzano, Domenic Marzano, Anna	Highview Building Corp Inc.
YR3391965	2022/03/09	Charge	\$9,000,000	Highview Building Corp Inc.	Dorr Capital Corporation
YR3391966	2022/03/09	No Assgn Rent Gen		Highview Building Corp Inc.	Dorr Capital Corporation
YR3511235	2022/12/22	Charge	\$5,300,000	Highview Building Corp. Inc.	MCO Management Inc.
YR3541887	2023/04/18	Charge	\$1,945,000	Highview Building Corp. Inc.	2515792 Ontario Inc.
YR3547500	2023/05/02	APL Court Order		Ontario Superior Court of Justice (Commercial List)	Dorr Capital Corporation
YR3548859	2023/05/05	Construction Lien	\$99,598	GEI Consultants Ltd.	
YR3568785	2023/06/30	Certificate		GEI Consultants Ltd.	

PIN 03323-0580 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
YR2775168	2017/12/18	Transfer	\$5,350,000	Marzano, Anna Marzano, Domenico	Highview Building Corp Inc.
YR2775218	2017/12/18	Notice	\$1	Marzano, Domenico Marzano, Anna	Highview Building Corp Inc.
YR2775219	2017/12/18	Notice	\$1	Enza Realty Ltd.	Highview Building Corp Inc.
YR2775220	2017/12/18	Notice	\$1	Enza Realty Ltd.	Highview Building Corp Inc.
YR2854532	2018/07/26	APL Absolute Title		Highview Building Corp.	
YR2980803	2019/07/08	Notice	\$2	Marzano, Domenic Marzano, Anna	Highview Building Corp Inc.
YR3391965	2022/03/09	Charge	\$9,000,000	Highview Building Corp Inc.	Dorr Capital Corporation
YR3391966	2022/03/09	No Assgn Rent Gen		Highview Building Corp Inc.	Dorr Capital Corporation
YR3511235	2022/12/22	Charge	\$5,300,000	Highview Building Corp. Inc.	MCO Management Inc.
YR3541887	2023/04/18	Charge	\$1,945,000	Highview Building Corp. Inc.	2515792 Ontario Inc.
YR3547500	2023/05/02	APL Court Order		Ontario Superior Court of Justice (Commercial List)	Dorr Capital Corporation
YR3549403	2023/05/09	Construction Lien	\$99,598	GEI Consultants Ltd.	
YR3568785	2023/06/30	Certificate		GEI Consultants Ltd.	

Schedule "D" (AVO) – Permitted Encumbrances**PIN 03323-0578 (LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
65R37961	2018/07/26	Plan Reference			

PIN 03323-0579 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
65R37961	2018/07/26	Plan Reference			

PIN 03323-0580 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
VA47085Z	1961/06/15	Rest Cov APL Annex			
YR235943	2002/11/25	Notice		The Corporation of the City of Vaughan	Enza Realty Ltd.
YR592089	2005/01/26	Notice		The Corporation of the City of Vaughan	Enza Realty Ltd.
65R35421	2015/01/15	Plan Reference			
YR2559482	2016/10/13	Plan Correction		Assistant Examiner of Surveys	
65R37961	2018/07/26	Plan Reference			

DORR CAPITAL CORPORATION

-and-

HIGHVIEW BUILDING CORP INC.

Applicant

Respondent

Court File No. CV-23-00698632-00CL

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

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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Tel: 416.646.6307
daniel.rosenbluth@paliareroland.com

Lawyers for the Receiver

SCHEDULE C (APS)**“Permitted Encumbrances”****Schedule “D” (AVO) – Permitted Encumbrances****PIN 03323-0578 (LT)**

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
65R37961	2018/07/26	Plan Reference			

PIN 03323-0579 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
65R37961	2018/07/26	Plan Reference			

PIN 03323-0580 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
VA47085Z	1961/06/15	Rest Cov APL Annex			
YR235943	2002/11/25	Notice		The Corporation of the City of Vaughan	Enza Realty Ltd.
YR592089	2005/01/26	Notice		The Corporation of the City of Vaughan	Enza Realty Ltd.
65R35421	2015/01/15	Plan Reference			
YR2559482	2016/10/13	Plan Correction		Assistant Examiner of Surveys	
65R37961	2018/07/26	Plan Reference			

THIS AMENDING AGREEMENT (the "**Agreement**") made as of this 24th day of August, 2023.

B E T W E E N:

2133904 ONTARIO INC.
(hereinafter called the "**Purchaser**")

OF THE FIRST PART

- and -

KSV RESTRUCTURING INC.
(hereinafter called the "**Receiver**")

OF THE SECOND PART

WHEREAS pursuant to an order of The Honourable Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on May 2, 2023 (the "**Receivership Order**"), KSV Restructuring Inc. ("**KSV**") was appointed as the Receiver, without security, of Highview Building Corp. (the "**Debtor**") including the real property municipally known as 89 Nashville Road, Kleinberg, Ontario and 99 Nashville Road, Kleinberg, Ontario and having the legal description set out in Schedule "A" of the Purchase Agreement (as hereinafter defined);

AND WHEREAS pursuant to an order of The Honourable Justice Penny of the Court made on June 5, 2023 (the "**Sale Process Order**"), the Court approved the Sale Process (as defined in the Sale Process Order);

AND WHEREAS the Purchaser and the Receiver entered into an Agreement of Purchase and Sale dated August 10th, 2023, as may be amended from time to time (the "**Purchase Agreement**"), whereby the Purchaser agreed to purchase and the Receiver agreed to sell the Purchased Assets as defined in the Purchase Agreement;

AND WHEREAS the parties hereto have agreed to amend the Purchase Agreement subject to the terms and conditions set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual premises, covenants and agreements contained herein and the sum of \$10.00 paid by each party to each other party, and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged by each party, the parties covenant and agree as follows:

1. The recitals contained herein are true in substance and in fact and form an integral part of this Agreement.
2. All capitalized terms used but not otherwise defined herein shall have the meaning ascribed thereto in the Purchase Agreement.
3. The Deposit, as set out in Section 4.2(1) of the Purchase Agreement, is hereby amended to reflect [REDACTED]

4. In Section 1.1 of the Purchase Agreement, in subsection (i) of the definition of "Closing Date", reference to *"the date that is twenty business days following the date"* is hereby deleted and replaced as follows:

"the date that is twenty Business Days following the date"

5. In Section 1.1 of the Purchase Agreement, in subsection (c) of the definition of "Purchased Assets", the following is hereby added at the outset of such subsection prior to *"original or photostatic copies of all..."*:

"to the extent in the Receiver's possession or control,"

6. The Purchase Agreement, as amended by this Agreement, is hereby ratified and confirmed and is binding upon the parties in accordance with its terms, and except as expressly amended by this Agreement, remains unamended and in full force and effective, and time shall continue to be of the essence.

7. In the event there is a conflict between this Agreement and any other provision of the Purchase Agreement, this Agreement shall prevail.

8. This Agreement may be executed and delivered by facsimile transmission, notices or other electronic communication which results in a written or printed notice being given (including by electronic mail via the internet) and in any number of counterparts, each of which shall be deemed to be an original and all of which shall together constitute one and the same instrument. The parties may rely on copies of this Agreement which are delivered by telecopier or electronic mail as if such copies were originals.

9. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns.

[SIGNATURE PAGE FOLLOWS]

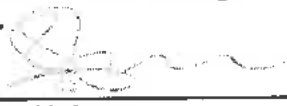
THIS AGREEMENT has been executed by the parties as of the date set out above.

2133904 ONTARIO INC.

Per: 
Name: Chris Zeppa
Authorized Signing Officer

I have authority to bind the Corporation

KSV RESTRUCTURING INC. solely in its capacity as receiver and manager of Highview Building Corp.

Per: 
Name: Bobby Kofman
Title: President

I have authority to bind the Corporation

Appendix “H”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY, THE 14TH
)
JUSTICE CAVANAGH) DAY OF SEPTEMBER, 2023

BETWEEN

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

Applicants

- and -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC.,
STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND
STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

Respondents

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

**DISTRIBUTION ORDER
(ON THE MARK)**

THIS MOTION, made by KSV Restructuring Inc. (“**KSV**”) in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) without security, of the property, assets and undertakings of each of the above noted Respondents, including their real property, pursuant to the Order (Appointing Receiver) of this Court dated May 2, 2023 (the “**Receivership Order**”) for an order in respect of Stateview Homes (On the Mark) Inc. (“**On the Mark**”), *inter alia*, (i) approving the Second Report of the Receiver dated July 12, 2023 (the “**Second Report**”) and the Third Report of the Receiver dated September 7, 2023 (the “**Third Report**”) and the Receiver’s conduct and activities described therein; (ii) approving the Receiver’s statement of receipts and disbursements attached at Appendix “F” to the Third Report; (iii) approving the fees and disbursements of the Receiver and the Receiver’s counsel, Cassels Brock

& Blackwell LLP ("**Cassels**"), as set out in the Affidavit of Noah Goldstein sworn on September 7, 2023 attached at Appendix "J" to the Third Report (the "**Goldstein Affidavit**") and the Affidavit of Ryan Jacobs sworn on September 7, 2023 attached at Appendix "K" to the Third Report (the "**Jacobs Affidavit**" and, together with the Goldstein Affidavit, the "**Fee Affidavits**"), respectively; and (iv) authorizing and directing the Receiver to make certain payments and distributions and establish, hold and maintain certain reserves as recommended and described in the Third Report, was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Notice of Motion of the Receiver, the Second Report and the Appendices thereto, the Third Report and the Appendices thereto, the Fee Affidavits, and on hearing the submissions of counsel for the Receiver, the Purchaser (as defined below), KingSett Mortgage Corporation ("**KingSett**"), and the other parties listed on the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Alec Hoy sworn September 8, 2023,

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 Asset Purchase Agreement between the Receiver and 2077060 Ontario Inc. (the "**Purchaser**") dated June 30, 2023 attached at Appendix "D" to the Third Report (the "**APA**") or the Third Report, as applicable.

APPROVAL OF RECEIVER'S REPORTS, R&D AND FEES AND COSTS

3. **THIS COURT ORDERS** that the Second Report and the Third Report, and the activities of the Receiver described therein are hereby approved; provided 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 approval.

4. **THIS COURT ORDERS** that the Receiver's statement of receipts and disbursements for the period from May 2, 2023 to August 31, 2023 attached at Appendix "F" to the Third Report is hereby approved.

5. **THIS COURT ORDERS** that, in accordance with paragraph 31(c) of the Receivership Order, the general fees, disbursements and costs incurred by the Receiver and Cassels in connection with this proceeding shall be allocated to each receivership estate in this proceeding on the basis set out in section 10.0 of the Third Report (the "**Allocation Methodology**") and the Receiver shall apply the Allocation Methodology to the allocation of further general fees, disbursements and costs incurred by the Receiver and Cassels in this proceeding.

6. **THIS COURT ORDERS** that the fees and disbursements of the Receiver from April 12, 2023 to and including August 31, 2023 and those of Cassels from April 21, 2023 to and including August 31, 2023, as described in the Third Report and supported by the Fee Affidavits, are hereby approved and such amounts shall be paid from the proceeds of the Transaction (the "**OTM Purchase Proceeds**").

LIEN CLAIMS RESERVE FUND

7. **THIS COURT ORDERS** that the Receiver is authorized and directed to:

- (a) pay from time to time from the Lien Claims Reserve Fund any amounts in respect of Lien Claims (in aggregate up to the remaining amount held in the Lien Claims Reserve Fund and in each case in full and final satisfaction of the priority portion of such Lien Claim):
 - (i) with the written consent of the Purchaser, KingSett and the applicable holder of the Lien Claim; or
 - (ii) that are determined by Final Order to have priority over the security interest of KingSett against the On the Mark Real Property; and

- (b) on the date that is 180 days following Closing of the Transaction pursuant to the APA, return any balance then held in the Lien Claims Reserve Fund to the Purchaser.

RESERVE FOR OTHER PRIORITY CONSTRUCTION LIEN CLAIMS

8. **THIS COURT ORDERS** that no Assumed Trade Creditor shall be entitled to a payment or distribution from the cash proceeds received by the Receiver from the OTM Purchase Proceeds.

9. **THIS COURT ORDERS** that the Receiver is authorized and directed to establish, hold and maintain a reserve from the OTM Purchase Proceeds in the amount of \$50,000 (the “**Other Construction Lien Reserve**”) on account of the estimated maximum amount in respect of any other claims (collectively, the “**Other Lien Claims**” and each an “**Other Lien Claim**”) that could have priority over the security interest of KingSett against the On the Mark Real Property pursuant to section 78(2) of the *Construction Act*, R.S.O. 1990, c. C.30 (the “**Construction Act**”) and the Receiver is authorized and directed to pay from time to time from the Other Construction Lien Reserve any amounts in respect of Other Lien Claims (in aggregate up to the remaining amount held in the Other Construction Lien Reserve and in each case in full and final satisfaction of the priority portion of such claim) according to:

- (a) any such amounts that the Receiver determines, with the consent of KingSett and the applicable holder of the Other Lien Claim, to have priority over the security interest of KingSett against the On the Mark Real Property pursuant to section 78(2) of the *Construction Act*; or
- (b) further order of this Court.

OTM BANKRUPTCY RESERVE

10. **THIS COURT ORDERS** that the Receiver is authorized and directed to (i) reserve from the OTM Purchase Proceeds the amount of \$75,000 (the “**OTM Bankruptcy Reserve**”) and (ii) use the OTM Bankruptcy Reserve to fund the fees and costs of the bankruptcy of On the Mark in accordance with paragraph 4 of the Bankruptcy Order of this Court dated September 14, 2023 (the “**OTM Bankruptcy Order**”).

OTHER RESERVES

11. **THIS COURT ORDERS** that the Receiver is authorized and directed to establish, hold and maintain reserves from the OTM Purchase Proceeds as follows:

- (a) LIUNA Claims Reserve – in the amount of \$39,139.50 on account of the estimated maximum amount of the LIUNA Claim which could have priority over the security interest of KingSett, which may be paid or distributed as determined by the Receiver with the consent of KingSett and LIUNA or upon further order of this Court;
- (b) Realty Taxes Reserve – in the amount of \$63,000 on account of the estimated maximum amount pre-Closing realty taxes which could have priority over the security interest of KingSett, which may be paid or distributed as determined by the Receiver with the consent of KingSett or upon further order of this Court;
- (c) Professional Costs Reserve – in the amount of \$225,000 on account of additional fees, disbursements and costs of the Receiver and its counsel in connection with On the Mark, which may be paid or distributed upon further order of this Court; and
- (d) General Contingency Reserve – in the amount of \$125,000 on account of general operating costs and fees and other claims which may have priority to the security

interest of KingSett, which may be paid or distributed with the consent of KingSett or upon further order of this Court.

TRANSFER TO TLSFD TAURASI HOLDINGS CORP

12. **THIS COURT ORDERS** that, in accordance with section 8.2 of the Third Report, the Receiver is authorized and directed to pay from the OTM Purchase Proceeds the amount of \$171,949.83 to the receivership estate of TLSFD Taurasi Holdings Corp. to be held by the Receiver in trust to the credit of such estate.

KINGSETT DISTRIBUTION

13. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute the balance of the OTM Purchase Proceeds, after deduction for the payments, distributions and reserves provided for in this Order, to KingSett as partial payment of the KingSett Indebtedness owing by On the Mark to KingSett, which shall be applied by KingSett to reduce such KingSett Indebtedness in accordance with the KingSett Mortgage Loan Security Documents.

GENERAL

14. **THIS COURT ORDERS** that notwithstanding anything else contained in this Order, each of the payments and distributions provided for in this Order shall be made free and clear of all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Steele in the within proceedings dated May 2, 2023; and (ii) all charges,

security interests, liens, trusts, or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property or real property registry system.

15. **THIS COURT ORDERS** that the Receiver or any other person facilitating payments and distributions pursuant to this Order shall be entitled to deduct and withhold from any such payment or distribution such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person entitled thereto, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of On the Mark and any bankruptcy order issued pursuant to any such application; and
- (c) any assignment in bankruptcy made in respect of On the Mark;

any payment or distributions made pursuant to this Order are final and irreversible and shall be binding on any trustee in bankruptcy that may be appointed in respect of On the Mark and shall not be void or voidable by creditors of On the Mark, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

18. **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.

19. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

IN THE MATTER OF THE RECEIVERSHIP OF STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**DISTRIBUTION ORDER
(ON THE MARK)**

CASSELS BROCK & BLACKWELL LLP

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40 Temperance St.
Toronto, ON M5H 0B4

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Lawyers for the Receiver (NAO Phase 1, Minu, On the Mark,
High Crown and Taurasi Holdings Receiverships)

Appendix “I”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

DORR CAPITAL CORPORATION

APPLICANT

- AND -

HIGHVIEW BUILDING CORP INC.

RESPONDENTS

AFFIDAVIT OF ROBERT KOFMAN
(Sworn September 22, 2023)

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

1. I am the President of KSV Restructuring Inc. ("KSV").
2. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) ("Court") made on May 2, 2023 ("Order"), KSV was appointed as receiver and manager (the "Receiver") of the property, assets and undertaking of Highview Building Corp Inc. ("Highview"), including its real property.
3. I have been involved in the management of this mandate since the proceedings commenced. As such, I have knowledge of the matters to which I hereinafter depose.
4. On September 22, 2023, the Receiver issued its Fourth Report to Court in which it outlined its activities with respect to Highview and provided information with respect to its fees.
5. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of KSV for the periods indicated and confirm that these accounts accurately reflect the services provided by KSV with respect to Highview and the fees and disbursements claimed by it.

6. Additionally, attached hereto as Exhibit "B" is a summary of additional information with respect to all members of KSV who have worked on this matter, including their hours and rates, and I hereby confirm that the list represents an accurate account of such information.

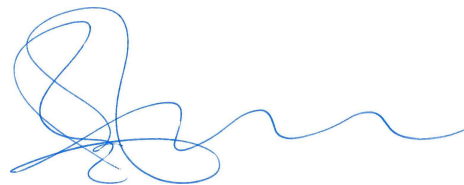
7. I consider the accounts to be fair and reasonable considering the circumstances connected with this administration.

8. I also confirm that the Receiver has not received, nor expects to receive, nor has the Receiver been promised any remuneration or consideration other than the amount claimed in the accounts.

SWORN BEFORE ME at the City of Toronto, on September 22, 2023.



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



Robert Kofman

This is Exhibit "A" referred to in the
Affidavit of Robert Kofman sworn before
me, this 22nd day of September, 2023



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

**ksv advisory inc.**

220 Bay Street Suite 1300

Toronto, Ontario, M5J 2W4

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ksvadvisory.com

INVOICE

Highview Building Corp. Inc.
c/o KSV Restructuring Inc.
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

September 21, 2023

Invoice No: 3274
HST #: 818808768RT0001

Re: Highview Building Corp Inc. (“Highview”)

For professional services rendered by KSV Restructuring Inc. for the period April 12 to August 31, 2023 in its capacity as receiver and manager (the “Receiver”) of Highview, including its real property and all other property, assets and undertaking of Highview pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “Court”) issued on May 2, 2023 (the “Receivership Order”), including:

All Receivership Companies**Background and General**

- Corresponding extensively with (i) Paliare Roland Rosenberg Rothstein LLP (“Paliare Roland”), the Receiver’s counsel in respect of Highview, Stateview Homes (Nao Towns II) Inc., Stateview Homes (BEA Towns) Inc. and Stateview Homes (Elm & Co) Inc.; and (ii) Cassels Brock & Blackwell LLP (“Cassels”), the Receiver’s counsel in respect of Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (On the Mark) Inc., TLSFD Taurasi Holdings Corp. and Stateview Homes (High Crown Estates) Inc., and (the entities subject to the receivership are listed on Appendix “A” and are herein collectively referred to as the “Companies¹”);
- Corresponding with Dorr Capital Corporation (“Dorr”), KingSett Mortgage Corporation (“KingSett”), Atrium Mortgage Corporation (“Atrium”), and Meridian Credit Union Limited (“Meridian” and collectively with Atrium, Dorr, Kingsett and certain other mortgagees, the “Mortgagees”) regarding these receivership proceedings generally;
- Corresponding with Bennett Jones LLP (“Bennett Jones”), KingSett’s counsel, Blaney McMurtry LLP (“Blaney”), Dorr’s counsel, Chaitons LLP (“Chaitons”), Atrium’s counsel, and Fogler Rubinoff LLP (“Fogler”), Meridian’s counsel, regarding the receivership proceedings generally;

¹ The activities described in the below sections are in respect of all of the Companies, unless specifically noted.

- Preparing for the Companies' receivership proceedings, including reviewing information pertaining to the status of each of the Companies' development projects and performing online searches regarding each of the Companies;
- Attending at the head office of the Stateview Group of Companies (the "Stateview Group") located at 410 Chrislea Road, Woodbridge, Ontario, including on May 4, 5, 8, 9, 10, 11 and 15, 2023 to, among other things, meet with Carlo Taurasi and Dino Taurasi (together, the "Taurasis"), the principals of the Stateview Group, Norton Rose Fulbright LLP ("Norton Rose"), counsel to the Companies, and BDO Canada Limited ("BDO"), the court appointed information officer for the Stateview Group;
- Corresponding with BDO to, among other things, obtain the Companies' books and records, including financial information pertaining to the real properties owned by the Companies, as listed on Appendix "B" (each a "Real Property" and collectively, the "Real Properties") and information regarding the Companies' historical transactions;
- Corresponding with the Mortgagees to obtain information relating to the development status of the Real Properties;
- Corresponding with FAAN Advisors Group Inc. ("FAAN"), the Companies' financial advisor, to obtain financial and other information pertaining to the Companies, including general ledgers, trial balances and accounts payables information;
- Reviewing financial and other information related to the Companies, including, among other things, the:
 - Real Properties' development status;
 - most recent trial balances;
 - most recent bank statements;
 - title searches;
 - insurance policies; and
 - real estate appraisals;
- Engaging Tert & Ross Inc. ("T&R"), a third-party contractor, to perform site visits and to secure and monitor certain of the Real Properties;
- Corresponding extensively with T&R regarding the Real Properties;
- Reviewing reports from T&R regarding site conditions and security matters;
- Corresponding with Kroll Consulting Canada Co. to image the Companies' electronic records and the Taurasis' cell phones;
- Corresponding with Cassels and Paliare Roland regarding a protocol to address the imaging of the Companies' electronic records and the Taurasis' cell phones (the "IT Protocol");
- Opening estate bank accounts for each of the Companies;
- Corresponding with Bank of Montreal ("BMO") regarding the Companies' bank accounts and requesting that the Companies' balances be transferred to the Receiver's accounts;
- Corresponding with Norton Rose, BDO and the Taurasis regarding the Companies' cash balances, including their sources and uses of cash;

- Corresponding extensively with Masters Insurance Limited (“Masters Insurance”), the Companies’ insurance broker, to obtain copies of the insurance policies and to request that the Receiver be added as a named insured and loss payee on the policies;
- Corresponding with Masters Insurance regarding the renewal and extension of certain of the insurance policies pertaining to the Companies, including on May 17, 23 and 26, 2023, June 2, 8 and 20, 2023 and July 5, 7, 11, 12 and 24, 2023;
- Corresponding with Cassels regarding the insurance policies and reviewing a summary prepared by Cassels regarding same;
- Corresponding with Canada Revenue Agency (“CRA”) regarding the Companies’ HST accounts and opening new HST accounts for the receivership proceedings;
- Corresponding with CRA regarding the status of the Companies’ HST accounts;
- Filing the Companies’ HST returns for May, June and July 2023;

Court Matters

- Attending a receivership scheduling motion on April 28, 2023;
- Reviewing and commenting on all application materials filed by the Mortgagees regarding the appointment of a receiver;
- Reviewing the Receivership Orders and the corresponding Endorsements issued by the Court;
- Reviewing materials filed with the Court in connection with a motion filed by the Receiver returnable on June 5, 2023 (the “Sale Process Motion”), including:
 - the Notice of Motion of the Receiver; and
 - the draft Orders;
- Preparing the Receiver’s First Report to Court dated May 30, 2023 (the “First Report”);
- Corresponding extensively with Paliare Roland and Cassels regarding the First Report and the Sale Process Motion;

Request For Proposals from Realtors

- Requesting proposals from commercial real estate brokerage firms (the “Brokers”) to list the Real Properties for sale (“RFP”);
- Corresponding with each of the Brokers regarding the receivership proceedings and the RFP process;
- Preparing an RFP package for each of the Brokers, including a confidentiality agreement;
- Preparing a virtual data room with detailed information regarding the Real Properties including drawings, designs, development applications, environmental reports and correspondence with municipalities for the purposes of providing the Brokers with information to perform due diligence;

- Corresponding and attending calls with the Brokers to assist with their diligence;
- Reviewing the proposals submitted by the Brokers and considering their approaches to each of the Real Properties;
- Preparing a summary of the proposals and discussing same with the applicable Mortgagee;
- Attending calls and meetings with each of the Brokers and the applicable Mortgagee regarding the proposal;
- Preparing follow-up questions for each of the realtors regarding their proposals;
- Negotiating listing agreements with the realtors selected to market the Real Properties, and corresponding with Paliare Roland and Cassels regarding the same;

Homebuyer Matters²

- Attending calls and corresponding by email with numerous homebuyers of the Companies on a near daily basis;
- Preparing a Notice to Homebuyers dated May 5, 2023, advising homebuyers of the receivership proceedings and to advise of the warranty coverage available through Tarion Warranty Corporation (“Tarion”);
- Preparing a Notice to Homebuyers dated May 31, 2023, advising of the Sale Process Motion;
- Preparing a Notice to Homebuyers dated June 13, 2023 advising of the Sale Process Order;
- Corresponding with and considering comments from Cassels and/or Paliare Roland on the notices;
- Corresponding with Torys LLP, counsel to Tarion, regarding the receivership proceedings, the status of the Real Properties, Tarion’s warranty coverage and homebuyer deposits;
- Reviewing the Companies’ information concerning homebuyer deposits;
- Corresponding with Norton Rose regarding the status of the homebuyer deposits;

Other General Matters

- Responding to numerous inquiries from creditors and interested parties regarding the Companies;
- Maintaining the receivership case website;
- Preparing Notices and Statements of the Receiver (the “Notices”) for each of the Companies pursuant to Subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*;

² The activities described in this section do not pertain to TLSFD Taurasi Holdings Corp. as it does not have any homebuyers.

- Corresponding with the Companies, BDO and FAAN to obtain the Companies' payables listing for the Notices;
- Reviewing the Companies' payables listings;
- Corresponding with the Companies' vendors regarding the status of these receivership proceedings;

Highview³

Highview Real Property

- Retaining KLM Planning Partners Inc. ("KLM"), an urban planner, to prepare a planning letter regarding the status of the Highview Real Property (the "KLM Letter") and discussing same with Dorr;
- Reviewing a draft of the KLM Letter and corresponding with Colliers and KLM regarding same;
- Retaining Premier Environmental Services Inc. ("Premier") to conduct a phase 1 environmental site assessment ("ESA") on the Highview Real Property;
- Reviewing the ESA prepared by Premier;

Highview Sale Process

- Corresponding extensively with Colliers International ("Colliers"), the broker retained to market the Highview Real Property for sale, regarding all aspects of the sale process for the Highview Real Property (the "Highview Sale Process");
- Preparing a non-disclosure agreement ("NDA") for prospective purchasers to sign to access a virtual data room prepared by Colliers ("VDR");
- Reviewing the VDR and marketing materials prepared by Colliers including a teaser and offering memorandum;
- Preparing a template form of agreement of purchase and sale for prospective purchasers and making same available in the VDR;
- Attending update meetings with Colliers and Dorr regarding the Highview Sale Process;
- Corresponding with prospective purchasers;
- Reviewing offers submitted for the Highview Real Property and discussing same with Colliers and Dorr;
- Corresponding with Paliare Roland regarding the offer (the "APS") submitted by 2133904 Ontario Inc. (the "Purchaser");
- Reviewing an amendment to the APS and corresponding with Paliare Roland regarding same;

³ The activities described in the below sections relate specifically to Highview. Unless otherwise noted, all of the activities described in the above sections also relate to Highview, and, accordingly, are not repeated in the sections below.

Marzanos Matter

- Corresponding with Paliare Roland, Blaney and Dorr regarding several matters involving Highview and Dominic and Anna Marzano (the “Marzanos”) including:
 - power of sale proceedings commenced by the Marzanos;
 - litigation between Highview and the Marzanos; and
 - 2017 and 2019 agreements (the “Marzanos Agreements”) between Highview and the Marzanos regarding the Marzanos’ purchase of a home in the proposed Highview development and Marzanos’ registration on title to the Highview Real Property (the “Marzanos Matter”);
- Reviewing the Marzanos Agreements and corresponding title registrations;
- Paying all vendors who provided services during these receivership proceedings;
- Convening internal meetings; and
- To all other meetings, correspondence, etc. related to this matter.

Total fees and disbursements	\$ 67,168.44
HST	8,731.90
Total due	\$ <u>75,900.34</u>

Highview Building Corp Inc.
Time Summary
For the Period Ending August 31, 2023

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	800	52.53	42,026.67
Jordan Wong	525	18.11	9,508.33
Murtaza Tallat	525	15.31	8,038.33
Nikita Gupta	325	14.65	4,761.25
Other Staff and Administration		7.99	2,304.67
Total Fees		108.59	66,639.25
Add: Out of Pocket Disbursements			
Mileage			74.58
Meals			55.47
Photocopy			80.19
Ascend Fee			275.00
Postage			32.73
Courier			11.24
Out of pocket disbursements			529.19
Total Fees and Disbursements			67,168.44

Appendix “A”

1. Stateview Homes (Minu Towns) Inc.
2. Stateview Homes (Nao Towns) Inc.
3. Stateview Homes (Nao Towns II) Inc.
4. Stateview Homes (On the Mark) Inc.
5. TLSFD Taurasi Holdings Corp.
6. Stateview Homes (High Crown Estates) Inc.
7. Highview Building Corp Inc.
8. Stateview Homes (BEA Towns) Inc.
9. Stateview Homes (Elm & Co) Inc.

Appendix “B”

1. Minu Towns – 9940 Ninth Line, Markham
2. Nao Towns – 5112, 5122, 5248 14th Avenue, Markham
3. Nao Towns II – 7810, 7822, 7834, 7846 McCowan Road, Markham
4. Nashville/Highview – 89, 99 Nashville Road, Kleinberg
5. BEA Towns – 189 Summerset Drive, Barrie
6. ELM – 12942 York Durham Line, Stouffville
7. High Crown Estates – 13151-13161 Keele Street, King City
8. On the Mark – 16th Avenue and Woodbine Avenue, Markham
9. TLSFD - 301 Bradwick Drive, Concord, On L4K 1K5
10. TLSFD - 596 Oster Lane, Concord, ON L4K 2C1
11. TLSFD - 448 North Rivermede Road, Concord, ON L4K 3M9
12. TLSFD - 6-8 Bradwick Drive, Concord, ON L4K 2T3

This is Exhibit "B" referred to in the
Affidavit of Robert Kofman sworn before
me, this 22nd day of September, 2023



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

Time Summary

For the Period of April 12 to August 31, 2023

Name	Hours	Hourly Rate (\$)	Total (\$)
Robert Kofman	52.53	800	42,026.67
Jordan Wong	18.11	525	9,508.33
Murtaza Tallat	15.31	525	8,038.33
Nikita Gupta	14.65	325	4,761.25
Other staff and administrative	7.99		2,304.67
	<u>108.59</u>		<u>66,639.25</u>
Average hourly rate			<u>613.67</u>

Appendix “J”

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

B E T W E E N:

DORR CAPITAL CORPORATION

Applicant

- and -

HIGHVIEW BUILDING CORP INC.

Respondent

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

**AFFIDAVIT OF BEATRICE LOSCHIAVO
(Sworn September 22, 2023)**

I, Beatrice Loschiavo, of the City of Toronto, in the Province of Ontario, **MAKE OATH
AND SAY:**

1. I am an assistant at the law firm of Paliare Roland Rosenberg Rothstein LLP (“**Paliare Roland**”). I have personal knowledge of the matters to which I hereinafter refer.
2. Pursuant to the order of the Honourable Court dated May 2, 2023 (the “**Appointment Order**”), KSV Restructuring Inc. was appointed as receiver (the “**Receiver**”) without security, of all the assets, undertakings and properties of the Respondent.
3. Paliare Roland has provided legal services to and incurred disbursements on behalf of the Receiver. The detailed invoices attached hereto and marked as **Exhibit “A”** are dockets (the “**Dockets**”) which set out Paliare Roland’s fees and disbursements from April 24, 2023 to August 31, 2023. The Dockets describe the services provided and the amounts charged by Paliare Roland.

4. The following is a summary of the professionals whose services are reflected in the Dockets, including hourly rates, fees billed, hours billed and the average hourly rate charged by Paliare Roland. The hourly rates charged are the usual hourly rates charged by Paliare Roland for the listed professionals.

Professional	Hourly Rate	Hours Billed	Fees Billed
Jeffrey Larry	\$900	24.35	\$21,915.00
Daniel Rosenbluth	\$615	5.85	\$3,597.75
Deanna Watters	\$275	1.60	\$440.00
Janet Song	\$450	0.60	\$270.00
Meredith Francis	\$275	3.15	866.25
Subtotal	\$2,515.00	35.55	\$27,089.00

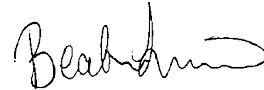
5. Inclusive of HST and disbursements, the total amount of the Dockets are **\$30,662.09**.

SWORN remotely by Beatrice Loschiavo at)
the City of Toronto, in the Province of)
Ontario before me, on this 22nd day of)
September 2023 in accordance with O.)
Reg. 431/20, Administering Oath or)
Declaration Remotely)



Janet-Lee Song
(LSO: 84278G)

A Commissioner for taking Affidavits



BEATRICE LOSCHIAVO

This is **Exhibit "A"**
Referred to in the Affidavit of Beatrice Loschiavo
Affirmed remotely before me this 22nd day of September, 2023

A handwritten signature in black ink, appearing to read "Jant Z" with a stylized flourish extending to the right.

A Commissioner for Taking Affidavits (or as may be)



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

416.646.4300
paliareroland.com

Private and Confidential
KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

May 31, 2023
Invoice No.: 119645
Our File No.: 38004-101237

RE: Stateview Homes- Highview Building Corp Inc.

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending May 31, 2023:

OUR FEES	\$ 9,617.50
Total HST	<u>1,250.28</u>
INVOICE TOTAL	<u><u>\$ 10,867.78</u></u>

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per:

Jeffrey Larry



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

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KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

May 31, 2023
Invoice No.: 119645
Our File No.: 38004-101237

RE: Stateview Homes- Highview Building Corp Inc.

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending May 31, 2023:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
24/04/23	JL	Review materials; call with B. Kofman;	900.00	0.30	270.00
27/04/23	JL	Review materials; prepare for case conference; correspondence with B. Kofman;	900.00	0.70	630.00
28/04/23	JL	Various calls; review email correspondence; review proposal; attend at court;	900.00	0.70	630.00
01/05/23	JL	Correspondence with KSV; correspondence with Cassels; internal discussion re organizing file; review draft Order;	900.00	0.20	180.00
02/05/23	JL	Prepare for and attend at court; discussions with counsel; email correspondence;	900.00	0.20	180.00
03/05/23	JL	Correspondence and organize files;	900.00	0.10	90.00
08/05/23	JL	Review and respond to correspondence re: liens;	900.00	0.50	450.00
08/05/23	DR	Review various application materials; review correspondence between B.	615.00	0.10	61.50

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
		Kofman and J. Stam re Elm bank transfers; emails with J. Larry re same;			
10/05/23	DR	Review liens received from C. Janssen; drafting correspondence re same; emails with J. Larry and revisions to letter; correspondence to counsel on separate lien claim re service of statement of claim;	615.00	0.50	307.50
11/05/23	JL	Call to discuss correspondence and strategy; internal discussions; drafting letters to counsel re: lien claims; draft letter to BDO;	900.00	1.00	900.00
11/05/23	DR	Meeting with receiver and counsel group; draft letter re Tarion request;	615.00	0.30	184.50
12/05/23	JL	Further revisions to letter to BDO; email correspondence;	900.00	0.10	90.00
16/05/23	JL	Various issues re: sales process and upcoming motion;	900.00	0.20	180.00
17/05/23	JL	Discussions with J. Stam; correspondence; internal discussions; discussion re: imaging protocol; discussions re: sales process;	900.00	0.40	360.00
17/05/23	DW	Instructions from J. Larry; conduct title searches;	275.00	0.20	55.00
18/05/23	JL	Various steps re co-ordination service lists; call with D. Rosenbluth; email correspondence;	900.00	0.40	360.00
19/05/23	JL	Consider issues re sales procedure order; call with Cassels Brock; email	900.00	0.20	180.00

DATE	LJR	DESCRIPTION	RATE	HOURS	AMOUNT
		correspondence with D. Rosenbluth;			
23/05/23	JL	Discussion with D. Rosenbluth;	900.00	0.10	90.00
24/05/23	JL	Call with counsel re protocol for preserving and imaging documents; email correspondence with counsel; internal discussions;	900.00	0.40	360.00
25/05/23	JL	Call with N. Goldstein and B. Kofman; discussion re motion; correspondence with A. Parley; issues re drafting Notice of Motion and Orders;	900.00	0.30	270.00
26/05/23	JL	Discussions with D. Rosenbluth re: survey; email correspondence;	900.00	0.20	180.00
26/05/23	JL	Call with A. Parley; review correspondence relating to imaging protocol; correspondence with KSV re imaging protocol; review and comment on draft report;	900.00	0.70	630.00
26/05/23	DR	Review inquiry from KSV re property boundaries; searching Vaughan maps system re same and emails to real estate lawyer re same;	615.00	0.60	369.00
27/05/23	JL	Call with B. Kofman; call with J. Bellissimo; call with D. Rosenbluth; revise Report; drafting new section in report;	900.00	0.40	360.00
28/05/23	JL	Correspondence with KSV and Cassels; revise Order and Notice of Motion;	900.00	0.50	450.00
29/05/23	JL	Calls with counsel; calls with B. Kofman; revisions to report,	900.00	1.00	900.00

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
		Notice of Motion and Order; calls re imaging protocol with A. Parley and J. Stam; revise protocol; calls with J. Bellissimo; discussions with D. Rosenbluth re: process and factum relating to imaging protocol;			
29/05/23	JL	Further revisions to report; further discussions with A. Parley and J. Stam; correspondence to client;	900.00	0.30	270.00
30/05/23	JL	Further revisions to report; correspondence with counsel re imaging protocol; call with J. Bellissimo;	900.00	0.50	450.00
31/05/23	JL	Discussions with Cassels; review Listing Agreement; call with D. Rosenbluth;	900.00	0.20	180.00

TIME SUMMARY

MEMBER	HOURS	RATE	VALUE
Watters, Deanna (DW)	0.20	275.00	55.00
Larry, Jeffrey (JL)	9.60	900.00	8,640.00
Rosenbluth, Daniel (DR)	1.50	615.00	922.50
	<u>11.30</u>		

OUR FEES \$ 9,617.50
 HST at 13% 1,250.28

INVOICE TOTAL \$ 10,867.78



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Canada

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paliareroland.com

Private and Confidential
KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

May 31, 2023
Invoice No.: 119645
Our File No.: 38004-101237

RE: Stateview Homes- Highview Building Corp Inc.

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

OUR FEES	\$ 9,617.50
Total HST	<u>1,250.28</u>
INVOICE TOTAL	<u><u>\$ 10,867.78</u></u>



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Private and Confidential
KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

June 30, 2023
Invoice No.: 120314
Our File No.: 38004-101237

RE: Stateview Homes- Highview/Nashville

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending June 30, 2023:

OUR FEES	\$ 11,300.50
Total Disbursements subject to HST	45.58
Total HST	<u>1,475.00</u>
INVOICE TOTAL	<u><u>\$ 12,821.08</u></u>

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per:

Jeffrey Larry



35th Floor
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Canada

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KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

June 30, 2023
Invoice No.: 120314
Our File No.: 38004-101237

RE: Stateview Homes- Highview/Nashville

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending June 30, 2023:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
29/05/23	DR	Preparing draft orders for sales process and imaging motion;	615.00	0.10	61.50
01/06/23	JL	Call with D. Rosenbluth; call with Cassels; organize and prepare for hearing; correspondence with KSV; review draft factum;	900.00	0.50	450.00
01/06/23	DR	Conference call with Cassels re motion hearing prep; review and revise draft factum on sale process motion;	615.00	0.10	61.50
02/06/23	JL	Discussions re preparation for sales procedure motion;	900.00	0.20	180.00
02/06/23	DR	Finalizing draft orders for sales approval motion;	615.00	0.10	61.50
05/06/23	JL	Prepare for and attend at court for approval of sales process;	900.00	0.50	450.00
05/06/23	DR	Revisions to draft orders; attending motion hearing re sales process;	615.00	0.20	123.00
09/06/23	JL	Correspondence re arrangements for imaging devices;	900.00	0.10	90.00

DATE	LJR	DESCRIPTION	RATE	HOURS	AMOUNT
11/06/23	JL	Review correspondence and documentation regarding issues with Marzano; email correspondence to B. Kofman with summary;	900.00	0.80	720.00
11/06/23	JL	Various correspondence; attend to issues re imaging devices;	900.00	0.10	90.00
12/06/23	JL	Call with M. Thomson; review and consider motion issues; correspondence with D. Rosenbluth; draft letter to Dickinson Wright; correspondence with B. Kofman re Marzano issues; call with counsel for a construction lien claimant;	900.00	1.50	1,350.00
12/06/23	JL	Various issues re dealing with counsel; review notice to homebuyers; consider issues re homebuyers' deposits;	900.00	0.10	90.00
12/06/23	DR	Draft correspondence to counsel for power of sale mortgagees re stay of proceedings;	615.00	0.30	184.50
12/06/23	DW	Instructions from D. Rosenbluth; researching Land Registry Office location in order to conduct title search Nashville Road property; conduct title searches for PIN 03323-0579 and PIN 03323-0266; conduct search for Instrument No. YR2775218 and YR2980803 (notices with agreements between Marzano / Highview Building);	275.00	1.40	385.00
13/06/23	JL	Call with counsel; email correspondence; address various issues; call with Miller	900.00	0.90	810.00

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
		Thomson re: litigation issues;			
13/06/23	DR	Call with J. Larry re issues concerning power of sale proceedings by Marzanos;	615.00	0.20	123.00
14/06/23	JL	Correspondence with counsel; call with counsel re upcoming motion; review pleadings;	900.00	0.40	360.00
14/06/23	JL	Review listing agreement; correspondence with Receiver; correspondence with D. Rosenbluth;	900.00	0.10	90.00
14/06/23	DR	Discuss issues re Marzano litigation with J. Larry; review option agreement relevant to same;	615.00	0.20	123.00
15/06/23	JL	Call with counsel re Marzano motion; correspondence to B. Kofman re status update;	900.00	1.30	1,170.00
19/06/23	JL	Correspondence with B. Kofman re: Marzano and related issues; call with S. Gray;	900.00	0.30	270.00
19/06/23	JL	Correspondence internally and discussions re next steps and process;	900.00	0.10	90.00
20/06/23	JL	Correspondence with Dickinson Wright; call with Miller Thomson;	900.00	0.20	180.00
20/06/23	JL	Prepare for and participate on call with Tarion and counsel; correspondence with KSV; review letter from HCRA; draft letter to HCRA;	900.00	0.50	450.00
20/06/23	DR	Discuss issues re Marzano easement with J. Larry;	615.00	0.20	123.00

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
23/06/23	JL	Review correspondence from S. Thom regarding Reliance; call with D. Rosenbluth;	900.00	0.40	360.00
23/06/23	JL	Various matters including correspondence and discussions with D. Rosenbluth;	900.00	0.10	90.00
23/06/23	DR	Review correspondence from S. Thom re trust fund claim by Reliance Home Comfort; discuss same with J. Larry;	615.00	0.50	307.50
24/06/23	DR	Legal research re trust claim asserted by Reliance; memo to J. Larry re same;	615.00	1.30	799.50
26/06/23	JL	Correspondence re Tarion; correspondence with B. Kofman; internal discussions;	900.00	0.10	90.00
27/06/23	JL	Consider issues related to Tarion claim; call with D. Rosenbluth; call with A. Merskey and D. Rosenbluth;	900.00	0.20	180.00
27/06/23	DR	Discuss Tarion issues with J. Larry; attend meeting with A. Merskey re same;	615.00	0.10	61.50
28/06/23	JL	Call with B. Kofman re Tarion issues; correspondence with A. Merskey; discussion with D. Rosenbluth; review draft letter; correspondence to mortgagees' counsel	900.00	0.10	90.00
29/06/23	JL	Review and respond to draft letter; correspondence with A. Merskey;	900.00	0.10	90.00
30/06/23	JL	Attend call with E. Golden, Dorr Capital and B. Kofman re Marzano issues; discussion with D. Rosenbluth;	900.00	0.70	630.00

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
		correspondence with E. Golden;			
30/06/23	JL	Prepare for and attend call re Tarion; discussion with D. Rosenbluth; discussion with B. Kofman; correspondence with A. Merskey;	900.00	0.30	270.00
30/06/23	DR	Discuss Marzano issues with J. Larry;	615.00	0.30	184.50
30/06/23	DR	Attending meeting with counsel re Tarion issues;	615.00	0.10	61.50

TIME SUMMARY

MEMBER	HOURS	RATE	VALUE
Watters, Deanna (DW)	1.40	275.00	385.00
Larry, Jeffrey (JL)	9.60	900.00	8,640.00
Rosenbluth, Daniel (DR)	3.70	615.00	2,275.50
	<u>14.70</u>		

OUR FEES \$ 11,300.50
 HST at 13% 1,469.07

Taxable Disbursements:

12/06/23	Execution Searches Re: CSP Property Search Voucher No. 33407 for Invoice No. 5471119 issued by: (130)CIBC	1.15
12/06/23	Execution Searches Re: CSP Property Search Voucher No. 33410 for Invoice No. 5471610 issued by: (130)CIBC	6.78
12/06/23	Execution Searches Re: CSP Property Search Voucher No. 33406 for Invoice No. 5471108 issued by: (130)CIBC	37.65

Total Disbursements 45.58
 HST at 13% 5.93

INVOICE TOTAL \$ 12,821.08



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

416.646.4300
paliareroland.com

Private and Confidential
KSV Restructuring Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

June 30, 2023
Invoice No.: 120314
Our File No.: 38004-101237

RE: Stateview Homes- Highview/Nashville

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

OUR FEES	\$ 11,300.50
Total Disbursements subject to HST	45.58
Total HST	<u>1,475.00</u>
INVOICE TOTAL	<u><u>\$ 12,821.08</u></u>



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150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

August 31, 2023
Invoice No.: 121438
Our File No.: 38004-101237

RE: Stateview Homes- Highview/Nashville

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending August 31, 2023:

OUR FEES	\$ 6,171.00
Total HST	<u>802.23</u>
INVOICE TOTAL	<u><u>\$ 6,973.23</u></u>

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per:

Jeffrey Larry



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Toronto, Ontario M5H 1J9

August 31, 2023
Invoice No.: 121438
Our File No.: 38004-101237

RE: Stateview Homes- Highview/Nashville

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending August 31, 2023:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
04/07/23	MF	Telephone call with Jeff Larry re instructions for information to be included in various agreements of purchase and sale; update APS (X4) with relevant information from title searches; reporting emails to J. Larry;	275.00	1.20	330.00
04/07/23	JL	Drafting Agreements of Purchase and Sale; drafting Approval and Vesting Orders;	900.00	0.80	720.00
04/07/23	DR	Meet with J. Larry re form of APSes for sale process;	615.00	0.10	61.50
05/07/23	MF	Emails from/to Jeff Larry; order numerous corporate searches, as requested;	275.00	0.50	137.50
06/07/23	MF	Update agreements of purchase and sale with relevant information from updated title searches; reporting emails to J. Larry;	275.00	0.25	68.75
07/07/23	MF	Emails from/to Jeff Larry; update and revise agreements of purchase and sale with relevant information from counsel, and as instructed;	275.00	0.80	220.00

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
07/07/23	JL	Further revisions to agreement of purchase and sale;	900.00	0.30	270.00
11/07/23	JL	Consider and respond to email from S. Thom re trust claim;	900.00	0.20	180.00
13/07/23	JL	Correspondence with B. Kofman; review documents; consider issues re: sales process;	900.00	0.30	270.00
13/07/23	JL	Review and consider proposal re Tarion stated case; discuss issues internally;	900.00	0.30	270.00
14/07/23	JL	Correspondence re stated case; review and consider issues; internal discussions;	900.00	0.10	90.00
01/08/23	JL	Prepare for and attend on motion; discussions with D. Rosenbluth;	900.00	0.20	180.00
12/08/23	JL	Correspondence with E. Golden re issues related to Marzanos' claim;	900.00	0.30	270.00
13/08/23	JL	Correspondence with B. Kofman;	900.00	0.20	180.00
21/08/23	JL	Review agreement; correspondence with B. Kofman;	900.00	0.40	360.00
22/08/23	JL	Correspondence re amendments to APS;	900.00	0.20	180.00
23/08/23	JL	Review and consider memorandum re Tarion claims; discussion with D. Rosenbluth;	900.00	0.15	135.00
25/08/23	JL	Correspondence and arrange for signature of amending agreement;	900.00	0.20	180.00

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
25/08/23	DR	Review draft legal memo from Cassels; discuss same with J. Larry; emails with Cassels re revisions to memo;	615.00	0.15	92.25
28/08/23	JL	Review and consider Tarion affidavit;	900.00	0.10	90.00
29/08/23	JL	Discussion with D. Rosenbluth; consider issues for sale approval motion;	900.00	0.30	270.00
30/08/23	MF	Review of email instructions from J. Larry; ordering updated and full parcel registers as per instructions, reporting emails to Mr. Larry;	275.00	0.40	110.00
30/08/23	JL	Co-ordinate court attendance; call with B. Kofman; discussion with D. Rosenbluth re motion and preparation of motion materials;	900.00	0.70	630.00
30/08/23	JL	Review and consider Tarion issues and affidavit; correspondence with B. Kofman re: Tarion issues;	900.00	0.40	360.00
30/08/23	DR	Preparing for sales approval motion; instructions to associate J. Song re same;	615.00	0.40	246.00
30/08/23	JS	Meet with D. Rosenbluth re: motion work plan;	450.00	0.30	135.00
31/08/23	JS	Review documents sent by J. Larry re: motion materials;	450.00	0.30	135.00

TIME SUMMARY

MEMBER	HOURS	RATE	VALUE
Song, Janet (JS)	0.60	450.00	270.00
Francis, Meredith (MF)	3.15	275.00	866.25
Larry, Jeffrey (JL)	5.15	900.00	4,635.00
Rosenbluth, Daniel (DR)	0.65	615.00	399.75
	<u>9.55</u>		
OUR FEES			\$ 6,171.00
HST at 13%			802.23
			<hr/>
INVOICE TOTAL			\$ 6,973.23
			<hr/> <hr/>



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August 31, 2023
Invoice No.: 121438
Our File No.: 38004-101237

RE: Stateview Homes- Highview/Nashville

**REMITTANCE COPY
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OUR FEES	\$ 6,171.00
Total HST	<u>802.23</u>
INVOICE TOTAL	<u><u>\$ 6,973.23</u></u>

DORR CAPITAL CORPORATION

Applicant

-and-

HIGHVIEW BUILDING CORP INC.

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF BEATRICE LOSCHIAVO

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

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Jeffrey Larry (LSO# 44608D)

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Daniel Rosenbluth (LSO #71044U)

Tel: 416.646.6307

daniel.rosenbluth@paliareroland.com

Lawyers for the Receiver