



**Second Report to Court of
KSV Restructuring Inc.
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. and
Stateview Homes (High Crown Estates) Inc.**

July 12, 2023

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COURT FILE NUMBER: CV-23-00698576-00CL

**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

**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**

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

JULY 12, 2023

1.0 Introduction

1. Pursuant to an order 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 receiver and manager (the "Receiver") of the property, assets and undertaking owned by 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"), including their real property. A copy of the Receivership Order is attached as Appendix "A".
2. Pursuant to three additional orders granted by the Court on May 2, 2023, and an order granted by the Court on May 18, 2023, KSV was also appointed receiver and manager of certain other companies within the Stateview Group of Companies (the "Stateview Group").
3. Herein the entities subject to the aforementioned receivership proceedings are collectively referred to as the "Receivership Companies". 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.

4. In the Receiver's First Report to Court dated May 30, 2023 (the "First Report"), the Receiver recommended, and the Court approved pursuant to an Order dated June 5, 2023, a sale process for the real properties owned by the Receivership Companies except for the real property owned by On the Mark. In its First Report, the Receiver further advised that it was reviewing the status of the On the Mark Project given it is at an advanced stage of development, including to consider the feasibility of completing this Project, and would return to Court with its recommendation.
5. This report (the "Report") is filed by KSV in its capacity as Receiver and deals exclusively with the Receiver's recommendation in respect of the On the Mark Project.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the On the Mark Project;
 - b) detail the proposed sale process (the "Sale Process") for the property and assets of On the Mark;
 - c) summarize the terms of an Asset Purchase Agreement dated June 30, 2023 (the "Stalking Horse APA") between the Receiver and 2077060 Ontario Inc., (the "Purchaser"), that, subject to Court approval, will be used as a stalking horse in the Sale Process;
 - d) recommend that this Court issue an order (the "OTM Sale Process Order") approving:
 - i. the Sale Process; and
 - ii. the Stalking Horse APA solely as the stalking horse bid in the Sale Process, including approving the expense reimbursement (the "Expense Reimbursement") in favour of the Purchaser contemplated therein;

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon: (i) discussions with the Stateview Group's management ("Management"); (ii) On the Mark's unaudited financial information; (iii) information provided by KingSett Mortgage Corporation ("KingSett"); (iv) discussions with various stakeholders in these proceedings (including their legal representatives); (v) the Stateview Group's external legal counsel, Norton Rose Fulbright Canada LLP ("Norton Rose") and (vi) 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 Report by any party.

3. Additional background information regarding On the Mark and the reasons for the appointment of the Receiver are provided in the application materials of KingSett. 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, including On the Mark.

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 has been in business since 2010 and 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. which provided administrative and management services to companies in the Stateview Group.
3. The Receiver understands that the Receivership Companies do not have any employees and that all employees involved with the Stateview Group are currently employed by one or more of the Non-Receivership Companies.
4. The principals of the Stateview Group are Carlo Taurasi, the Chief Executive Officer and Dino Taurasi, the President (together, the "Taurasis").

2.2 On the Mark Project

1. On the Mark is a single-purpose real estate development company that owns a freehold townhouse project located at 16th Avenue and Woodbine Avenue, Markham. Construction of the On the Mark Project is estimated to be approximately 90% complete.
2. 38 of the 70 home sales for the On the Mark Project were completed prior to the date of the Receivership Order. The remaining 32 homes were scheduled to close by the end of June 2023.
3. Construction at the On the Mark Project has been halted due to the commencement of the receivership proceedings, which has resulted in the remaining closings not occurring as scheduled. Based on information provided to KingSett by Management prior to 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. As discussed in the First Report, the Receiver subsequently learned that there is approximately \$8.25 million of payables owing to construction trade vendors on the Project, as well as unremitted HST of approximately \$4 million. The cost to complete this Project is also expected to be several million dollars more than originally estimated.

2.3 On the Mark Homebuyers

1. The Receiver understands that the remaining homebuyers for units that did not close prior to the date of the Receivership Order (the “Homebuyers”) had paid approximately \$4.2 million in deposits, all of which had been spent prior to the receivership.
2. Since being appointed, the Receiver has corresponded with several Homebuyers regarding their deposits and the status of their purchase agreements. On May 10, 2023, the Receiver sent a notice to all Homebuyers advising that the Receiver was reviewing the status of the On the Mark Project.
3. Additionally, the Receiver has corresponded with several homeowners of the 38 On the Mark homes that were sold prior to the date of the Receivership Order regarding certain deficiencies in the homes that were sold to them. The Receiver has advised these homeowners that, as a result of the receivership, On the Mark is unable to meet any warranty obligations, and accordingly, the homeowners should seek the warranty 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.
4. The Receiver also understands that the Stateview Group planned to develop another project called On the Mark 2. As of the date of the Receivership Order, 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, On the Mark entered into agreements of purchase and sale for units in this project and took deposits from purchasers. These deposits were not held in trust and, consistent with all other deposits paid to the Stateview Group, appear to have been spent. The Receiver intends to report further with respect to On the Mark 2.

3.0 On the Mark Creditors

3.1 Secured Creditors

1. As more fully detailed in the receivership application materials, KingSett is the principal secured creditor of On the Mark pursuant to various mortgages registered on title to the On the Mark real property. As at the date of the Receivership Order, KingSett was owed approximately \$18.471 million.
2. In addition to the above, a number of parties who provided services to the On the Mark Project have registered construction liens on the On the Mark real property, 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. Furthermore, the Receiver understands that On the Mark collected approximately \$4 million of HST on the sales of the first 38 homes, which amounts were not remitted to the Canada Revenue Agency (“CRA”).

3.2 Other Creditors

1. Based on the Stateview Group's books and records, and based on work performed by the Receiver to reconcile certain amounts owing to trade vendors, as at the date of the Receivership Order, On the Mark's other pre-filing obligations total approximately \$9.2 million. These amounts include:
 - a) approximately \$8.25 million owing to construction trade vendors;
 - b) approximately \$0.815 million owing to other unsecured creditors including CRA in respect of corporate taxes and realty brokerages.
2. As noted above, certain of these vendors have registered liens on the On the Mark real property, however, the Receiver has not yet determined the validity of these liens.

4.0 Evaluation of On the Mark

1. Since the commencement of these receivership proceedings, the Receiver has been evaluating various options with respect to the On the Mark Project, including by engaging a former president of a major Toronto developer to assist it to consider the feasibility of completing this Project based on its recent findings. The principal focus of the Receiver, in consultation with KingSett, has been to maximize value while preserving the homebuyer contracts, to the extent possible.
2. The On the Mark Project presents a number of issues and considerations that are unique compared to the other Stateview Group's Projects given the advanced state of the Project.
3. As noted above, the trade creditors involved in the Project are owed approximately \$8 million and, despite the advanced stage of the Project, the estimate of the cost to complete the Project is significant.
4. In addition, the 32 remaining homes at the On the Mark Project were originally sold for an average price of approximately \$1.15 million per unit. However, given that the majority of these homes were sold prior to April 2020, the Receiver understands that the market price of these homes has increased significantly. In this regard, the Receiver engaged a realty marketing firm to provide an estimate of the current market value of these homes. Based on the market data provided by the realty brokerage, the Receiver understands that the average price of these homes has increased by approximately \$300,000 per unit, representing an approximate \$9,600,000 aggregate change in value for the 32 remaining units.

5. In consultation with KingSett, the Receiver evaluated whether it could complete the Project and came to the determination that it would not be economically viable to do so, particularly if the existing Homebuyer agreements remained in place. In particular, in the Receiver's opinion, the estimated cost to complete construction of the Project, coupled with the uncertainty of being able to secure the necessary trades people to complete the work given the significant amounts outstanding to them, would make completing the Project significantly risky and uncertain. The Receiver discussed this assessment with KingSett and understands that KingSett agreed with that view and did not support the receivership estate completing the Project given the potential risks to destruction of value for KingSett and other creditors.
6. However, the Medi Group ("Medi"), one of the trade creditors owed approximately \$343,000, expressed interest to the Receiver in potentially acquiring and completing the On the Mark Project. Medi advised that it represented the interests of a number of the other large trade creditors of On the Mark (the "Trade Creditor Group").
7. Given the current advanced status of the On the Mark Project, in developing the proposed transaction with the Medi Group, a key focus for the Receiver, KingSett and Medi and the Trade Creditor Group was finding a way to complete construction of the Project while preserving the interests of the existing Homebuyers, to the extent possible.
8. The Receiver, in consultation with KingSett, engaged in extensive negotiations with Medi to structure a potential transaction, ultimately resulting in the development of the Stalking Horse APA with the Purchaser and the proposed Sale Process, each of which are described in detail in Section 5 of this Report.
9. As discussed further below, the Stalking Horse APA provides a number of significant benefits for stakeholders:
 - a) the Purchaser will pay a cash purchase price in the amount of \$14,375,000;
 - b) the Purchaser will offer to each of the Homebuyers (other than the Taurasis or their relatives that are the Homebuyers for two units) to complete the existing unit agreements of purchase and sale, provided that the Homebuyer agrees to increase the purchase price by \$100,000 and agrees to some other non-substantive changes to their purchase agreement (as detailed further below);
 - c) the Purchaser will assume the accrued and unpaid trade payables owing to the Trade Creditor Group up to a maximum aggregate amount of \$7,190,702; and
 - d) the Purchaser will assume and provide a cash reserve for other lien claims, up to a maximum of \$82,153.50, that are determined to have priority over the security interests of KingSett.
10. Subject to the Court's approval of the Expense Reimbursement (as discussed below), the Purchaser also agreed to act as a stalking horse bidder so that the Receiver can conduct a short sale process to canvass the market to ensure that there is no other transaction that would be superior to the Stalking Horse APA, while also having the stability and certainty provided by the Stalking Horse APA.

11. Throughout the discussions with Medi, the Receiver consulted extensively with KingSett with respect to the proposed transaction and, notwithstanding that the cash proceeds under the Stalking Horse APA will result in a loss to KingSett on account of the secured indebtedness owed to it by On the Mark, KingSett is fully supportive of the Stalking Horse APA given the overall benefits and certainty afforded by the transaction.
12. The Receiver also engaged with the City of Markham and Tarion regarding the proposed transaction and understands that both parties are supportive of it.

5.0 Stalking Horse APA and Sale Process¹

5.1 The Stalking Horse Agreement

1. The purpose of the Sale Process is to market the On the Mark property and assets for sale, while providing a degree of certainty to stakeholders, including the creditors and Homebuyers, of a transaction that will maximize their interest.
2. The Stalking Horse APA contemplates a transaction whereby the Purchaser, if selected as the Successful Bidder in the Sale Process, will purchase all or substantially all of the property and assets of On the Mark, including the real property.
3. The following constitutes a summary description of the Stalking Horse APA only. Reference should be made directly to the Stalking Horse APA for all of its terms and conditions. A copy of the Stalking Horse APA is attached as Appendix “B”.
4. The key terms and conditions of the Stalking Horse APA are provided below.
 - **Vendor:** the Receiver.
 - **Purchaser:** 2077060 Ontario Inc.
 - **Purchased Assets:** substantially all of On the Mark’s and the Vendor’s right, title and interest in its property and assets, including the following:
 - a) the On the Mark Real Property, being the real property legally described in Schedule “A” of the Stalking Horse APA;
 - b) the Buildings, being all buildings, structures, improvements, appurtenances, attachments and fixtures located on, in or under the On the Mark Real Property;
 - c) the Additional Assets, being all the equipment, goods, materials, inventory and other personal property of on the On the Mark located at or related to or used in connection with the On the Mark Real Property, other than those assets which the Purchaser specifically designates as Excluded Assets;

¹ Capitalized terms in this section have the meaning provided to them in the Stalking Horse APA or the Sale Process unless otherwise defined herein.

- d) the Approved Contracts, being the Contracts that the Purchaser agrees to assume, or is deemed to assume, on Closing (as provided in Schedule “B” of the Stalking Horse APA); and
- e) the Intellectual Property, Project Rights and Documents and all plans, surveys, assessments, environmental reports and other data information relating to the Purchased Assets, in each case, limited to those assets which are in the possession or subject to the control of the Vendor.
- **Excluded Assets:** all property and assets of On the Mark other than the Purchased Assets, and specifically including:
 - a) all cash, cash equivalents and accounts receivable of On the Mark, including insurance refunds and tax receivables; and
 - b) any deposits paid in respect of the Approved Contracts or Optional Purchase Agreements.
- **Purchase Price:** \$14,375,000, payable by the Purchaser to the Vendor in cash as follows:
 - a) a cash deposit of \$500,000 payable upon execution of the Stalking Horse APA. The Receiver confirms that this deposit was received; and
 - b) \$13,875,000 payable on Closing.
- **Optional Purchase Agreements:** Between the date of Closing and the date that is three weeks thereafter (the “Optional Purchase Date”), the Purchaser shall offer each of the 30 Homebuyers whose agreements of purchase and sale are listed under Schedule “F” of the Stalking Horse APA (the “Optional Purchase Agreements”), the right to execute an amended Optional Purchase Agreement, which amended Optional Purchase Agreement shall be substantially in the form of the Optional Purchase Agreement except that it shall provide for: (i) a \$100,000 increase to the purchase price payable thereunder, (ii) confirmation that there are no other agreements or obligations as between such party and the Purchaser other than as set out in the amended Optional Purchase Agreement, (iii) an acknowledgment that the Purchaser may use alternative suppliers to complete construction of the applicable unit, and (iv) confirmation that no commissions, agent fees, broker fees or similar expenses will be due in connection with the sale, and any such amended Optional Purchase Agreement that is executed prior to the Optional Purchase Date shall be deemed to be added to Schedule “B” and constitute an Approved Contract under the Stalking Horse APA, and accordingly, shall be assumed by the Purchaser. For greater certainty, only Homebuyers that choose to execute an amended Optional Purchase Agreement prior to the Optional Purchase Date will have their agreements of purchase and sale assumed by the Purchaser.
- The Receiver notes that although there are 32 remaining homes that have not closed at the On the Mark Project, the Stalking Horse APA only provides for the 30 Optional Purchase Agreements. The two agreements that are excluded relate to two homes (lot 34 and lot 55) that were purchased by the Taurasis or their related parties.

- **Assumed Liabilities:** include:
 - a) Trade Liabilities, being: (i) the accrued and unpaid trade payables of On the Mark to the Assumed Trade Creditors (as listed on Schedule “E” of the Stalking Horse APA), up to a maximum of \$7,190,702.00 in the aggregate, and (ii) any Lien Claims, up to a maximum of \$82,153.50 in the aggregate that are determined to have priority over the security interest of KingSett against the On the Mark Real Property by a Final Order; and
 - b) all Liabilities under the Approved Contracts, including for greater certainty the obligations of On the Mark to complete construction of the units contemplated by the Optional Purchase Agreements that constitute Approved Contacts and consummate the sale of such units in accordance with the terms of such amended Optional Purchase Agreements, including crediting on closing to the “purchaser” under each such Optional Purchase Agreement any deposits paid by the purchaser pursuant to the Optional Purchase Agreement.
- **Trade Liability Waiver:** the Purchaser shall use commercially reasonable efforts to obtain a confirmation executed by each of the Assumed Trade Creditors in favour of the Vendor irrevocably waiving any claims to, or interests in, the proceeds of the Purchase Price (the “Trade Liability Waiver”). On Closing, the Purchaser shall grant a second-ranking collateral mortgage (the “Second Charge”) on the On the Mark Real Property in favour of 202187 Ontario Inc., as agent for the Assumed Trade Creditors, securing 75% of the Purchaser’s obligation for the Trade Liabilities assumed by the Purchaser.
- **Lien Claims Reserve Fund:** On or prior to Closing, the Purchaser shall deliver to the Vendor the amount of \$82,153.50 to be held in trust by the Vendor (the “Lien Claims Reserve Fund”). The Vendor shall pay from the Lien Claims Reserve Fund any Lien Claims that are determined to have priority over the security interest of KingSett against the On the Mark Real Property by a Final Order up to the amount held in the Lien Claims Reserve Fund. The Vendor will return to the Purchaser any unused balance held in the Lien Claim Reserve Fund 180 days after Closing.
- **Excluded Liabilities:** means all Liabilities, other than the Assumed Liabilities, including, without limitation, any Encumbrances and any Liabilities relating to any Contract that is not an Approved Contract or any claim for income taxes, interest, penalties or fines.
- **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.
- **Outside Date:** August 31, 2023.

- **Material Conditions:** includes, among other things:
 - a) The Purchaser will have delivered Trade Liability Waivers executed by Assumed Trade Creditors holding at least 90% in value of the Trade Liabilities or the Court shall have entered and issued a Final Order providing that none of the Assumed Trade Creditors are entitled to a distribution from the proceeds of the Purchase Price;
 - b) the OTM Sale Process Order shall have been obtained by no later than July 14, 2023, subject to Court availability. The Purchaser and Vendor have agreed to extend the date to July 19, 2023 given Court availability;
 - c) the Approval and Vesting Order shall have been obtained by no later than 10 calendar days following the selection of the Stalking Horse Bid as the Successful Bid;
 - d) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the transaction contemplated by the Stalking Horse APA; and
 - e) at or prior to Closing, the Purchaser shall have entered into an agreement with Equitable Bank pursuant to which: (i) Equitable Bank shall have agreed to maintain the LCs in accordance with their current terms; (ii) the Purchaser shall have agreed to grant a first ranking charge/mortgage against the On the Mark Real Property in the amount of \$2,800,000 (approximately 105% of the aggregate amount of the LCs) in favour of Equitable Bank. Such letter of credit agreement will, among other things, require that \$131,914.42 (the "Cash Collateral Amount") of the net proceeds received by the Purchaser from each completed sale transaction pursuant to an agreement of purchase and sale with respect to the On the Mark Real Property to be used to cash collateralize the LCs, up to a maximum amount of \$2,638,288.33; (iii) require that Equitable Bank grant a partial discharge of the charge/mortgage from each lot sold pursuant to an agreement of purchase and sale with respect to the On the Mark Real Property upon receipt of the Cash Collateral Amount from such lot; and (iv) such customary subordination and standstill confirmations or agreements reasonably requested by Equitable Bank with respect to the Second Charge shall be provided. Notwithstanding the foregoing, the requirements of this clause shall no longer apply in the event that the Purchaser replaces the LCs, whether prior to or following Closing.

- **Termination:** the Stalking Horse Agreement can be terminated:
 - a) upon mutual written consent of the Vendor and the Purchaser;
 - b) if any of the conditions in favour of the Vendor or the Purchaser, as applicable, are not satisfied, waived or performed by the earlier of: (i) the date specified therefor, or (ii) the Closing Date;

- c) automatically and immediately:
 - o upon the selection by the Receiver of a Successful Bid, if the Stalking Horse APA is neither the Successful Bid nor the Back-Up Bid; and
 - o upon the issuance of a final and non-appealable order, decree, or ruling or any other action by a Governmental Entity to restrain, enjoin or otherwise prohibit the transaction contemplated by the Stalking Horse APA;
- d) if Closing has not taken place by the Outside Date, being August 31, 2023, provided, however, that a party may not exercise such termination right if they are in material breach of their obligations under the Stalking Horse APA.

5.1.1 Expense Reimbursement

1. The Stalking Horse APA includes an Expense Reimbursement of up to \$400,000 in respect of actual legal, diligence and other reasonable costs incurred by the Purchaser in connection with preparing and negotiating the Stalking Horse APA and the transaction contemplated therein.
2. The purpose of the Expense Reimbursement is to provide the Purchaser with a means to recover its costs and expenses incurred in connection with the Stalking Horse APA if it is not the successful bidder and is only payable from the proceeds of a superior transaction.
3. The Stalking Horse Agreement does not include a break fee.
4. The maximum amount of the Expense Reimbursement represents approximately 2.8% of the aggregate cash consideration provided under the Stalking Horse SPA, being \$14,375,000 (exclusive of any assumed liabilities). The Receiver compared the Expense Reimbursement to other bid protections approved by Canadian courts in insolvency proceedings commenced between 2020 to 2023. The comparison is attached as Appendix "C". Based on this analysis, the Receiver is of the view that the Expense Reimbursement is on the low end of the range of reasonable bid protections in comparable insolvency proceedings.
5. Accordingly, the Receiver is of the view that the Expense Reimbursement falls within a range of reasonable bid protections appearing in comparable insolvency proceedings and is fair and reasonable given the extensive time and expense invested by the Purchaser in this transaction.

5.1.2 Considerations Regarding the Stalking Horse Agreement

1. The Receiver considered whether the Purchaser's offer warrants it being a stalking horse bid, as opposed to the Purchaser simply being a bidder in the Sale Process. The Receiver's considerations included that the Stalking Horse APA provides certainty that a value maximizing transaction will be completed, which will protect the interests of multiple stakeholders. Moreover, the Stalking Horse APA is only being approved as the stalking horse, and not as the Successful Bidder.

2. The Receiver also believes that the Stalking Horse APA provides significant stability and certainty for the Homebuyers who have already had unit closings delayed.
3. Finally, while the Stalking Horse APA contains an Expense Reimbursement which, as noted above, the Receiver believes is fair and reasonable in the circumstances, the Stalking Horse Agreement does not contain a break fee.

5.2 Sale Process

1. Subject to Court approval, the Receiver will be responsible for the marketing and sale of the On the Mark property and assets.
2. The key aspects of the proposed Sale Process are summarized below; however, interested parties are strongly encouraged to review the full terms of the Sale Process.
3. A summary of Sale Process timeline is as follows:

Milestone	Key Dates
Distribution of marketing materials	As soon as possible
Qualified Bid Deadline	21 days after the OTM Sale Process Order
Selection of Successful Bid	3 business days following the bid deadline
Approval and Vesting order hearing	Within 14 days after the selection of the Successful Bid ²
Outside Date for Closing of Successful Bid	August 31, 2023

4. The Receiver notes that the Sale Process contemplates a 21-day deadline to submit a Qualified Bid. The Receiver has discussed this opportunity with several interested parties, which advised that they would only require a short period to consider whether to submit a bid. The Receiver has also been advised that certain of the work completed could be damaged if construction is not resumed as soon as possible. In addition, significant stakeholders affected by the Sale Process, being trade creditors and KingSett, support the timeline.

5.2.1 Marketing Process

1. The Receiver will prepare and disseminate the marketing materials and solicit interest from parties potentially interested in pursuing a transaction, as identified by the Receiver (each, a “Potential Bidder”).
2. In particular, the Receiver will:
 - a) as soon as practicable following the granting of the OTM Sale Process Order, prepare and disseminate marketing materials and a process letter to Potential Bidders identified by the Receiver, including a form of non-disclosure agreement (an “NDA”);
 - b) provide access to a data room containing diligence information to Potential Bidders. It is proposed that Potential Bidders will be required to execute the NDA in order to obtain access to the data room; and

² If the Stalking Horse is the Successful Bid, the approval and vesting order hearing will be within 10 days and if another offer is selected to be the Successful Bid, the approval and vesting order hearing will be within 14 days, both subject to Court availability.

- c) request that such parties (other than the Purchaser) submit a binding offer meeting at least the requirements for a Qualified Bid (as described below) by no later than 21 days following the granting of the OTM Sale Process Order, being the “Qualified Bid Deadline”.
3. A Potential Bidder that wishes to make a bid must deliver a written copy of its bid and other materials required by the Sale Process by no later than 5:00 p.m. (Eastern Time) on the Qualified Bid Deadline. The Qualified Bid Deadline may be extended by the Receiver, with the prior consent of KingSett and the Purchaser, or by further order of the Court.

5.2.2 Qualified Bids

1. To be a “Qualified Bid”, a bid must, among other things, meet the following requirements:
 - a) bids must provide consideration that, in the opinion of the Receiver, is superior to the consideration provided by the Stalking Horse APA, including providing for:
 - i. cash consideration payable on closing in excess of \$14,775,000 in aggregate, being: (a) the cash amount payable under the Stalking Horse APA (\$14,375,000), plus (b) the Expense Reimbursement (\$400,000); and
 - ii. an assumption of the accrued and unpaid Trade Liabilities and granting a second-lien mortgage in favour of the Assumed Trade Creditors against the On The Mark Real Property securing at least 75% of the assumed Trade Liabilities, or other consideration providing for a more favourable treatment of the Trade liabilities as compared to the Stalking Horse APA ((i) and (ii) collectively being the “Consideration Value”);
 - b) bids must provide for treatment of the Homebuyer purchase agreements that, in the opinion of the Receiver, is no less favourable than the treatment of the Homebuyer purchase agreements under the Stalking Horse APA;
 - c) bids must provide for a closing of the transaction by not later than August 31, 2023, being the Outside Date;
 - d) include:
 - i. duly executed and binding transaction documents, including a redline of the submitted transaction document against the Stalking Horse APA;
 - ii. the legal name and identity (including jurisdiction of existence) and contact information of the Potential Bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s); and
 - iii. disclosure of any connections or agreements with On the Mark or any of its affiliates;

- e) be accompanied by a cash deposit equal to at least 10% of the Consideration Value provided for in the bid, which Deposit shall be retained by the Receiver in an interest-bearing trust account in accordance with the terms thereof;
 - f) provide that the bid will serve as a Back-Up Bid if it is not selected as the Successful Bid (as defined below) and if selected as the Back-Up Bid, it will remain irrevocable until the earlier of: (i) closing of the Successful Bid; or (ii) closing of the Back-Up Bid;
 - g) bids must not include a provision making the Potential Bidder's offer conditional on obtaining financing or any internal approval or on the outcome of unperformed due diligence;
 - h) bids must not include a provision requesting or entitling the Potential Bidder to any termination or break-up fee, expense reimbursement or similar type of payment; and
 - i) bids must provide evidence of a commitment for financing or other evidence of ability to consummate the proposed transaction.
2. Notwithstanding the qualification requirements in the Sale Process, the transaction contemplated by the Stalking Horse APA (the "Stalking Horse Bid") is deemed to be a Qualified Bid.

5.2.3 Selection of Successful Bid

1. If no Qualified Bids are submitted by the Bid Deadline, the Purchaser will be the Successful Bidder and the Stalking Horse Bid will be the Successful Bid.
2. If one or more Qualified Bids are received by the Bid Deadline, the Receiver will, in consultation with KingSett:
 - a) review each Qualified Bid, considering the factors set out in Section 8 of the Sale Process including, among other things: (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same; (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in (i) above; (iii) the likelihood of the Qualified Bidder's ability to close the proposed transaction by no later than the Outside Date; (iv) the likelihood of the Court's approval of the Qualified Bid; (v) the net benefit to the creditors of On the Mark; and (vi) any other factors the Receiver, in consultation with KingSett, may reasonably deem relevant; and
 - b) identify the highest or otherwise best bid received (the "Successful Bid" and the bidder making such bid, the "Successful Bidder"). If considered appropriate by the Receiver, the Receiver may, but shall not be obligated to select another Qualified Bid as the Back-Up Bid.
3. Following selection of the Successful Bid, the Receiver, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the key milestones under the Sale Process, including seeking an Approval and Vesting Order in connection with the Successful Bid.

5.3 Sale Process and Stalking Horse APA Recommendation

1. The Receiver requests and recommends that this Court issue an order approving the Sale Process and the Stalking Horse APA (including the Expense Reimbursement) for the following reasons:
 - a) the Sale Process provides for further marketing of the On the Mark Project while leveraging the extensive efforts already made;
 - b) stalking horse sale processes are a recognized mechanism in restructuring proceedings to maximize recoveries, while creating stability and certainty for the insolvent debtors' stakeholders;
 - c) the bidding procedures under the Sale Process provide an opportunity to complete a transaction with greater value than the Stalking Horse APA, which benefits all stakeholders;
 - d) in the circumstances, the Stalking Horse APA is fair and reasonable and it is in the best interests of On the Mark's stakeholders that the Stalking Horse APA be preserved in order to have the opportunity to maximize value and to protect downside risk in the event that a superior transaction is not identified;
 - e) notwithstanding that the duration of the Sale Process is only three weeks, the Receiver is of the view that the duration is sufficient to allow interested parties to perform diligence and submit offers. The Receiver believes that the short sale process is necessary in order to avoid any further degradation of the homes which are substantially complete and to ensure that Homebuyers that choose to exercise their right to proceed with the Optional Purchase Agreements (as discussed above) can close on the units in a timely manner;
 - f) KingSett and the Trade Creditor Group, which represent a majority of the large trade creditors and which the Receiver understands are working with the Purchaser, are the major financial stakeholders on this Project (aside from the Homebuyers) and are supportive of the Sale Process, the Stalking Horse APA and the Expense Reimbursement;
 - g) the Expense Reimbursement is fair and reasonable in the circumstances and will not discourage interested parties from submitting offers in the Sale Process; and
 - h) as at the date of this Report, the Receiver is not aware of any objections to the relief sought pursuant to the proposed OTM Sale Process Order.

6.0 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) (d) 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. AND
STATEVIEW HOMES (HIGH CROWN ESTATES) INC.,
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “A”



Court File No.: CV-23-00698576-00CL

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

THE HONOURABLE

)

TUESDAY, THE 2ND

JUSTICE STEELE

)

DAY OF MAY, 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**

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by KingSett Mortgage Corporation and Dorr Capital Corporation (together, the "**Applicants**") for an Order pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing KSV Restructuring Inc. ("**KSV**") as receiver and manager (in such capacities, the "**Receiver**") without security, of the real property legally described in Schedule "A" to this Receivership Order (the "**Real Property**") and all present and future undertakings and property, both real and personal of Stateview Homes (Minu Towns) Inc. ("**Minu**"), Stateview Homes (Nao Towns) Inc. ("**Nao**"), Stateview Homes (On the Mark) Inc. ("**On the Mark**"), TLSFD Taurasi Holdings Corp. ("**Taurasi Holdings**") and Stateview Homes (High Crown Estates) Inc. ("**High Crown**", and together with

Minu, Nao, On the Mark and Taurasi Holdings, the "**Debtors**" and each a "**Debtor**"), which is located at or related to or used in connection with or arising from or out the Real Property (collectively, the "**Property**") was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Daniel Pollack sworn April 26, 2023 and the Exhibits thereto (the "**Pollack Affidavit**"), and on hearing the submissions of counsel for the Applicants, the proposed Receiver and such other parties listed on the Participant Information Form, no one appearing for any other party although duly served as appears from the affidavit of service sworn and filed, and on reading the consent of KSV to act as the Receiver,

SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS AND DECLARES that all terms not otherwise defined herein shall have the meaning ascribed to them in the Pollack Affidavit.

APPOINTMENT

3. THIS COURT ORDERS that pursuant to subsection 243(1) of the BIA and section 101 of the CJA, KSV is hereby appointed Receiver, without security, of the Property.

RECEIVER'S POWERS

4. 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 Minu, Nao or Taurasi Holdings on or 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.

5. 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 Debtors, or any of them, including the powers to enter into any agreements or incur any obligations in the ordinary course of business or in connection with the Property, cease to carry on all or any part of the business of the Debtors, or any of them, or cease to perform or disclaim any contracts of any of the Debtors, provided, however, that the Receiver shall not cease to perform or disclaim any agreements of purchase and sale of either Minu or Nao or any lease agreement of Taurasi Holdings prior to May 29, 2023 without further Order of this Court;
- (d) to engage construction managers, project managers, contractors, subcontractors, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors, or any of them, or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to any of the Debtors in connection with the Property (including, without limitation, any rent payments in respect of the Real Property) and to exercise all remedies of any of the Debtors in collecting such monies and accounts, including, without limitation, to enforce any security held by any of the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to any of the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, including, without limitation, in respect of construction permits and any requirements related thereto, whether in the Receiver's name or in the name and on behalf of any of the Debtors, 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 any of the Debtors, 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 between any of the Debtors and other Persons (as defined below), including, without limitation, other companies and entities that are affiliates of any of the Debtors, 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 Debtors 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, and with the Applicants' consent, 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, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (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 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 any of Debtors 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 any of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Debtors;
- (r) to undertake any investigations 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 any of the Debtors 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 any of the Debtors,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

6. THIS COURT ORDERS that (i) each of the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, (iii) the Information Officer, and (iv) all other

individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

7. 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, information and cloud-based data of any kind related to the business or affairs of any of the Debtors, and any computer programs, computer tapes, computer disks, cloud 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, cloud and physical facilities relating thereto, provided however that nothing in this paragraph 7 or in paragraph 8 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.

8. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer, in a cloud 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, cloud or other system and providing the Receiver with any and all access codes, account names, account numbers and account creating credentials that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

9. 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 DEBTORS OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of any of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of any of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtors, 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 any of the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or any of the Debtors 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

12. 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 any of the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

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

14. THIS COURT ORDERS that in the event that an account for the supply of goods and/or services is transferred from any of the Debtors 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

15. 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

16. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the applicable Debtor until such time as the Receiver, on the applicable 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 subsection 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 subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

17. 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 each of the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. 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*,

1999, 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

19. 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 subsections 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

20. 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 (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to all security granted by High Crown to Dorr Capital Corporation ("**Dorr**") in connection with the Commitment Letter dated June 17, 2021 by and between High Crown and Dorr (the "**Dorr High Crown Security**") and to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

22. 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

23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from KingSett Mortgage Corporation 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 \$5,000,000 (or such greater amount that is acceptable to the Applicants and 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 (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subordinate in priority to the Receiver's Charge, the Dorr High Crown Security and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. 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.

25. 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.

26. 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

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

28. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to any of the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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.

29. THIS COURT ORDERS that the Applicants, 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 Debtors' 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).

CRITICAL PAYMENTS

30. THIS COURT ORDERS that the Receiver may, with the written consent of the Applicants, make payments owing by any of the Debtors to suppliers, contractors, subcontractors and other creditors in respect of amounts owing prior to the date of this Order.

GENERAL

31. THIS COURT ORDERS that notwithstanding anything else in this Order:

- (a) the Receiver shall keep separate accounts in respect of each Debtor and the applicable Property owned by it or in which it has an interest (in each case, the "**Debtor's Property**"), including any cash of such Debtor and any proceeds of such Property, whether held in the Post Receivership Accounts or elsewhere (in each case, the "**Debtor's Cash**");
- (b) the Receiver shall only use the Debtor's Cash of a Debtor to pay amounts in respect of operating costs of such Debtor and its Debtor's Property and not in respect of operating costs of another Debtor or its Debtor's Property;
- (c) to the extent practicable, the Receiver shall keep separate account of fees and disbursements incurred for each Debtor and its Debtor's Property, or when not attributable to a specific Debtor or Debtor's Property, the Receiver shall allocate such fees and disbursements on a reasonable basis between the applicable Debtors and their respective Debtor's Property; and
- (d) to the extent practicable, the Receiver shall keep separate account of amounts borrowed under the Receiver's Borrowing Charge for each Debtor and its Debtor's Property, or when not attributable to a specific Debtor or Debtor's Property, the Receiver shall allocate such borrowings on a reasonable basis between the applicable Debtors and their respective Debtor's Property, provided that nothing herein shall impact the nature and priority of any claims, mortgages, security interests, or liens in respect of the Debtors or over the Property and is without prejudice to any Person

(including the Applicants and the Receiver) seeking a variation or modification of this paragraph upon further motion to the Court on not less than seven days' notice.

32. THIS COURT ORDERS that, for greater certainty, all distributions in these proceedings will be subject to further Order of this Court, which will require an allocation of the Receiver's Charge and the Receiver's Borrowing Charge among the Property. All Persons reserve their rights with respect to such allocation.

33. 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.

34. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the Debtors.

35. 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.

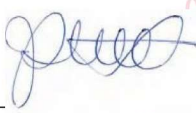
36. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized 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.

37. THIS COURT ORDERS that the Applicants shall have their costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicants' security or, if not so provided by the Applicants' security, then on a substantial indemnity basis to

be paid by the Receiver from the net realizations from the Property with such priority and at such time as this Court may determine.

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

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

 Digitally signed
by Jana Steele
Date: 2023.05.02
12:44:46 -04'00'

Schedule "A"

REAL PROPERTY

Stateview Homes (Minu Towns) Inc.

PIN 03061-5685 (LT)

BLOCK 1, PLAN 65M4729; SUBJECT TO AN EASEMENT AS IN YR200734; CITY OF MARKHAM

PIN 03061-5686 (LT)

BLOCK 2, PLAN 65M4729; CITY OF MARKHAM

(together, the "**Minu Real Property**")

Stateview Homes (Nao Towns) Inc.

PIN 02962-0856 (LT)

1STLY: PART OF LOT 6, CONCESSION 6 MARKHAM, PART 1, 65R38179, (STOPPED UP AND CLOSED BY YR3416947); 2NDLY: PART OF LOT 6, CONCESSION 6 MARKHAM, PART 2, 65R38179, (STOPPED UP AND CLOSED BY YR3416947); 3RDLY: PT LT 6, CON 6, AS IN MA51910; 4THLY: PT LT 6, CON 6, AS IN MA107810; 5THLY: PT LT 6, CON 6, PART 3, 64R5892, EXCEPT PT 1, 65R7816; 6THLY: PT LT 6, CON 6, PART 1, 64R5892; 7THLY: PT LT 6, CON 6, AS IN R434475; 8THLY: PT LT 6, CON 6, AS IN R264882; 9THLY: PT LT 6, CON 6, AS IN R329719; 10THLY: PT LT 6, CON 6, AS IN MA39709 EXCEPT MA51910, MA107810 AND 64R5892; CITY OF MARKHAM

(the "**Nao Real Property**")

Stateview Homes (On the Mark) Inc.

PIN 30029-0001 (LT)

YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1497 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1810 (LT)

PART BLOCK 3, PLAN 65M3925 PART 70, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 70 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1809 (LT)

PART BLOCK 3, PLAN 65M3925 PART 69, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 69 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1808 (LT)

PART BLOCK 3, PLAN 65M3925 PART 68, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 68 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1807 (LT)

PART BLOCK 3, PLAN 65M3925 PART 67, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 67 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1806 (LT)

PART BLOCK 3, PLAN 65M3925 PART 66, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 66 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1805 (LT)

PART BLOCK 3, PLAN 65M3925 PART 65, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 65 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1804 (LT)

PART BLOCK 3, PLAN 65M3925 PART 64, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 64 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1803 (LT)

PART BLOCK 3, PLAN 65M3925 PART 63, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 63 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1802 (LT)

PART BLOCK 3, PLAN 65M3925 PART 62, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 62 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1801 (LT)

PART BLOCK 3, PLAN 65M3925 PART 61, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 61 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1800 (LT)

PART BLOCK 3, PLAN 65M3925 PART 60, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 60 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1799 (LT)

PART BLOCK 3, PLAN 65M3925 PART 59, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 59 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1798 (LT)

PART BLOCK 3, PLAN 65M3925 PART 58, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 58 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1797 (LT)

PART BLOCK 3, PLAN 65M3925 PART 57, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 57 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1796 (LT)

PART BLOCK 3, PLAN 65M3925 PART 56, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 56 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1795 (LT)

PART BLOCK 3, PLAN 65M3925 PART 55, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 55 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1794 (LT)

PART BLOCK 3, PLAN 65M3925 PART 54, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 54 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1793 (LT)

PART BLOCK 3, PLAN 65M3925 PART 53, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 53 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1792 (LT)

PART BLOCK 3, PLAN 65M3925 PART 52, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 52 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1791 (LT)

PART BLOCK 3, PLAN 65M3925 PART 51, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 51 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1776 (LT)

PART BLOCK 3, PLAN 65M3925 PART 36, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 36 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1775 (LT)

PART BLOCK 3, PLAN 65M3925 PART 35, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 35 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1774 (LT)

PART BLOCK 3, PLAN 65M3925 PART 34, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 34 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1773 (LT)

PART BLOCK 3, PLAN 65M3925 PART 33, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 33 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1772 (LT)

PART BLOCK 3, PLAN 65M3925 PART 32, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 32 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1771 (LT)

PART BLOCK 3, PLAN 65M3925 PART 32, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 32 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1756 (LT)

PART BLOCK 3, PLAN 65M3925 PART 16, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 16 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1755 (LT)

PART BLOCK 3, PLAN 65M3925 PART 15, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 15 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1754 (LT)

PART BLOCK 3, PLAN 65M3925 PART 14, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 14 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1753 (LT)

PART BLOCK 3, PLAN 65M3925 PART 13, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 13 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1752 (LT)

PART BLOCK 3, PLAN 65M3925 PART 12, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 12 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1751 (LT)

PART BLOCK 3, PLAN 65M3925 PART 11, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 11 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

(collectively, the "On the Mark Real Property")

TLSPD Taurasi Holdings Corp.

PIN 03273-0069 (LT)

PCL 24-1 SEC M1832; LT 24 PL M1832; CITY OF VAUGHAN

PIN 03275-0052 (LT)

PT LT 11 PL 7925 VAUGHAN AS IN VA68142; CITY OF VAUGHAN

PIN 03274-0132 (LT)

PCL 10-1 SEC 65M2330; LT 10 PL 65M2330; S/T RIGHT AS IN LT332786; VAUGHAN; CITY OF VAUGHAN

PIN 03274-0044 (LT)

PCL 1-2 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 4, 65R4957; VAUGHAN; CITY OF VAUGHAN

PIN 03274-0043 (LT)

PCL 1-3 SEC 65M2049; PT LTS 1, 2, PL 65M2049; PT 3, 65R4957; VAUGHAN

(collectively, the "Taurasi Holdings Real Property")

Stateview Homes (High Crown Estates) Inc.

PIN 03372-1040 (LT)

BLOCK 2, PLAN 65M4757; SUBJECT TO AN EASEMENT AS IN YR3467268; SUBJECT TO AN EASEMENT IN GROSS AS IN YR3502108; TOWNSHIP OF KING

(the "**High Crown Real Property**")

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "**Receiver**") without security, of the real property legally described in Schedule "A" (the "**Real Property**") to the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 2nd day of May, 2023 (the "**Order**") and all present and future undertakings and property, both real and personal 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. (collectively, the "**Debtors**"), which is located at or related to or used in connection with or arising from or out of the Real Property (collectively, the "**Property**"), appointed by the Order made in an application having Court File Number CV-23-00698576-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, 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 _____, 2023.

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

Per: _____

Name:

Title:

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

**KINGSETT MORTGAGE CORPORATION
AND DORR CAPITAL CORPORATION**

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.

Applicants

Respondents

Court File No.: CV-23-00698576-00CL

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

Proceedings commenced in Toronto

RECEIVERSHIP ORDER

BENNETT JONES LLP

One First Canadian Place, Suite 3400
P.O. Box 130
Toronto, ON M5X 1A4

Sean Zweig (LSO# 573071)

Tel: (416) 777-6254

Email: zweigs@bennettjones.com

Aiden Nelms (LSO#: 74170S)

Tel: (416) 777-4642

Email: nelmsa@bennettjones.com

Lawyers for the Applicants

Appendix “B”

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made the 30th day of June, 2023.

BETWEEN:

KSV RESTRUCTURING INC., solely in its capacity as court-appointed receiver and manager and not in its personal or corporate capacity (in such capacity, the “**Receiver**”) of the real property legally described in Schedule “A” hereto (the “**On the Mark Real Property**”), and all present and future undertakings and property, both real and personal of Stateview Homes (On the Mark) Inc. (“**On the Mark**”), which is located at or related to or used in connection with or arising from or out of the On the Mark Real Property

(hereinafter referred to as the “**Vendor**”)

- and-

2077060 Ontario Inc., a corporation incorporated under the laws of the Province of Ontario

(hereinafter referred to as the “**Purchaser**”)

WHEREAS On the Mark is the registered owner of the On the Mark Real Property;

WHEREAS by an Order (the “**Receivership Order**”) dated May 2, 2023, of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), among other things, KSV Restructuring Inc. was appointed as receiver and manager, without security, of the On the Mark Real Property and all present and future undertakings and property, both real and personal of On the Mark, which is located at or related to or used in connection with or arising from or out of the On the Mark Real Property;

WHEREAS as soon as possible following execution of this Agreement, the Vendor intends to seek the OTM Sale Process Order (as defined herein), among other things approving (a) the OTM Sale Process (as defined herein), (b) this Agreement solely as a “stalking horse bid” pursuant to the OTM Sale Process, and (c) the Expense Reimbursement (as defined herein);

WHEREAS the Purchaser has agreed to act as a “stalking horse bidder” in accordance with the terms and conditions of this Agreement and the OTM Sale Process;

AND WHEREAS, if this Agreement is selected as the Successful Bid (as defined in the OTM Sale Process, the Vendor desires to sell and assign to the Purchaser and the Purchaser desires to purchase and assume from the Vendor the Purchased Assets (as defined herein) in accordance with the terms of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, agreements, representations, warranties and indemnities of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Defined Terms

Wherever used in this Agreement, unless the context otherwise requires, the following terms shall have the following meanings and grammatical variations of such terms shall have the corresponding meanings:

“Access Agreement” means the access agreement dated December 12, 2022 between Stateview Homes (On The Mark) Inc. and York Region Common Elements Condominium Corporation No. 1497, registered as Instrument No. YR3507115 on December 12, 2022;

“Additional Assets” means the equipment, goods, materials, inventory and other personal property of on the On the Mark located at or related to or used in connection with the On the Mark Real Property, other than those assets which the Purchaser notifies the Vendor in writing prior to Closing that it does not wish to purchase and assume from the Vendor, which assets shall constitute Excluded Assets;

“Affiliate” has the meaning given to that term in the *Business Corporations Act* (Ontario);

“Applicable Laws” means any statute, by-law, rule or regulation or any judgment, order, writ, injunction, ordinance or decree of any Governmental Entity having the force of law to which a specified person or property is subject;

“Approval and Vesting Order” has the meaning ascribed thereto in Subsection 7.1(e);

“Approved Contracts” means the Contracts that the Purchaser agrees to assume, or is deemed to assume, on Closing in accordance with Section 5.3;

“Assumed Liabilities” has the meaning ascribed thereto in Section 2.3;

“Assumed Trade Creditors” means the parties listed on Schedule “E” hereto;

“Buildings” means all buildings, structures, improvements, appurtenances, attachments and fixtures located on, in or under the On the Mark Real Property, including without limitation all incomplete buildings and all systems including heating, ventilation, air-conditioning, electrical, lighting, plumbing and water systems,

“Business Day” means any day, other than a Saturday, a Sunday, or a holiday in the Province of Ontario;

“Claims” means all past, present and future claims, charges, suits, proceedings, liabilities, deficiencies, demands, controversies, actions, causes of action, obligations, losses, damages, penalties, orders, judgments, costs, expenses, fines, amounts paid in settlement, disbursements, legal fees on a substantial indemnity basis, and other professional fees and disbursements, interest, demands and actions of any nature or any kind whatsoever, including, without limitation, any labour grievances, pay equity claims, and successor employer claims;

“Closing” means the completion of the Transaction in accordance with the terms and subject to the conditions of this Agreement;

“Closing Date” means three (3) Business Days after the satisfaction or waiver of all conditions to Closing set forth in this Agreement, unless otherwise agreed to by the parties hereto in their sole discretion;

“Construction Agreement” means the construction agreement dated December 12, 2022 between Stateview Homes (On The Mark) Inc. and York Region Common Elements Condominium Corporation No. 1497, registered as Instrument No. YR3507116 on December 12, 2022;

“Contracts” means the agreements of purchase and sale and other agreements entered into by On the Mark in respect of the On the Mark Real Property and/or the Buildings, including any duly executed amendments or modifications of such Contracts;

“Court” has the meaning ascribed thereto in the Recitals;

“Deposit” has the meaning ascribed thereto in Section 3.1(b);

“Determination Date” has the meaning ascribed thereto in Section 5.3;

“Document Registration Agreement” has the meaning ascribed thereto in Subsection 9.4(a);

“ETA” means the *Excise Tax Act* (Canada), as amended from time to time;

“Encumbrances” means all mortgages, pledges, charges, liens, executions, levies, charges, financial or other monetary claims, debentures, trust deeds, trusts or deemed trusts (whether contractual, statutory or otherwise), assignments by way of security, security interests (whether contractual, statutory or otherwise), conditional sales contracts or other title retention agreements or similar interests or instruments charging, or creating a security interest in, or against title to, the Purchased Assets or any part thereof or interest therein, and any registered instruments, agreements, options, easements, servitudes, rights of way, restrictions, executions or other liens, charges or encumbrances (including notices or other registrations in respect of any of the foregoing) against title to the Purchased Assets or any part thereof or interest therein, in each case whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise.

“Environmental Laws” has the meaning ascribed thereto in Section 10.11;

“Excluded Assets” has the meaning ascribed thereto in Section 2.2;

“Excluded Liabilities” means all Liabilities, other than the Assumed Liabilities, including, without limitation, any Encumbrances and any Liabilities relating to any Contract that is not an Approved Contract or any claim for income taxes, interest, penalties or fines;

“Expense Reimbursement” means the obligation, if applicable, of the Vendor to pay the Purchaser the Reimbursement Amount pursuant to and in accordance with Section 8.3;

“Final Order” means, in respect of any order of any court of competent jurisdiction, that such order shall not have been vacated, set aside, or stayed, and that the time within which an appeal or request for leave to appeal must be initiated has passed with no appeal or leave to appeal having been initiated or any appeal or leave to appeal having been dismissed;

“Governmental Authorization” means, with respect to any Person, any order, authorization, approval, licence or permit or similar authorization issued by or from any Governmental Entity having jurisdiction over such Person;

“Governmental Entity” means any court or tribunal in any jurisdiction or any federal, provincial, municipal or other governmental body, agency, authority, department, commission, board, instrumentality or tribunal thereof having or claiming to have jurisdiction over On the Mark or all or part of the On the Mark Real Property;

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Entity;

“Hazardous Materials” means any contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any **“contaminants”**, **“dangerous substances”**, **“hazardous materials”**, **“hazardous substances”**, **“hazardous wastes”**, **“industrial wastes”**, **“liquid wastes”**, **“pollutants”** and **“toxic substances”**, all as defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health and/or safety matters and, not to limit the generality of the foregoing, includes asbestos, urea formaldehyde foam insulation and mono or poly-chlorinated biphenyl wastes;

“HST” means all taxes payable under the ETA and any reference to a specific provision of the ETA or any such provincial legislation shall refer to any successor provision thereto of like or similar effect;

“Indemnities” has the meaning ascribed thereto in Section 10.11;

“Investment Canada Act” means the *Investment Canada Act* (Canada);

“Intellectual Property” means all of the Vendor's and On the Mark's interest in the following (if any) used in connection with the On the Mark Real Property: (i)

copyrights, copyright registrations and applications for copyright registration; (ii) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (iii) software; and (iv) any other intellectual property and industrial property;

“**KingSett**” means KingSett Mortgage Corporation;

“**KSV**” means KSV Restructuring Inc.;

“**LCs**” mean, collectively, (i) the letter of credit issued by The Toronto-Dominion Bank on June 12, 2020 in favour of The Corporation of the City of Markham in the amount of \$1,361,820.69, as required pursuant to an Agreement made between the Corporation of the City of Markham and On the Mark dated May 22, 2020; (ii) the letter of credit issued by Equitable Bank on June 9, 2020 in favour of Tarion Warranty Corporation at the request of On the Mark in the amount of \$1,050,000; (iii) the letter of credit issued by Equitable Bank on May 19, 2021 in favour of Alectra Utilities Corporation in the amount of \$184,879.32; and (iv) the letter of credit issued by Equitable Bank on May 19, 2021 in favour of Alectra Utilities Corporation in the amount of \$41,588.32.

“**Liabilities**” means any and all debts, liabilities, commitments and obligations of any nature whatsoever, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any applicable law, Claim or Governmental Order, and those arising under any contract, agreement, arrangement, commitment or undertaking;

“**Lien Claims**” means any outstanding undischarged lien claims validly registered against title to the On the Mark Real Property pursuant to the *Construction Act*, R.S.O. 1990, c. C.30, or lien claims which may still be validly registered against title to the On the Mark Real Property pursuant to the *Construction Act*, R.S.O. 1990, c. C.30, by the parties having (a) direct contracts with On the Mark that are listed in Schedule “G”; or (b) subcontracts with On the Mark’s contractors listed in Schedule “G”, or subcontracts with those parties; up to the amount of the 10% basic holdback liability to the extent that such parties’ Lien Claims have priority over the current security interests of KingSett against the On the Mark Real Property by a Final Order;

“**Lien Claims Reserve Fund**” has the meaning ascribed thereto in Section 5.4;

“**On the Mark**” has the meaning ascribed thereto in the Recitals;

“**On the Mark Real Property**” has the meaning ascribed thereto in the Recitals;

“**Optional Purchase Agreements**” means the agreements of purchase and sale in respect of the On the Mark Real Property set forth in Schedule “F” hereto;

“OTM Sale Process” means the sale process in the form attached hereto in Schedule “H”, subject to such amendments acceptable to the Vendor and the Purchaser, each acting reasonably;

“OTM Sale Process Order” has the meaning ascribed thereto in Section 7.3(a);

“Outside Date” means August 31, 2023;

“Permits” means all permits, consents, orders, waivers, applications, authorizations, licences, certificates, approvals, variances, registrations, franchises, rights, privileges and exemptions or the like issued or granted by any Governmental Entity, or by any third party with respect to the On the Mark Real Property;

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

“Person” means an individual, corporation, partnership, joint venture, association, company, trust, enterprise, unincorporated organization, Governmental Entity or other entity however designated or constituted;

“Post-Closing Environmental Indemnity” has the meaning ascribed thereto in Section 10.11;

“Project Rights and Documents” means the Permits and all architectural, engineering and construction drawings, plans and specifications, budgets, schedules, manuals, promotional and marketing materials, applications, books, records, studies, reports (including environmental, geotechnical and other reports), surveys, appraisals and other documents, in each case pertaining to the construction, development, ownership and operation of the On the Mark Real Property or any part thereof;

“Purchase Price” means \$14,375,000 in cash, which shall be paid by the Purchaser pursuant to the terms and conditions herein;

“Purchased Assets” has the meaning ascribed thereto in Section 2.1;

“Receiver” has the meaning ascribed thereto in the Recitals;

“Receivership Order” has the meaning ascribed thereto in the Recitals;

“Receivership Proceedings” means the proceedings commenced pursuant to the Receivership Order;

“Reimbursement Amount” has the meaning ascribed thereto in Section 8.3;

“Superior Transaction” means a transaction for the direct or indirect acquisition of some or all of the Purchased Assets which requires completion on or before the Outside Date and which, in the opinion of the Vendor, is capable of being completed by the Outside Date and provides for (i) cash consideration payable on closing in excess of the Purchase Price, plus the amount of \$400,000 and (ii) an assumption of the Trade Liabilities or other

consideration that would result in more favourable treatment of the Trade Liabilities than the assumption of the Trade Liabilities as provided in this Agreement;

“**Tax Act**” means the *Income Tax Act* (Canada);

“**Time of Closing**” means 2:00 p.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as the Vendor and the Purchaser may mutually determine in writing;

“**Trade Liabilities**” means the accrued and unpaid trade payables of On the Mark to the Assumed Trade Creditors, up to a maximum of \$7,190,702.00 in the aggregate, and any Lien Claims, up to a maximum of \$82,153.50 in the aggregate;

“**Trade Liability Waiver**” has the meaning ascribed thereto in Section 5.5;

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

1.2 Currency

Unless otherwise indicated, all dollar amounts in this Agreement are expressed in Canadian currency.

1.3 Sections and Headings

The division of this Agreement into Articles, Sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section, Subsection or Schedule refers to the specified article of, section of, subsection of, or schedule to, this Agreement. The terms “this Agreement”, “hereof”, “hereunder”, and similar expressions refer to this Agreement and not to any particular Article, Section, Subsection or other portion hereof and include an agreement supplemental hereto.

1.4 Number, Gender

In this Agreement, words importing the singular number only shall include the plural and vice versa, words importing gender shall include all genders.

1.5 Entire Agreement

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the parties with respect to the subject matter hereof and set out all the covenants, promises, warranties, representations, conditions and agreements between the parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral between the parties. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

1.6 Time of Essence

Time shall be of the essence of this Agreement.

1.7 Applicable Law

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein, and each party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom.

1.8 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and, where the context so permits, their respective successors and permitted assigns.

1.9 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct.

1.10 Amendments and Waivers

No amendment of any provision of this Agreement shall be binding on either party unless agreed to in writing by each of the parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver constitute a continuing waiver unless otherwise provided.

1.11 Statutory References

Any reference in this Agreement to a statute includes all regulations made thereunder, all amendments to such statutes or regulations in force from time to time and any statute or regulation that supplements or supersedes such statute or regulations.

1.12 Consent

Whenever a provision of this Agreement requires an approval or consent by a person who is a party to such agreement and notification of such approval or consent is not delivered within the applicable time period, then, unless otherwise specified, such person shall be conclusively deemed to have withheld its approval or consent.

1.13 Calculation of Time

Unless otherwise specified, time periods referred to in this Agreement 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.

1.14 Conflict or Inconsistency

Wherever any provision, whether express or implied, of any Schedule conflicts or is at variance with any provision in the main body of this Agreement, the provision in the main body shall prevail. Wherever any provision, whether express or implied, of this Agreement conflicts with or is at variance with any documentation issued in furtherance hereof, the provision of this Agreement shall prevail.

1.15 Business Day

Whenever any payment to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following such day.

1.16 Independent Legal Advice

Each of the parties hereto acknowledge that they have been afforded the opportunity of receiving independent legal advice concerning this Agreement, and in the event that any party has executed this Agreement without the benefit of independent legal advice, such party hereby waives the right to receive such independent legal advice.

1.17 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule "A" – Real Property

Schedule "B" – List of Approved Contracts

Schedule "C" – Permitted Encumbrances

Schedule "D" – Purchase Price Allocation

Schedule "E" – Trade Payables

Schedule "F" – Optional Purchase Agreements

Schedule "G" – Lien Claimants

Schedule "H" – Form of OTM Sale Process

ARTICLE 2 **PURCHASE AND SALE OF PURCHASED ASSETS**

2.1 Purchased Assets

Subject to the terms and conditions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase and assume from the

Vendor, on the Closing Date, effective as of the Time of Closing, all of On the Mark's and the Vendor's right, title and interest, in and to the following property and assets (collectively, the "**Purchased Assets**"):

- (a) the On the Mark Real Property;
- (b) the Buildings;
- (c) the Additional Assets;
- (d) the Approved Contracts;
- (e) the Intellectual Property in the possession or subject to the control of the Vendor;
- (f) the Project Rights and Documents in the possession or subject to the control of the Vendor; and
- (g) all plans, surveys, assessments, environmental reports and other data and information relating to the Purchased Assets in the possession or control of the Vendor.

2.2 Excluded Assets

All undertaking, property and assets of On the Mark other than the Purchased Assets shall be excluded from the purchase and sale of assets provided for in this Agreement (collectively, the "**Excluded Assets**"), including without limitation, (i) all cash and equivalents and all accounts receivable of On the Mark, including insurance refunds and all HST refunds and other tax receivables and (ii) any deposits paid in respect of Approved Contracts or Optional Purchase Agreements.

2.3 Assumed Liabilities

Subject to the terms and conditions of this Agreement, the Purchaser shall assume, on the Closing Date, effective as of the Time of Closing, and shall pay, discharge, honour, fulfill and perform, as the case may be and as and when due, from and after the Closing Date, the following Liabilities (the "**Assumed Liabilities**"):

- (a) the Trade Liabilities; and
- (b) all Liabilities under the Approved Contracts, including for greater certainty the obligations of On the Mark to complete construction of the units contemplated by the Optional Purchase Agreements that constitute Approved Contracts in accordance with Section 5.3 and consummate the sale of such units in accordance with the terms of such Optional Purchase Agreements (subject to the amendments contemplated by Section 5.3), including crediting on closing to the "purchaser" under each such Optional Purchase Agreement any deposits paid by the purchaser pursuant to the Optional Purchase Agreement.

2.4 Exclusion of Liabilities

The Purchaser does not assume and shall have no obligation to pay, discharge, honour, fulfill or perform the Excluded Liabilities or any other Liabilities of On the Mark whatsoever, other than the Assumed Liabilities.

2.5 As is, Where is

The Purchaser hereby acknowledges and agrees with and to be subject to the following:

- (a) it is responsible for conducting its own searches and investigations of the current state of the Purchased Assets, including the On the Mark Real Property and the Buildings and the current and past uses of the Purchased Assets;
- (b) the Vendor makes no representation or warranty of any kind that the present use or future intended use by the Purchaser of the Purchased Assets, including the On the Mark Real Property or the Buildings, is or will be lawful or permitted;
- (c) it is purchasing the Purchased Assets on an “*as is, where is*” and “*without recourse*” basis subject to the terms hereof;
- (d) it is relying entirely upon its own investigations and inspections in entering into this Agreement;
- (e) any documentation relating to the Purchased Assets obtained from the Vendor or from the Vendor’s agents or representatives has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of this Agreement;
- (f) the Vendor shall have no liability for, or obligation with respect to, the value, state or condition of the Purchased Assets, including the On the Mark Real Property or the Buildings, except as expressly provided herein;
- (g) the Vendor has made no representations or warranties with respect to or in any way related to the Purchased Assets, except as expressly provided for herein, including the On the Mark Real Property or the Buildings, including without limitation, the following:
 - (i) the title, quality, quantity, marketability, zoning, fitness for any purpose, state, condition, encumbrances, description, present or future use, value, location or any other matter or thing whatsoever related to the Purchased Assets, either stated or implied; and
 - (ii) the environmental state of the On the Mark Real Property or the Buildings, the existence, nature, kind, state or identity of any Hazardous Materials on, under, or about the Property, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), or any other statute, regulation, rule or provision of law and the existence, state, nature, kind, identity, extent

and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Materials whether on, under or about the On the Mark Real Property or Buildings or elsewhere.

- (g) Except as otherwise expressly provided for in this Agreement, the Vendor will have no obligations or responsibility to the Purchaser after Closing with respect to any matter relating to the Purchased Assets or the condition thereof.
- (h) The provisions of this Section 2.5 will survive Closing or the termination of this Agreement.

2.6 Access

Following the execution of this Agreement, the Purchaser, its consultants and their respective agents and employees shall be entitled to enter upon the On the Mark Real Property and Buildings for the purpose of making such inspections, tests and investigations as the Purchaser considers necessary or desirable, provided that (a) prior notice of such entering shall be given to the Vendor and the Vendor or its representative shall be entitled to accompany the Purchaser and its consultants, agents or employees who are so entering the On the Mark Real Property and Buildings, and (b) the Purchaser shall repair any damage to the On the Mark Real Property and Buildings caused by such inspections, tests and investigations (to the same standard in which the On the Mark Real Property and Buildings was prior to any such damage) and agrees to indemnify the Vendor against all claims arising from such inspections, tests and investigations. At the request and sole cost and expense of the Purchaser, the Vendor agrees to forthwith execute such authorization or authorizations as the Purchaser may reasonably require in connection with its investigations of the Purchased Assets.

ARTICLE 3 **PURCHASE PRICE**

3.1 Satisfaction of Purchase Price

- (a) On the Closing Date, the Purchaser shall pay to the Vendor the Purchase Price.
- (b) The Purchase Price shall be paid, accounted for and satisfied as follows:
 - (i) **Deposit:** A deposit equal to the amount of \$500,000 (the “**Deposit**”) shall be made payable to and be deposited in the trust account of the Vendor upon execution of this Agreement. The Deposit, or any portion thereof, is to be held in accordance with the terms of this Agreement and the OTM Sale Process. The Deposit will be held by the Vendor until Closing or termination of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Vendor shall place the Deposit in a non-interest bearing account and no interest shall be earned, received or paid on the Deposit.
 - (ii) **Balance Due at Closing:** The balance of the Purchase Price by payment at Closing to the Vendor or to the order of the Vendor.

- (iii) **Method of Payment:** The Deposit and the balance due on Closing shall be made by way of wire transfer.

3.2 Deposit

The Deposit shall be held in trust by the Vendor and shall be:

- (a) credited against the Purchase Price on the Closing Date if the purchase and sale of the Purchased Assets is completed pursuant to this Agreement;
- (b) subject to Section 3.2(c), refunded to the Purchaser without interest or deduction if the Purchase Agreement is terminated; or
- (c) retained by the Vendor as a genuine pre-estimate of liquidated damages and not as a penalty, in addition to any other rights and remedies that the Vendor may have under this Agreement and at law, including offering the Purchased Assets for sale to another person, if the purchase and sale of the Purchased Assets is not completed pursuant to this Agreement as a result of the Purchaser's breach hereunder.

3.3 Allocation of Purchase Price

The Purchase Price shall be allocated among the Purchased Assets in accordance with Schedule "D" hereto, and the parties shall ensure that all financial information and any tax returns, declarations or elections filed are consistent with such allocations. If Schedule "D" is not completed on the date of execution of this Agreement, the Purchaser and the Vendor shall complete it prior to Closing, each acting reasonably.

3.4 Intentionally Deleted

3.5 Property Tax Refunds and Rebates

Any refund or rebate of realty tax relating to the Purchased Assets in respect of the period before the Closing Date (each, a "**Property Tax Refund**") will remain the property of the Vendor. To the extent the Purchaser receives payment or credit on account of any Property Tax Refund, the Purchaser shall hold such amount in trust for the Vendor, endorse such amount (without recourse) in favour of the Vendor and immediately deliver such amounts to the Vendor. Any refund or rebate of realty tax relating to the Purchased Assets in respect of the period after the Closing Date will be the property of the Purchaser. To the extent the Vendor receives payment of any such amount, the Vendor shall hold such amount in trust for the Purchaser, endorse such payment (without recourse) in favour of the Purchaser and immediately deliver such payments to the Purchaser.

3.6 Sales Tax, Land Transfer Tax and Registration Fees on Transfer

- (a) The Purchaser is liable for and shall pay all land transfer tax, HST, other similar taxes and duties, fees in respect of the registration of the transfer, and other like charges properly payable by a purchaser upon and in connection with the sale, assignment and transfer of the Purchased Assets from the Vendor to the Purchaser.

- (b) The Purchaser agrees to self-assess, be liable for and remit to the appropriate Governmental Entity all HST payable in connection with its purchase of the On the Mark Real Property and Buildings, and to indemnify the Vendor for any amounts for which the Vendor may become liable as a result of any failure by the Purchaser to pay the HST payable in respect of the sale of the On the Mark Real Property and Buildings under Part IX of the ETA. The Purchaser shall deliver, on or prior to Closing, its certificate in form acceptable to the Vendor, certifying that the Purchaser shall be liable for, shall self assess and shall remit to the appropriate Governmental Entity all HST payable in respect of the sale of the On the Mark Real Property and Buildings, and is purchasing the On the Mark Real Property and Buildings as principal for its own account and is not being purchased by the Purchaser as an agent, trustee, or otherwise on behalf of or for another Person, and the Purchaser's HST registration number. Such certificate shall also set out the indemnity provided for in the first sentence of this Subsection (b).
- (c) If the Purchaser delivers the HST certificate and indemnity as set out in Subsection 3.6(b), then the Purchaser will not be required to pay to the Vendor, and the Vendor will not be required to collect from the Purchaser, HST in respect of the On the Mark Real Property and Buildings. If the Purchaser does not deliver the HST certificate and indemnity as set out in Subsection 3.6(b), then without limiting the generality of the foregoing in this paragraph, the Purchaser shall pay to the Vendor an amount equal to the HST payable on the Purchase Price allocated to the On the Mark Real Property and Buildings on Closing.
- (d) If requested by the Purchaser, the Vendor (on behalf of On the Mark) and the Purchaser shall jointly make the election provided for in paragraph 167(1)(b) of the ETA and any equivalent or corresponding provision under any applicable provincial or territorial legislation (including section 75 of an *Act respecting Québec sales tax* (Québec)), in prescribed form and within the required time period, to have subsection 167(1.1) of the ETA and any equivalent or corresponding provision under any applicable provincial or territorial legislation apply in respect of the sale and purchase of the Purchased Assets (other than the On the Mark Real Property and Buildings) under this Agreement. The Purchaser shall file the completed election form with the applicable Governmental Entity no later than the due date for the Purchaser's HST returns for the first reporting period in which HST would, in the absence of this election, become payable in connection with the Transaction. Notwithstanding such election and anything to the contrary in this Agreement, in the event it is determined by any relevant Governmental Entity that the Vendor or On the Mark is liable to collect and remit HST in respect of the Transaction, the Purchaser shall forthwith pay such HST, plus any applicable interest and penalties, to the Vendor for remittance to the applicable Governmental Entity and the Purchaser shall indemnify and save the Vendor and On the Mark (and any present or former directors and officers of the Vendor or On the Mark) harmless with respect to any taxes, penalties, interest, and other costs payable resulting from such determination.

- (e) The indemnities in this Section 3.6 shall survive the Closing Date in perpetuity.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE VENDOR

4.1 Representations and Warranties

The Vendor represents and warrants to the Purchaser as follows as of the date of this Agreement and again as on Closing and acknowledges that the Purchaser is relying on such representations and warranties in connection with its purchase of the Purchased Assets:

- (a) **Execution, Delivery and Enforceability.** The Vendor has been appointed by the Court as receiver and manager, without security, of the Purchased Assets. Subject to the entry of the OTM Sale Process Order and the Approval and Vesting Order, the Vendor has all the necessary authority to enter into this Agreement and all other documents contemplated herein to which it is or will be a party. This Agreement has been duly executed and delivered by the Vendor and, subject to the entry of the OTM Sale Process Order and the Approval and Vesting Order, this Agreement is a legal, valid and binding obligation of the Vendor, enforceable against the Vendor in its capacity as receiver and manager of On the Mark by the Purchaser in accordance with its terms.
- (b) **Residency.** The Vendor is not a non-resident of Canada for the purposes of the Tax Act.

4.2 Representations and Warranties at Closing

The Vendor represents and warrants to the Purchaser that each and every representation and warranty of the Vendor made in this Article 4 shall be true and correct at and as of the Time of Closing with the same force and effect as if such representations and warranties had been made at and as of the Time of Closing.

ARTICLE 5

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PURCHASER

5.1 Representations and Warranties

The Purchaser represents and warrants to the Vendor as follows as of the date of this Agreement and again on Closing and acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with its sale of the Purchased Assets:

- (a) **Organization.** The Purchaser is a corporation duly incorporated and organized and validly subsisting under the laws of the Province of Ontario pursuant to the Business Corporations Act (Ontario) and has the corporate power to enter into this Agreement and to perform its obligations hereunder and to consummate the Transaction.
- (b) **Execution, Delivery and Enforceability.** The execution and delivery of and performance by the Purchaser of this Agreement have been authorized by all necessary corporate action on the part of the Purchaser. This Agreement has been

duly executed and delivered by the Purchaser and is a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser by the Vendor in accordance with its terms.

- (c) **Residency.** The Purchaser is not a non-resident of Canada for purposes of the Tax Act.
- (d) **HST Registration.** The Purchaser is duly registered for the purposes of the ETA with respect to the goods and services tax and harmonized sales tax and its registration number shall be provided at least three days before closing.
- (e) **Brokers' or Finders' Fees.** The Purchaser has not incurred any obligation or liability, contingent or otherwise, for any broker's or finder's fees or commissions in respect of this Transaction for which the Vendor shall have any obligation or liability to pay.
- (f) **Investment Canada Act (Canada):** the Purchaser is a "**Canadian**", as defined in the *Investment Canada Act (Canada)*.
- (g) The purchase and assumption of the Purchased Assets by the Purchaser will not violate or be non-compliant with the Prohibition on the Purchase of Residential Property by Non-Canadians Act, S.C. 2022, c. 10, s. 235.
- (h) The Purchaser is purchasing and assuming the Purchased Assets for its own account and not on account of any other party.

5.2 Representations and Warranties at Closing

The Purchaser represents and warrants to the Vendor that each and every representation and warranty of the Purchaser made in this Article 5 shall be true and correct at and as of the Time of Closing with the same force and effect as if such representations and warranties had been made at and as of the Time of Closing.

5.3 Approved Contracts

Schedule "B" lists the Approved Contracts to be assumed by and assigned to the Purchaser on Closing. Notwithstanding anything in this Agreement to the contrary, the Purchaser may, from time to time prior to the date which is five (5) days prior to Closing (the "**Determination Date**"), and in its sole discretion, upon written notice to the Vendor, amend or revise Schedule "B" to eliminate any Contract therefrom or to add any Contract thereto; provided, however, that the Purchaser shall irrevocably offer each purchaser under an Optional Purchase Agreement the right to execute an amended Optional Purchase Agreement between the Closing Date and the date that is three weeks thereafter (the "**Optional Purchase Date**"), which amended Optional Purchase Agreement shall be substantially in the form of the Optional Purchase Agreement except that it shall provide for (i) a \$100,000 increase to the purchase price payable thereunder, (ii) confirmation that there are no other agreements or obligations as between such party and the Purchaser other than as set out in the amended Optional Purchase Agreement, (iii) an acknowledgment that the Purchaser may use alternative suppliers to complete construction of the applicable unit, and (iv) confirmation that no

commissions, agent fees, broker fees or similar expenses will be due in connection with the sale, and any such amended Optional Purchase Agreement that is executed prior to the Optional Purchase Date shall be deemed to be added to Schedule "B" and constitute an Approved Contract under this Agreements and may not be removed by the Purchaser from the list of Approved Contracts. Automatically upon such addition of any Contract by Purchaser in accordance with the previous sentence, such Contract shall be an Approved Contract for all purposes of this Agreement. Automatically upon any such deletion of any Contract by the Purchaser in accordance with the second sentence of this Section, such Contract shall be an Excluded Asset for all purposes of this Agreement until and unless the Contract restores such eliminated Contract to Schedule "B" in accordance with the second sentence of this Section. At the Purchaser's reasonable request, the Vendor shall make reasonable efforts to make reasonably available to the Purchaser the appropriate employees of On the Mark or the Vendor necessary to discuss the outstanding Contracts to which On the Mark is a party.

5.4 Lien Claims Reserve Fund

On or prior to Closing, the Purchaser shall deliver to the Vendor the amount of \$82,153.50 to be held in trust by the Vendor and applied or returned in accordance with this Section 5.4 and the Approval and Vesting Order (the "**Lien Claims Reserve Fund**"). The Vendor shall pay from the Lien Claims Reserve Fund any Lien Claims that are determined to have priority over the security interest of KingSett against the On the Mark Real Property by a Final Order up to the amount held in the Lien Claims Reserve Fund. On the date that is one hundred and eighty (180) days following Closing, the Vendor will return to the Purchaser any balance then held in the Lien Claim Reserve Fund.

5.5 Trade Liabilities

The Purchaser shall use commercially reasonable efforts to obtain a confirmation, in form and substance acceptable to the Vendor, executed by each of the Assumed Trade Creditors in favour of the Vendor irrevocably waiving any claims to, or interests in, the proceeds of the Purchase Price whatsoever (the "**Trade Liability Waiver**"). On Closing, the Purchaser shall grant a second-ranking collateral mortgage (the "**Second Charge**") on the On the Mark Real Property in favour of 202187 Ontario Inc., as agent for the Assumed Trade Creditors securing 75% of the Purchaser's obligation for the Trade Liabilities assumed by the Purchaser under this Agreement.

ARTICLE 6 **RISK**

6.1 Notice of Untrue Representation or Warranty

Each of the parties shall promptly notify the other party upon any representation or warranty of such party contained in this Agreement becoming untrue or incorrect from the date of this Agreement until the Time of Closing.

6.2 Risk of Loss

Until the Time of Closing, the Purchased Assets shall remain at the risk of the Vendor. After Closing occurs, the Purchased Assets shall be at the sole risk of the Purchaser regardless

of the location of the Purchased Assets. If, prior to the Time of Closing, all or any material part of the Purchased Assets are destroyed or damaged by fire or any other casualty or shall be appropriated, expropriated or seized by any Governmental Entity or other lawful authority, the Purchaser shall be entitled but not required to complete the purchase contemplated hereby without a reduction to the Purchase Price. If the Purchaser elects to complete the purchase contemplated hereby in accordance with the previous sentence, the Purchaser shall be entitled to all proceeds of insurance related to the Purchased Assets arising from such destruction or damage, in the event of destruction or damage, and, in the event of appropriation, expropriation or seizure, to all compensation related to the Purchased Assets for appropriation, expropriation or seizure that are, in each case, payable to the Vendor, and all right and claim of the Vendor to any such amounts not paid by the Closing Date shall be assigned to the Purchaser.

6.3 Insurance Matters

Any property, liability and other insurance maintained by the Vendor shall not be transferred as of the Closing Date but shall remain the responsibility of the Vendor until the Time of Closing. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Purchased Assets in respect of the period from and after the Time of Closing.

ARTICLE 7 **CONDITIONS OF CLOSING**

7.1 Conditions for the Benefit of the Purchaser

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of the Purchaser:

- (a) **Representations and Warranties.** The representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects at the Time of the Closing with the same force and effect as if such representations and warranties were made at such time, and a certificate of the Vendor, dated as of the Closing Date, to that effect shall have been delivered to the Purchaser, such certificate to be in a form and substance satisfactory to the Purchaser acting reasonably;
- (b) **Covenants.** All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor at or before the Time of Closing shall have been complied with or performed in all material respects;
- (c) **No Encumbrances.** Save and except for the Permitted Encumbrances, there shall be no Encumbrances registered on title to the Purchased Assets or matters affecting title to the Purchased Assets, in each case which are not otherwise vested-out pursuant to the Approval and Vesting Order;
- (d) **Vacant Possession.** At the Time of Closing, as provided in the Approval and Vesting Order, the Vendor shall have delivered vacant possession of the Purchased Assets to the Purchaser, subject to all Approved Contracts;

- (e) **Delivery of Documents.** The delivery at the Time of Closing of the documents referenced in Subsection 9.3(a) to the Purchaser.

7.2 Conditions for the Benefit of the Vendor

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the exclusive benefit of the Vendor, to be performed or fulfilled at or prior to the Time of Closing:

- (a) **Representations and Warranties.** The representations and warranties of the Purchaser contained in Article 5 of this Agreement shall be true and correct at the Time of Closing with the same force and effect as if such representations and warranties were made at such time, and a certificate of the Purchaser, dated as of the Closing Date, to that effect shall have been delivered to the Vendor, such certificate to be in form and substance satisfactory to the Vendor, acting reasonably;
- (b) **Covenants.** All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Time of Closing shall have been complied with or performed;
- (c) **Payment of Purchase Price and Lien Claims Reserve Fund.** The Purchaser shall have tendered to the Vendor the Purchase Price and the Lien Claims Reserve Fund;
- (d) **Trade Liabilities.** The Purchaser will have delivered Trade Liability Waivers executed by Assumed Trade Creditors holding at least 90% in value of the Trade Liabilities or the Court shall have entered and issued an order that none of the Assumed Trade Creditors are entitled to a distribution from the proceeds of the Purchase Price and such order shall be a Final Order; and
- (e) **Delivery of Documents.** The delivery of the documents referenced in Subsection 9.3(b) to the Vendor.

7.3 Conditions for the Mutual Benefit of the Vendor and Purchaser

The sale and purchase of the Purchased Assets is subject to the following terms and conditions for the mutual benefit of the Vendor and the Purchaser, to be performed or fulfilled at or prior to the Time of Closing:

- (a) by no later than July 14, 2023 or the first available Court date thereafter (or such later date as the Vendor and the Purchaser may agree in their sole discretion), the Court shall have entered and issued an order, *inter alia*, approving (i) the OTM Sale Process, (ii) this Agreement solely as the “stalking horse bid” pursuant to the OTM Sale Process, and (iii) the Expense Reimbursement (the “**OTM Sale Process Order**”), which OTM Sale Process Order shall be in form and substance satisfactory to the Vendor and the Purchaser, each acting reasonably;
- (b) the OTM Sale Process Order shall be a Final Order;

- (c) the Transaction shall have been selected as the Successful Bid (as defined in the OTM Sale Process) in accordance with the OTM Sale Process Order and the OTM Sale Process;
- (d) by no later than ten (10) calendar days following the Transaction being selected as the Successful Bid or the first available Court date thereafter (or such later date as the Vendor and the Purchaser may agree in their sole discretion), the Court shall have entered and issued an order, *inter alia*, approving this Agreement and the Transaction and conveying to the Purchaser upon Closing all of On the Mark's and the Vendor's right, title and interest in and to the Purchased Assets free and clear of all (i) Claims, and (ii) Encumbrances other than Permitted Encumbrances (the "**Approval and Vesting Order**"), which Approval and Vesting Order shall be in form and substance satisfactory to the Vendor and the Purchaser, each acting reasonably;
- (e) the Approval and Vesting Order shall be a Final Order;
- (f) at the Time of Closing, no legal proceeding shall be pending which enjoins, restricts or prohibits the purchase and sale of the Purchased Assets contemplated hereby, including, without limitation, any order issued by any Governmental Entity against either of the parties or involving any of the Purchased Assets enjoining, preventing or restraining the completion of the Transaction; and
- (g) at or prior to the Time of Closing, the Purchaser shall have entered into an agreement with Equitable Bank pursuant to which: (i) Equitable Bank shall have agreed to maintain the LCs in accordance with their current terms; (ii) the Purchaser shall have agreed to grant a first ranking charge/mortgage, which shall be in form and substance satisfactory to the Purchaser, acting reasonably, against the On the Mark Real Property in the amount of \$2,800,000 (approximately 105% of the aggregate amount of the LCs) in favour of Equitable Bank. Such letter of credit agreement will, among other things, require that \$131,914.42 (the "**Cash Collateral Amount**") of the net proceeds received by the Purchaser from each completed sale transaction pursuant to an agreement of purchase and sale with respect to the On the Mark Real Property to be used to cash collateralize the LCs, up to a maximum amount of \$2,638,288.33; (iii) require that Equitable Bank grant a partial discharge of the charge/mortgage from each lot sold pursuant to an agreement of purchase and sale with respect to the On the Mark Real Property upon receipt of the Cash Collateral Amount from such lot; and (iv) such customary subordination and standstill confirmations or agreements reasonably requested by Equitable Bank with respect to the Second Charge shall be provided. Notwithstanding the foregoing, the requirements of this clause shall no longer apply in the event that the Purchaser replaces the LCs, whether prior to or following Closing.

ARTICLE 8 **TERMINATION**

8.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

- (a) automatically and without any action or notice by either party, immediately if this Agreement is not selected as the Successful Bid or the Back-Up Bid (as defined in the OTM Sale Process) in accordance with the OTM Sales Process;
- (b) automatically and without any action or notice by either party, immediately if the Vendor completes a Superior Transaction with a party other than the Purchaser or an affiliate of the Purchaser;
- (c) automatically and without any action or notice by either party, immediately upon the issuance of a final and non-appealable order, decree, or ruling or any other action by a Governmental Entity to restrain, enjoin or otherwise prohibit the Transaction;
- (d) by mutual written consent of the Vendor and the Purchaser;
- (e) by either the Vendor or the Purchaser if the Closing has not occurred on or before the Outside Date; provided, however, that a party may not exercise such termination right if they are in material breach of their obligations under this Agreement;
- (f) by the Vendor, if the Purchaser fails to fulfill any condition set forth in Section 7.2 by the Outside Date and failure has not been waived by the Vendor or cured by the Outside Date;
- (g) by the Purchaser, if the Vendor fails to fulfill any condition set forth in Section 7.1 by the Outside Date and such failure has not been waived by the Purchaser or cured by the Outside Date; or
- (h) by either, if the conditions set forth in Section 7.3 have not been satisfied by the date specified therein or, if not specified, by the Outside Date.

8.2 Effects of Termination

If this Agreement is terminated pursuant to Section 8.1, except as expressly provided herein, all further rights and obligations of the parties under or pursuant to this Agreement shall terminate without further liability of any party to the other.

8.3 Expense Reimbursement

In consideration of the Purchaser's expenditure of time and money in the preparation and negotiation of this Agreement and the completion of this Transaction, upon termination of this Agreement pursuant to Section 8.1(a) or 8.1(b), the Vendor shall reimburse the Purchaser from the proceeds of the Superior Transaction for the Purchaser's reasonable costs and expenses in

connection with this Agreement and the Transaction, up to a maximum of \$400,000 (the “Reimbursement Amount”).

ARTICLE 9
CLOSING DATE AND TRANSFER OF POSSESSION

9.1 Time, Date and Place of Closing

Closing shall take place at the Time of Closing at the offices of the Purchaser’s solicitors or at such other place, on such other date, and at such other time as may be agreed upon in writing between the Vendor and the Purchaser.

9.2 Transfer of Possession

Subject to compliance with the terms and conditions hereof, the transfer of the Purchased Assets shall be deemed to take effect as at the Time of Closing. At the Time of Closing, the Vendor shall deliver possession of the Purchased Assets to the Purchaser subject to the provisions of this Agreement.

9.3 Delivery of Closing Documents

- (a) At the Time of Closing, the Vendor shall deliver the following items to the Purchaser each of which shall be in form and substance satisfactory to the Purchaser acting reasonably:
 - (i) A direction regarding funds directing the party to which the balance of the Purchase Price shall be paid;
 - (ii) a certificate signed by an officer of the Vendor confirming that the Vendor is not a non-resident of Canada within the meaning of section 116 of the Tax Act;
 - (iii) a copy of the issued and entered Approval and Vesting Order and an executed receiver’s certificate in the form attached to the Approval and Vesting Order;
 - (iv) a statement of adjustments in form and substance satisfactory to the Purchaser, acting reasonably;
 - (v) a certificate of an officer of the Vendor confirming that all conditions to Closing in its favour are either satisfied or waived;
 - (vi) the Document Registration Agreement;
 - (vii) all master keys and duplicate keys to any building located on the On the Mark Real Property that are in the possession and control of the Vendor;
 - (viii) an application for vesting in Teraview in accordance with the Purchaser’s direction regarding title; and

- (ix) such other documents as may be specifically required hereunder or as may be reasonably required by the Purchaser or the Purchaser's solicitors.
- (b) At the Time of Closing, the Purchaser shall deliver the following items to the Vendor, each of which shall be in form and substance satisfactory to the Vendor acting reasonably:
 - (i) the Purchase Price in accordance with Section 3.1(b);
 - (ii) the Lien Claims Reserve Fund in accordance with Section 5.4;
 - (iii) a direction regarding title as to the name and address for service of, and name and identity of the signatory for, the transferee of the transfer/deed of land;
 - (iv) a certificate of an officer of the Purchaser confirming that the representations and warranties of the Purchaser contained in this Agreement are true and correct as of the Closing Date;
 - (v) a certificate of an officer of the Purchaser confirming that all conditions to Closing in its favour are either satisfied or waived;
 - (vi) an HST indemnity and warranty;
 - (vii) the Document Registration Agreement;
 - (viii) an application for vesting in Teraview in accordance with the Purchaser's direction regarding title; and
 - (ix) such other documents as may be specifically required hereunder or as may be reasonably required by the Vendor or the Vendor's solicitors.

9.4 Electronic Registration

If electronic registration of documents at the applicable land registry office is mandatory on the Closing Date, or is optional and is requested by the Purchaser, the following terms shall form part of this Agreement:

- (a) the Vendor and the Purchaser shall each authorize and instruct their respective legal counsel to enter into an escrow closing agreement in the form mandated by the Law Society of Ontario, subject to such reasonable amendments as such legal counsel or the circumstances of the Transaction may require, establishing the procedures and timing for completion of the Transaction (the "**Document Registration Agreement**");
- (b) the delivery and exchange of documents and funds and the release thereof to the Vendor and the Purchaser, as the case may be:
 - (i) shall not occur contemporaneously with the registration of the transfer; and

- (ii) shall be governed by the Document Registration Agreement, pursuant to which the lawyer receiving the documents and/or funds will be required to hold the same in escrow and will not be entitled to release the same except in accordance with the provisions of the Document Registration Agreement.

9.5 Registration Costs

The Purchaser shall bear all costs in registering any conveyances of title to the Purchased Assets to it and all costs of preparing any further assurances required to convey the Purchased Assets to it. The Purchaser shall register all such conveyances in accordance with the Document Registration Agreement.

9.6 Tender

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's solicitors on behalf of the Purchaser and by the Vendor's solicitors on behalf of the Vendor and any tender of Closing Documents may be made upon the Vendor's solicitors and the Purchaser's solicitors, as the case may be.

ARTICLE 10 **MISCELLANEOUS**

10.1 Notices

- (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by telecopy or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

- (i) if to the Vendor:

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

Attention: Noah Goldstein
Email: ngoldstein@ksvadvisory.com

with a copy to:

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance Street
Toronto, Ontario M5H 0B4
Attention: Ryan Jacobs / Joseph Bellissimo / Jonathan Freeman
Email: rjacobs@cassels.com / jbellissimo@cassels.com /
jfreeman@cassels.com

- (ii) if to the Purchaser:

40 Snidercraft Road, Unit 11
Concord, Ontario L4K 0B5

with a copy to:

Osler, Hoskin & Harcourt LLP
1 First Canadian Place, Suite 6200
100 King Street West
Toronto, Ontario M5X 1B8

Attention: Marc Wasserman / Dave Rosenblat
Email: mwasserman@osler.com / drosenblat@osler.com

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means or recorded electronic communication as aforesaid.
- (c) Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 10.1.

10.2 Non-Waiver

No waiver of any condition or other provision, in whole or in part, shall constitute a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

10.3 Expenses

Each of the parties hereto shall pay their respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant hereto and any other costs and expenses whatsoever and howsoever incurred, subject to payment, if applicable, of the Reimbursement Amount pursuant to Section 8.3.

10.4 Further Assurances

Each party to this Agreement covenants and agrees that it will at all times promptly execute and deliver all such documents including, without limitation, all such additional conveyances, transfers, consents and other assurances and do all such other acts and things as the other party, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

10.5 Assignment

Neither the Purchaser nor the Vendor may assign this Agreement or any rights or obligations hereunder in whole or in part without the prior written consent of the other counterparty, which consent is not to be unreasonably withheld, provided that the Purchaser shall be entitled to assign this Agreement to an Affiliate of the Purchaser without the consent of the Vendor, provided further that the Purchaser may designate one or more nominees to take title in and to the Purchased Assets, or any part thereof, by giving the Vendor written notice of such assignment prior to the date of the hearing for the Approval and Vesting Order. Notwithstanding the foregoing, no assignment or designation by the Purchaser under this Section 10.6 shall relieve the Purchaser from its obligations or liabilities under this Agreement.

10.6 Non-Merger

The registration of any transfer and the execution and delivery of documents on the Closing Date or thereafter as herein contemplated or any independent investigation by the Purchaser or its agents shall not merge or affect any of the warranties, representations, covenants, conditions or terms of this Agreement or any agreement or document delivered pursuant to this Agreement, all of which shall survive the closing of the Transaction.

10.7 Planning Act

This Agreement is effective to create an interest in the On the Mark Real Property and Buildings only if the subdivision control provisions of the *Planning Act* (Ontario), as amended, are complied with on or before Closing.

10.8 No Personal Liability of the Vendor

The Vendor is executing this Agreement solely in its capacity as Court-appointed receiver and manager of the Purchased Assets and not in personal or corporate capacity and none of the Vendor, KSV or any of their respective directors, officers, agents, servants or employees shall have any personal or corporate liability hereunder or at common law, or by statute, or equity or otherwise as a result hereof.

10.9 Counterparts, Facsimile or Electronic Signatures

This Agreement may be executed by electronic signature, in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument. Execution of this Agreement may be made by facsimile or electronic mail which, for all purposes, shall be deemed to be an original signature.

10.10 Purchaser Indemnity

The Purchaser shall indemnify and save harmless the Vendor and its directors, officers, employees, agents and representatives (collectively, the “**Indemnitees**”) from and against any and all Liabilities which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in connection with the operations of the Purchaser on the On the Mark Real Property or any order, notice, directive, or requirement under, or breaches, violations or non-compliance with any Environmental Laws but only to the extent that either occurs after the Closing

Date or as a result of the disposal, storage, release or threat of release or spill on or about the On the Mark Property of any Hazardous Materials after the Closing Date (the “**Post-Closing Environmental Indemnity**”). For greater certainty, the Post-Closing Environmental Indemnity shall explicitly exclude any and all matters, events, incidents, releases, spills, breaches, violations or non-compliances with any Environmental Laws. or matters involving any Hazardous Materials, that occurred or may have occurred prior to the Closing Date, or any orders, notices, directives or requirements issued pursuant to any Environmental Laws prior to the Closing Date, including without limitation any such matter that is otherwise not caused by or contributed to by the Purchaser, For the purposes of the foregoing, “**Environmental Laws**” shall mean all requirements under or prescribed by common law and all federal, provincial, regional, municipal and local laws, rules, statutes, ordinances, regulations, guidelines, directives, notices and orders from time to time with respect to the discharge, generation, removal, storage or handling of any Hazardous Materials. The obligation of the Purchaser hereunder shall survive the Closing Date.

10.11 Purchaser Release

The Purchaser agrees to release and discharge the Vendor and its directors, officers, employees, agents and representatives from every claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to any Hazardous Materials relating to the On the Mark Real Property. The Purchaser further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Vendor to clean up or remove or pay for the cleanup or removal of any Hazardous Materials, remediate any condition or matter in, on, under or in the vicinity of the On the Mark Real Property or seek an abatement in the Purchase Price or damages in connection with any Hazardous Materials. This provision shall not expire with, or be terminated or extinguished by or merged in the Closing of the transaction of purchase and sale, contemplated by this Agreement, and shall survive the termination of this Agreement for any reason or cause whatsoever and the closing of this transaction.

10.12 Non-Registration of Agreement

The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document, instrument or Court order or judgement providing evidence of this Agreement against title to the On the Mark Real Property. Should the Purchaser be in default of its obligations under this Section, the Vendor may (as agent and attorney of the Purchaser) cause the removal of such notice of this Agreement, caution, certificate of pending litigation or other document providing evidence of this Agreement or any assignment of this Agreement from the title to the On the Mark Real Property. The Purchaser irrevocably nominates, constitutes and appoints the Vendor as its agent and attorney in fact and in law to cause the removal of such notice of this Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the On the Mark Real Property. The Purchaser acknowledges and agrees that the Vendor may rely on the terms of this Section 10.12 as a full estoppel to any proceeding, suit, claim, motion or other action brought by the Purchaser in order to obtain and attempt to register against the title to the On the Mark Real Property any of the items set out in this Section 10.12.

[signature page immediately follows]

IN WITNESS WHEREOF the undersigned agree to the terms of this Agreement as of the date first written above.

KSV RESTRUCTURING INC., in its capacity as court-appointed receiver and manager, without security, of, *inter alia*, the On the Mark Real Property and all present and future undertakings and property, both real and personal of Stateview Homes (On the Mark) Inc., which is located at or related to or used in connection with or arising from or out of the On the Mark Real Property, and not in its personal capacity

Per: noah goldstein
Name: _____
Title: Noah Goldstein
Managing Director

2077060 ONTARIO INC.

Per: [Signature]
Name: Frank Del Fatti
Title: CFO

Schedule "A"
Real Property

PIN 30029-0001 (LT)

YORK REGION COMMON ELEMENTS CONDOMINIUM PLAN NO. 1497 AND ITS APPURTENANT INTEREST; SUBJECT TO AND TOGETHER WITH EASEMENTS AS SET OUT IN SCHEDULE A AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1810 (LT)

PART BLOCK 3, PLAN 65M3925 PART 70, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 70 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1809 (LT)

PART BLOCK 3, PLAN 65M3925 PART 69, 65R40092; TOGETHER WITH AN **UNDIVIDED** COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 69 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1808 (LT)

PART BLOCK 3, PLAN 65M3925 PART 68, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS **CONDOMINIUM** CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YCRP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 68 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1807 (LT)

PART BLOCK 3, PLAN 65M3925 PART 67, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS **CONDOMINIUM** CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 67 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1806 (LT)

PART BLOCK 3, PLAN 65M3925 PART 66, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM

CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 66 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1805 (LT)

PART BLOCK 3, PLAN 65M3925 PART 65, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 65 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1804 (LT)

PART BLOCK 3, PLAN 65M3925 PART 64, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 64 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1803 (LT)

PART BLOCK 3, PLAN 65M3925 PART 63, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 63 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1802 (LT)

PART BLOCK 3, PLAN 65M3925 PART 62, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO.1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 62 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1801 (LT)

PART BLOCK 3, PLAN 65M3925 PART 61, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 61 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1800 (LT)

PART BLOCK 3, PLAN 65M3925 PART 60, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 60 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1799 (LT)

PART BLOCK 3, PLAN 65M3925 PART 59, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 59 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1798 (LT)

PART BLOCK 3, PLAN 65M3925 PART 58, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 58 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1797 (LT)

PART BLOCK 3, PLAN 65M3925 PART 57, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 57 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1796 (LT)

PART BLOCK 3, PLAN 65M3925 PART 56, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 56 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1795 (LT)

PART BLOCK 3, PLAN 65M3925 PART 55, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM

CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 55 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1794 (LT)

PART BLOCK 3, PLAN 65M3925 PART 54, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 54 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1793 (LT)

PART BLOCK 3, PLAN 65M3925 PART 53, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 53 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1792 (LT)

PART BLOCK 3, PLAN 65M3925 PART 52, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 52 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1791 (LT)

PART BLOCK 3, PLAN 65M3925 PART 51, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 51 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1776 (LT)

PART BLOCK 3, PLAN 65M3925 PART 36, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 36 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1775 (LT)

PART BLOCK 3, PLAN 65M3925 PART 35, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 35 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1774 (LT)

PART BLOCK 3, PLAN 65M3925 PART 34, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 34 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1773 (LT)

PART BLOCK 3, PLAN 65M3925 PART 33, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 33 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1772 (LT)

PART BLOCK 3, PLAN 65M3925 PART 32, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 32 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1771 (LT)

PART BLOCK 3, PLAN 65M3925 PART 31, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 32 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1756 (LT)

PART BLOCK 3, PLAN 65M3925 PART 16, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM

CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 16 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1755 (LT)

PART BLOCK 3, PLAN 65M3925 PART 15, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 15 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1754 (LT)

PART BLOCK 3, PLAN 65M3925 PART 14, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 14 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1753 (LT)

PART BLOCK 3, PLAN 65M3925 PART 13, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 13 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1752 (LT)

PART BLOCK 3, PLAN 65M3925 PART 12, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 12 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

PIN 03047-1751 (LT)

PART BLOCK 3, PLAN 65M3925 PART 11, 65R40092; TOGETHER WITH AN UNDIVIDED COMMON INTEREST IN YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. 1497; SUBJECT TO AN EASEMENT AS IN YR3390991; SUBJECT TO AN EASEMENT AS IN YR3406916; TOGETHER WITH AN EASEMENT OVER YRCP1497 AS IN YR3504856; SUBJECT TO AN EASEMENT OVER PART 11 65R40092 IN FAVOUR OF YRCP1497 AS IN YR3504856; CITY OF MARKHAM

**Schedule “B”
Approved Contracts**

1. Access Agreement
2. Construction Agreement

Schedule “C”
Permitted Encumbrances

Permitted Encumbrances with respect to the On the Mark Real Property (as defined in the Agreement) means:

1. The exceptions and qualifications set out in the Section 44(1) of the *Land Titles Act* (Ontario) (other than paragraphs 8.30, 8.32 and 8.37) and/or on the parcel register for the On the Mark Real Property;
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. Any easements, servitudes, rights-of-way, licences, restrictions registered against the On the Mark Real Property as of the date of this agreement and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);
4. Any unregistered easements for sewer drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables;
5. Inchoate liens for taxes, assessments, public utility charges, which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto;
6. Any encroachments, minor defects or irregularities indicated on the Survey of the Property prepared by ● Ontario Land Surveyor, dated ●;
7. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance;
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements registered against the On the Mark Real Property as of the date of the Agreement with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction;
9. Plans, by-laws or transfers registered on title to the On the Mark Real Property as of the date of the Agreement.
10. The following instruments registered on title to the On the Mark Real Property:

All PINs (except for PIN 30029-0001 (LT)):

- a) Instrument No. YR888430 is an Application to Annex Restrictive Covenant registered on September 28, 2006 by Jolis Investments (Ontario) Limited regarding the grading and drainage levels of the property, the maintenance and repair of any retaining wall or fence, and the road allowance.
- b) Instrument No. YR889083 is a Notice registered September 29, 2006 between The Corporation of the Town of Markham to Jolis Investments (Ontario) Limited regarding the deferral of payment of development charges.
- c) Instrument No. YR3315120 is a Notice of Site Plan Control Agreement registered on September 17, 2021 between The Corporation of the City of Markham and Stateview Homes (On the Mark) Inc.
- d) Instrument No. YR3390991 is a Transfer of Easement registered on March 7, 2022 from Stateview Homes (On the Mark) Inc. in favour of Enbridge Gas Inc. for the purpose of surveying, constructing, laying, using, installing, repairing, inspecting, replacing, removing, renewing, expanding, enlarging, altering, reconstructing, operating and maintaining gas lines, piping, meters, attachments, apparatus, appliances, markers, fixtures, works and other equipment.
- e) Instrument No. YR3406916 is a Transfer of Easement registered on April 8, 2022 from Stateview Homes (On the Mark) Inc. in favour of Electra Utilities Corporation lay down, install, construct, erect, maintain, open, inspect, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement, operate and maintain at all times, in, under, over, across, upon, along and through the Servient Lands an electrical distribution system consisting of all electrical servicing supply and support equipment and infrastructure.
- f) Instrument No. YRCP1497 is a CE Condo Plan registered on December 2, 2022.
- g) Instrument No. YR3504856 is a Condo Declaration registered on December 2, 2022 by Stateview Homes (On the Mark) Inc.
- h) Instrument No. YR3506962 is an Application to Annex Restrictive Covenant registered on December 9, 2022 by Stateview Homes (On the Mark) Inc. regarding certain notices to be provided to any prospective purchasers, in particular with regard to noise levels due to road traffic and air-conditioning.

PIN 30029-0001 (LT):

- a) Instrument No. LT1469897 is a Transfer of Easement registered on April 17, 2000 from Jolis Investments (Ontario) Limited in favour of The Regional Municipality of York for the purpose of installation, construction, maintenance, alteration, inspection, repair and operation of a trunk sewer in connection with the construction of the Highway 404 Corridor Trunk Sewer.

- b) Instrument No. YR888430 is an Application to Annex Restrictive Covenant registered on September 28, 2006 by Jolis Investments (Ontario) Limited regarding the grading and drainage levels of the property, the maintenance and repair of any retaining wall or fence, and the road allowance.
- c) Instrument No. YR889083 is a Notice registered September 29, 2006 between The Corporation of the Town of Markham to Jolis Investments (Ontario) Limited regarding the deferral of payment of development charges.
- d) Instrument No. YR3315120 is a Notice of Site Plan Control Agreement registered on September 17, 2021 between The Corporation of the City of Markham and Stateview Homes (On the Mark) Inc.
- e) Instrument No. YR3315123 is a Transfer of Easement from Stateview Homes (On the Mark) Inc. in favour of The Corporation of the City of Markham regarding public access for pedestrian ingress, egress, use and enjoyment.
- f) Instrument No. YR3390991 is a Transfer of Easement registered on March 7, 2022 from Stateview Homes (On the Mark) Inc. in favour of Enbridge Gas Inc. for the purpose of surveying, constructing, laying, using, installing, repairing, inspecting, replacing, removing, renewing, expanding, enlarging, altering, reconstructing, operating and maintaining gas lines, piping, meters, attachments, apparatus, appliances, markers, fixtures, works and other equipment.
- g) Instrument No. YR3406916 is a Transfer of Easement registered on April 8, 2022 from Stateview Homes (On the Mark) Inc. in favour of Electra Utilities Corporation lay down, install, construct, erect, maintain, open, inspect, alter, repair and keep in good condition, move, remove, replace, reinstall, reconstruct, relocate, supplement, operate and maintain at all times, in, under, over, across, upon, along and through the Servient Lands an electrical distribution system consisting of all electrical servicing supply and support equipment and infrastructure.
- h) Instrument No. YRCP1497 is a CE Condo Plan registered on December 2, 2022.
- i) Instrument No. YR3504856 is a Condo Declaration registered on December 2, 2022 by Stateview Homes (On the Mark) Inc.
- j) Instrument No. YR3507090 is a Condominium By-law/98 registered on December 12, 2022 by York Region Common Elements Condominium Corporation No. 1497
- k) Instrument No. YR3507091 is a Condominium By-law/98 registered on December 12, 2022 by York Region Common Elements Condominium Corporation No. 1497
- l) Instrument No. YR3507092 is a Condominium By-law/98 registered on December 12, 2022 by York Region Common Elements Condominium Corporation No. 1497
- m) Instrument No. YR3507093 is a Condominium By-law/98 registered on December 12, 2022 by York Region Common Elements Condominium Corporation No. 1497

- n) Instrument No. YR3507094 is a Condominium By-law/98 registered on December 12, 2022 by York Region Common Elements Condominium Corporation No. 1497
- o) Instrument No. YR3507095 is a Condominium By-law/98 registered on December 12, 2022 by York Region Common Elements Condominium Corporation No. 1497
- p) Instrument No. YR3507115 is a Notice of Agreement registered on December 12, 2022 between Stateview Homes (On the Mark) Inc. and York Region Common Elements Condominium Corporation No. 1497 regarding construction, customer service, marketing, sales and leasing programs.
- q) Instrument No. YR3507116 is a Notice registered on December 12, 2022 between Stateview Homes (On the Mark) Inc. and York Region Common Elements Condominium Corporation No. 1497 regarding construction, customer service, marketing, sales and leasing programs.

Schedule "D"
Purchase Price Allocation

Schedule "E"
Trade Payables

1. Applewood Air Cond.
2. Artizan (Stucco)
3. Aurivia Counters
4. Barmac Garage Doors
5. Benfica (Rough Carp.)
6. Best Brand Appliance
7. Costa Caulking
8. Decksterity Carpentry
9. Elitrex Plumbing
10. Giancola Aluminum
11. Ideal Railings
12. Maple Drywall
13. Maxguard Sec.
14. Medi Group
15. North York Tile
16. Octavio Sousa Painting
17. Power Core Electric
18. RJ Group Flooring
19. Tamarack Lumber
20. Trudel Roofing
21. Velcan Forest Products

Schedule “F”**Optional Purchase Agreements**

1. Purchase and Sale Agreement dated April 3, 2020 between Hang Yin, as purchaser, and On the Mark, as vendor, in respect of Lot # 11
2. Purchase and Sale Agreement dated April 9, 2020 between Cao Yanni, as purchaser, and On the Mark, as vendor, in respect of Lot #12
3. Purchase and Sale Agreement dated April 9, 2020 between Dianying Dang, as purchaser, and On the Mark, as vendor, in respect of Lot #13
4. Purchase and Sale Agreement dated April 3, 2020 between Ying Xu, as purchaser, and On the Mark, as vendor, in respect of Lot #14
5. Purchase and Sale Agreement dated April 7, 2020 between Wei He and Mingchun Yao, as purchaser, and On the Mark, as vendor, in respect of Lot #15
6. Purchase and Sale Agreement dated April 2, 2020 between Chenguang Zhang, as purchaser, and On the Mark, as vendor, in respect of Lot #16
7. Purchase and Sale Agreement dated April 1, 2020 between Li Huang, as purchaser, and On the Mark, as vendor, in respect of Lot #31
8. Purchase and Sale Agreement dated April 2, 2020 between Ya Wen Yan, as purchaser, and On the Mark, as vendor, in respect of Lot #32
9. Purchase and Sale Agreement dated April 2, 2020 between Dian Chi, as purchaser, and On the Mark, as vendor, in respect of Lot #33
10. Purchase and Sale Agreement dated April 4, 2020 between Jun Zhou, as purchaser, and On the Mark, as vendor, in respect of Lot #35
11. Purchase and Sale Agreement dated March 31, 2020 between Jiayang Sun, as purchaser, and On the Mark, as vendor, in respect of Lot #36
12. Purchase and Sale Agreement dated April 3, 2020 between Derek Chi Hon Yu, as purchaser, and On the Mark, as vendor, in respect of Lot #51
13. Purchase and Sale Agreement dated April 9, 2020 between Shuna Chen, as purchaser, and On the Mark, as vendor, in respect of Lot #52
14. Purchase and Sale Agreement dated April 8, 2020 between Jack Ning Chen and Jieqin Fang, as purchasers, and On the Mark, as vendor, in respect of Lot #53

15. Purchase and Sale Agreement dated April 2, 2020 between Lingyu Meng, as purchaser, and On the Mark, as vendor, in respect of Lot #54
16. Purchase and Sale Agreement dated April 2, 2020 between Haobo Tang, as purchaser, and On the Mark, as vendor, in respect of Lot #56
17. Purchase and Sale Agreement dated April 1, 2020 between Jia Minming, as purchaser, and On the Mark, as vendor, in respect of Lot #57
18. Purchase and Sale Agreement dated April 2, 2020 between Lan Xie, as purchaser, and On the Mark, as vendor, in respect of Lot #58
19. Purchase and Sale Agreement dated April 2, 2020 between Xiag Hong Ma, as purchaser, and On the Mark, as vendor, in respect of Lot #59
20. Purchase and Sale Agreement dated April 4, 2020 between Qing Qing Lin, as purchaser, and On the Mark, as vendor, in respect of Lot #60
21. Purchase and Sale Agreement dated April 2, 2020 between Rui Ping Luo, as purchaser, and On the Mark, as vendor, in respect of Lot #61
22. Purchase and Sale Agreement dated April 2, 2020 between Wai Yi Tsui, as purchaser, and On the Mark, as vendor, in respect of Lot #62
23. Purchase and Sale Agreement dated March 31, 2020 between Lin Linyan, as purchaser, and On the Mark, as vendor, in respect of Lot #63
24. Purchase and Sale Agreement dated April 3, 2020 between Nikki Shi, as purchaser, and On the Mark, as vendor, in respect of Lot #64
25. Purchase and Sale Agreement dated April 2, 2020 between 2467685 Ontario Inc., as purchaser, and On the Mark, as vendor, in respect of Lot #65
26. Purchase and Sale Agreement dated March 31, 2020 between Yanhan Hu, as purchaser, and On the Mark, as vendor, in respect of Lot #66
27. Purchase and Sale Agreement dated April 2, 2020 between Huijing Wei, as purchaser, and On the Mark, as vendor, in respect of Lot #67
28. Purchase and Sale Agreement dated March 31, 2020 between Xiangyu Qi, as purchaser, and On the Mark, as vendor, in respect of Lot #68
29. Purchase and Sale Agreement dated April 2, 2020 between Haotong Zhang, as purchaser, and On the Mark, as vendor, in respect of Lot #69

30. Purchase and Sale Agreement dated March 31, 2020 between Qifang Mao, as purchaser, and On the Mark, as vendor, in respect of Lot #70

Schedule “G”

1. Ganiva Trim/Carp.
2. Central Glass/Mirror
3. Jeld-Wen Windows/Doors
4. Royal Oak Railings
5. Selba Kitchens & Baths
6. Stardrain & Concrete
7. Sunbelt Rentals

**Schedule “H”
From of OTM Sale Process**

On the Mark Sale Process

1. On May 2, 2023, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order (the “**Receivership Order**”), among other things, appointing KSV Restructuring Inc. as the receiver and manager (in such capacity, the “**Receiver**”) over the property, assets and undertakings of, *inter alia*, Stateview Homes (On the Mark) Inc. (“**On the Mark**”).
2. On ●, 2023, the Court granted an order (the “**OTM Sale Process Order**”) that, among other things: (a) authorized the Receiver to implement a sale process in accordance with the terms hereof (“**Sale Process**”); and (b) authorized and empowered the Receiver to enter into the Asset Purchase Agreement between the Receiver and 2077060 Ontario Inc. (“**Stalking Horse Purchaser**”) dated ●, 2023 (the “**Stalking Horse Purchase Agreement**”). Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the OTM Sale Process Order or the Stalking Horse Purchase Agreement. A copy of the OTM Sale Process Order can be found at <https://www.ksvadvisory.com/experience/case/stateview-homes>.
3. This Sale Process sets out the manner in which: (a) binding bids for executable transaction alternatives that are superior to the sale transaction contemplated by the Stalking Horse Purchase Agreement involving the property and assets of On the Mark will be solicited from interested parties; (b) any such bids received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought.
4. This Sale Process shall be conducted by the Receiver and the Receiver shall be entitled to receive all information in relation to the Sale Process.
5. Parties who wish to have their bids considered must participate in this Sale Process as conducted by the Receiver.
6. This Sale Process will be conducted such that the Receiver will:
 - a) disseminate marketing materials and a process letter to potentially interested parties identified by the Receiver;
 - b) solicit interest from parties with a view to such interested parties entering into non-disclosure agreements (parties shall only obtain access to the data room and be permitted to participate in this Sale Process if they execute a non-disclosure agreement and agree to the additional measures that are required by the Receiver to protect competitively sensitive information, in form and substance satisfactory to the Receiver);

- c) provide applicable parties with access to a data room containing diligence information; and
 - d) request that such parties (other than the Stalking Horse Purchaser) submit a binding offer meeting at least the requirements set forth in Section 8 below, as determined by the Receiver (a “**Qualified Bid**”), by the Qualified Bid Deadline (as defined below).
7. This Sale Process shall be conducted subject to the terms hereof and the following key milestones:
- a) the Receiver to commence solicitation process – as soon as practicable following the granting of the OTM Sale Process Order;
 - b) the deadline to submit a Qualified Bid – 5:00 p.m. Eastern Time on the date that is twenty-one (21) calendar days following the granting of the OTM Sale Process Order (the “**Qualified Bid Deadline**”);
 - c) the Receiver to select a Successful Bid – by no later than 10:00 a.m. Eastern Time on the date that is three (3) business days following the Qualified Bid Deadline;
 - d) Approval and Vesting Order (as defined below) hearing – by no later ten (10) calendar days following the selection (or deemed selection) of the Successful Bid if the Successful Bid is the Stalking Horse Bid (as defined below) or by no later fourteen (14) calendar days following the selection of the Successful Bid if the Successful Bid is not the Stalking Horse Bid, in each case subject to Court availability; and
 - e) the closing of the Successful Bid as soon thereafter as possible and, in any event, no later than August 31, 2023 or such later date agreed to among the Receiver, KingSett Mortgage Corporation (“**KingSett**”) and the Stalking Horse Purchaser (the “**Outside Date**”).
8. In order to constitute a Qualified Bid, a bid must comply with the following:
- a) it provides consideration that, in the opinion of the Receiver, is superior to the consideration provided for in the Stalking Horse Purchase Agreement, including providing for (i) cash consideration payable on closing in excess of \$14,375,000, plus the amount of \$400,000; and (ii) an assumption of the accrued and unpaid Trade Liabilities and granting a second-lien mortgage in favour of the Assumed Trade Creditors against the On the Mark Real Property securing at least 75% of the assumed Trade Liabilities or other consideration that would result in more favourable treatment of the Trade Liabilities than the assumption of the Trade Liabilities as provided in the Stalking Horse Agreement (the “**Consideration Value**”), and provides a detailed sources schedule that identifies, with specificity, the composition of the Consideration Value and any assumptions that could reduce the net consideration payable including details of any material liabilities that are being assumed or being excluded;
 - b) it provides for treatment of the Optional Purchase Agreements that, in the opinion of the Receiver, is no less favourable than the treatment of the Optional Purchase Agreements under the Stalking Horse Purchase Agreement;

- c) it provides for the closing of the transaction by not later than the Outside Date;
- d) it contains:
 - i. the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s);
 - ii. a purchase agreement duly executed and binding on the bidder;
 - iii. a redline of the purchase agreement to the Stalking Horse Purchase Agreement;
 - iv. evidence of authorization and approval from the bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equityholder(s);
 - v. disclosure of any connections or agreements with On the Mark or any of its affiliates, any known, potential, prospective bidder, or any officer, manager, director, member or known equity security holder of On the Mark or any of their affiliates; and
 - vi. such other information reasonably requested by the Receiver;
- e) it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until closing of the Successful Bid; provided, that if such bid is not selected as the Successful Bid or as the next-highest or otherwise best Qualified Bid as compared to the Successful Bid (such bid, the "**Back-Up Bid**") it shall only remain irrevocable until selection of the Successful Bid;
- f) it provides that the bid will serve as a Back-Up Bid if it is not selected as the Successful Bid and if selected as the Back-Up Bid it will remain irrevocable until the earlier of: (i) closing of the Successful Bid or (ii) closing of the Back-Up Bid;
- g) it provides written evidence of a bidder's ability to fully fund and consummate the transaction (including financing required, if any, prior to the closing of the transaction to finance the proceedings) and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the bidder in connection with the Successful Bid;
- h) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- i) it is not conditional upon:
 - i. approval from the bidder's board of directors (or comparable governing body) or equityholder(s);
 - ii. the outcome of any due diligence by the bidder; or
 - iii. the bidder obtaining financing;
- j) it includes an acknowledgment and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review, investigation and inspection in making its bid; (ii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Receiver and its employees, officers, directors, agents, advisors and other representatives, regarding the proposed transaction, this Sale Process, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents; (iii) is making its bid on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or any of its employees, officers, directors, agents, advisors and other

representatives, except to the extent set forth in the proposed transaction documents; (iv) is bound by this Sale Process and the OTM Sale Process Order; and (v) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with this Sale Process or its bid;

- k) it specifies any regulatory or other third-party approvals the party anticipates would be required to complete the proposed transaction (including the anticipated timing necessary to obtain such approvals);
 - l) it is accompanied by a cash deposit (the “**Deposit**”) by wire transfer of immediately available funds equal to 10% of the Consideration Value, which Deposit shall be retained by the Receiver in a non-interest bearing trust account in accordance with the terms hereof;
 - m) it includes a statement that the bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
 - n) it is received by the Receiver by the Qualified Bid Deadline at the email addresses specified on Schedule “A” hereto.
9. The Qualified Bid Deadline may be extended by the Receiver, with the prior consent of the KingSett and the Stalking Horse Purchaser, or by further order of the Court.
10. The Receiver may, in consultation with Kingsett, waive compliance with any one or more of the requirements specified in Section 8 above and deem a non-compliant bid to be a Qualified Bid, provided that the Receiver shall not waive compliance with the requirements specified in Subsections 8(a), (b), (c), (d), (e), (g), (k), (l) or (n) without the prior written consent of KingSett and the Stalking Horse Purchaser, each acting reasonably.
11. Notwithstanding the requirements specified in Section 8 above, the transaction contemplated by the Stalking Horse Purchase Agreement (the “**Stalking Horse Bid**”), is deemed to be a Qualified Bid.
12. If one or more Qualified Bids (other than the Stalking Horse Bid) have been received by the Receiver on or before the Qualified Bid Deadline, the Receiver will, in consultation with KingSett: (a) review each Qualified Bid, considering the factors set out in Section 8 of this Sale Process including, among other things: (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same; (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in (i) above; (iii) the likelihood of the Qualified Bidder’s ability to close the proposed transaction by no later than the Outside Date (including the consideration of factors such as: the transaction structure and execution risk; conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals); (iv) the likelihood of the Court’s approval of the Qualified Bid; (v) the net benefit to the creditors of

On the Mark; and (vi) any other factors the Receiver, in consultation with KingSett, may reasonably deem relevant; and (b) identify the highest or otherwise best bid received (the “**Successful Bid**” and the bidder making such bid, the “**Successful Bidder**”). If considered appropriate by the Receiver, the Receiver may, but shall not be obligated to select another Qualified Bid as the Back-Up Bid.

13. If by the Qualified Bid Deadline, no Qualified Bid (other than the Stalking Horse Bid) has been received by the Receiver, then the Stalking Horse Bid shall be deemed the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse Purchase Agreement.
14. Following selection of the Successful Bid, the Receiver, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the milestones set out in Section 7. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Receiver, the Receiver shall apply to the Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the Receiver to complete the transactions contemplated thereby, as applicable, and authorizing the Receiver to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the transaction(s) contemplated by such Successful Bid (each, an “**Approval and Vesting Order**”). If the Successful Bid is not consummated in accordance with its terms, the Receiver shall be authorized, but not required, to elect that the Back-Up Bid (if any) is the Successful Bid.
15. If a Successful Bid is selected and an Approval and Vesting Order authorizing the consummation of the transaction contemplated thereunder is granted by the Court, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a bid that is not selected as a Successful Bid will be returned, without interest thereon, to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to the Approval and Vesting Order or such earlier date as may be determined by the Receiver; provided, the Deposit in respect of the Back-Up Bid shall not be returned to the applicable bidder until the closing of the Successful Bid.
16. The Receiver shall be permitted, in its discretion, to provide general updates and information in respect of this Sale Process to any creditor (each a “**Creditor**”) on a confidential basis, upon: (a) the irrevocable confirmation in writing from such Creditor that it will not submit any bid in this Sale Process; and (b) such Creditor executing confidentiality agreements with the Receiver, in form and substance satisfactory to the Receiver.

17. Any amendments to this Sale Process may only be made by the Receiver, or by further order of the Court, provided that the Receiver shall not amend the requirements specified in 8(a), (b), (c), (d), (e), (g), (k), (l) or (n) without the prior written consent of KingSett and the Stalking Horse Purchaser, each acting reasonably.

SCHEDULE "A": E-MAIL ADDRESSES FOR DELIVERY OF BIDS

To the Receiver:

ngoldstein@ksvadvisory.com; mtallat@ksvadvisory.com

With a copy to the counsel for the Receiver:

rjacobs@cassels.com; jbellissimo@cassels.com; jfreeman@cassels.com; ahoy@cassels.com

Appendix “C”

Stalking Horse Break Fee Analysis

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
GreenSpace Brands Inc.	2762454 Ontario Inc.	Ontario	PwC	05-Apr-23	Ontario	Food & Accommodation	150,000	-	150,000	~9 million, plus certain assumed liabilities and other amounts	1.70%	No	
LoyaltyOne Co. (dba AIR MILES®)	BMO	CCA	KSV	10-Mar-23	Ontario	Other	3 million	1 million	4 million	US 160 million	2.50%	No, but available in Motion Record dated March 13, 2023	
11157353 Canada Corporation	ReFlourish Capital Limited	NOI	EY	14-Feb-23	Ontario	Cannabis	20,000	25,000	45,000	400,000 euros	11.25%	No, but available in Application Record dated February 15, 2023	
Trichome Financial Corp.	L5 Capital Inc.	CCA	KSV	12-Dec-22	Ontario	Cannabis	-	200,000	200,000	5,000,000 and certain deferred consideration payable pursuant to secured limited recourse promissory notes	4.00%	No (but available in Third Report dated February 22, 2023)	
Westoak Naturals Inc.	Avena Foods Limited	Receivership	BDO	09-Nov-22	Ontario	Distribution	30,000	25,000	55,000	1,000,000 credit bid plus the costs of the receivership	5.50%	No	
Robus Resources Inc.	Robus Equity Acquisition Corporation, as nominee of Blue Fin Group LLP and Robus Services LLC	Receivership	A&M	08-Dec-22	Alberta	Oil & Gas	182,000		182,000	USD\$9,100,000	2.00%	No	
The Flowr Corporation et al.	1000343100 Ontario Inc.	CCA	EY	31-Oct-22	Ontario	Cannabis	185,000		185,000	\$3,888,888.88 plus the Closing DIP Loan (as defined below) and Assumed Liabilities	4.76%	No	
Solvaqua Inc.	2464525 Alberta Ltd.	Receivership	MNP	01-Oct-22	Alberta	Other	175,000		175,000	A cash payment sufficient to cover various security interests, a CRA claim and a holdback, plus the payment of the balance of the purchase price being \$2.5 million, to be paid by way of set-off against (as a non-cash credit reduction of) the Arnaki Claim.	7.00%	Y	

Stalking Horse Break Fee Analysis

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
Cannapiece Group Inc. et al.	Cardinal Advisory Limited	CCA	BDO	08-Nov-22	Ontario	Cannabis	175,000	25,000	200,000	\$3.5 million cash, plus Assumed Liabilities, if any	5.70%	Yes	
ISS Communications Inc.	Elektrophoenix GmbH	NOI	Grant Thornton	17-Oct-22	Ontario	Technology	USD \$200,000	USD \$200,000	USD \$250,000	USD \$5 million, a portion of which will be comprised of a "credit bid" of amounts owing under the DIP Term Sheet	5.00%	Yes	
Go-To Developments Holdings Inc.	2357616 Ontario Inc.	Receivership	KSV	08-Aug-22	Ontario	Real Estate	-	60,000	60,000	9.5 million or greater	1.00%	No	
Just Energy Group	The DIP lenders and one of their affiliates	CCA	FTI	04-Aug-22	Ontario	Oil & Gas	US\$14.66 million	-	US\$14.66 million	US\$184.9 million in cash, plus up to an additional \$10 million, a credit bid of US\$252.7 million, plus the assumption of certain liabilities	3.40%	No	
Zenabis Group	2657408 Ontario Inc.	CCA	EY	16-Jun-22	Quebec	Cannabis	-	750,000	750,000	Unclear - confidential	Unclear	No	
Freshlocal Solutions Inc.	Third Eye Capital Corporation	CCA	EY	17-Jun-22	British Columbia	Retail	Unclear - confidential	Unclear - confidential	Unclear - confidential	Unclear - confidential	2.50%	No	
Cura-Can Health Corp. and its wholly-owned subsidiary The Clinic Network Canada Inc.	Avonlea-Drewry Holdings Inc.	Receivership	KPMG	14-Mar-22	Alberta	Cannabis	325,000		325,000	Approximately \$6,750,000 of which \$6,500,000 will be credited against the indebtedness owing to the purchaser	4.8	Yes	
BlackRock Metals Inc. et al.	OMF Fund II H Ltd. and Investissement Québec	CCA	Deloitte	22-Dec-21	Quebec	Mining	2.5 million		2.5 million	Credit bid of \$90,759M	2.75	Yes	
Behr Technologies Inc.	13486826 Canada Inc.	NOI	Farber	19-Jan-22	Ontario	Technology	75,000		75,000	Purchase price comprised of a credit bid of \$1,000,000 in debt owing under the DIP Facility plus cash in a to-be-determined amount for priority payables and any assumed contract cure payments plus the assumption of certain liabilities	Unclear	Yes	

Stalking Horse Break Fee Analysis

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
McEwan Enterprises Inc.	2864785 Ontario Corp.	CCA	A&M		Ontario	Food & Accommodation	390,000		390,000	(A) \$2,200,000, plus (B) an amount equal to Cure Costs, plus (C) the assumption of the Assumed Obligations by the Purchaser	Unclear	No	
Junction Craft Brewing Inc.	1000003509 Ontario Limited	NOI	Richter	05-Nov-21	Ontario	Food & Accommodation	50,000	25,000	75,000	400,000 cash plus the assumption of certain liabilities	Unclear	Yes	
Nimbus Water Systems Inc.	2752837 Ontario Inc.	Receivership	BDO	06-Sep-21	Ontario	Professional Services	250,000	50,000	300,000	13,000,000	2.31%	Yes	
Turuss (Canada) Industry Co. Ltd.	Westmount Park Investments Inc.	Receivership	MNP	13-Apr-21	Ontario	Manufacturing	Combined break fee and expense reimbursement amount of \$175,000	Combined break fee and expense reimbursement amount of \$175,000	175,000	6,500,000	2.69%	Yes	
Salt Bush Energy Ltd.	Ironbark Energy Ltd.	NOI	Deloitte	02-Feb-21	Alberta	Oil & Gas	50,000	25,000	75,000	Unclear	Unclear	Yes	
Family Fitness Inc.	BTA Real Estate Group Inc.	Receivership	A&M	15-Jan-21	Saskatchewan	Other	40,000		40,000	800,000 plus the assumption of assumed liabilities	5.00%	Yes	
Avenir Sports Entertainment Limited	Avina Acquisition Corp.	Receivership	KSV	15-Dec-20	Alberta	Entertainment	186,000		186,000	4,650,000	4.00%	Yes	
Urthecast Corp. (TSX:UR)	Antarctica Infrastructure Partners, LLC, an affiliate of Antarctica Capital LLC	CCA	EY	15-Oct-20	British Columbia	Technology	2,070,000	1,000,000	3,070,000	69,000,000	4.45%	No	
110-112 Avenue Road; 114 Avenue Road and 116 Avenue Road	SC Land Inc.	Receivership	RSM	09-Oct-20	Ontario	Financial Services	-	385,000	385,000	16,100,000	2.39%	Yes	

Stalking Horse Break Fee Analysis

Debtor	Purchaser	Proceeding Type	Trustee	APA date	Jurisdiction	Industry	A Termination Fee	B Expense Reimbursement	C = A + B Total Break Fee ("BF")	Estimated Transaction Value ("TV")	BF as a % of TV	APA in Document Library?	Note
Fun and Fitness Trampolines Inc.	2786323 Ontario Inc.	NOI	Crowe Soberman Inc.	26-Oct-20	Ontario	Entertainment	10,000	-	10,000	Purchase price confidential	Unclear - purchase price confidential	Yes	
Muskoka Grown	Arthur Zwingenberger, in trust for a corporation to be formed under the laws of the Province of Ontario, and 2685164 Ontario Inc.	NOI	Farber	27-Jul-20	Ontario	Cannabis	-	113,000	113,000	11,961,394	<1%	Yes	
Wire IE (Canada) Inc.	Crown Capital Private Credit Fund, LP	NOI	Farber	20-Jul-20	Ontario	Technology	-	200,000	200,000	\$9.5 million plus the assumption or satisfaction of certain liabilities	-%		
Bow River Energy Ltd.	2270943 Alberta Ltd.	CCAA	BDO	17-Jul-20	Alberta	Oil & Gas	175,000	-	175,000	4,290,221	4.08%	Y	
Dominion Diamond Mines	Washington Diamond Investments Holdings II, LLC	CCAA	FTI	21-May-20	Alberta	Mining	US\$2,522,000	US\$2,250,000	4,772,000	US\$126.1 million in cash, plus up to US\$5.0 million in respect of any incremental amounts outstanding, plus the assumption of certain liabilities	2.0%	N	
Penady (Barrie) Ltd.	Choice Properties Limited Partnership	Receivership	RSM	02-Jun-20	Ontario	Real Estate	-	400,000	400,000	Unclear - credit bid	Unclear	Y (unsigned copy)	
James E. Wagner Cultivation Corporation	Trichome Financial Corp.	CCAA	KSV	31-Mar-20	Ontario	Cannabis	-	100,000	100,000	11,700,000	0.9%	Y	
Traverse Energy Ltd.	Barrel Oil Corp.	Receivership	EY	05-Feb-20	Alberta	Oil & Gas	97,500	-	97,500	3,250,000	3.0%	Y	
Viafoura Inc.	Intercep Equity Inc.	NOI	KSV	22-Jan-20	Ontario	Technology	25,000	45,000	70,000	1,491,000	4.7%	Y	