



**First Report of
KSV Kofman Inc.
as Receiver of Certain Property of
Textbook (445 Princess Street) Inc.**

April 13, 2018

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COURT FILE NO. CV-17-589078-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

KINGSETT MORTGAGE CORPORATION

APPLICANT

- AND -

TEXTBOOK (445 PRINCESS STREET) INC.

RESPONDENT

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

APRIL 13, 2018

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") as receiver and manager ("Receiver") of certain real property municipally described as 429 and 445 Princess Street, Kingston, Ontario (the "Real Property"), which Real Property is registered on title as being owned by Textbook (445 Princess Street) Inc. (the "Company"), and of all of assets, undertakings and properties acquired for or used in relation to the Real Property (together with the Real Property, the "Property").
2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on January 9, 2018 (the "Receivership Order"), KSV was appointed as the Receiver of the Property.
3. The primary purpose of these proceedings is to conduct a sale process for the Property under the supervision of the Court-appointed Receiver ("Sale Process").

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information on the receivership proceedings;
 - b) summarize the results of the Sale Process;

- c) summarize a proposed transaction (the “Transaction”) with 1975919 Ontario Inc. (the “Purchaser”), a newly incorporated affiliate of Goldmanco Inc. (“Goldmanco”), for the sale of the Purchased Assets (as described below) pursuant to an Agreement of Purchase and Sale dated April 6, 2018 between the Receiver and the Purchaser (the “APS”);
- d) recommend the Court issue an order:
 - i. approving the Transaction;
 - ii. vesting title in and to the Purchased Assets in the Purchaser free and clear of all liens, claims and encumbrances, except the Permitted Encumbrances (as defined in the APS), upon filing a certificate confirming, among other things, completion of the Transaction;
 - iii. following the completion of the Transaction, authorizing and directing the Receiver to make one or more distributions to KingSett Mortgage Corporation (“KingSett”) to repay up to the full amount owing to KingSett under its mortgage on the Real Property;
 - iv. sealing the confidential appendices to this Report until further order of the Court;
 - v. approving the Receiver’s activities, as described in this Report and in the report of KSV as Proposed Receiver dated January 5, 2018 (the “Pre-Filing Report”);
 - vi. approving this Report and the Pre-Filing Report; and
 - vii. approving the fees and disbursements of the Receiver and its legal counsel, Bennett Jones LLP (“Bennett Jones”), from the commencement of these proceedings to March 31, 2018.

1.2 Currency

1. All currency references in this Report are in Canadian dollars.

2.0 Background

1. The Company purchased the Real Property in July, 2016 for \$9.3 million.
2. Shoppers Drug Mart (“Shoppers”) operates a store on the Real Property. It is the sole tenant. The Shoppers’ lease (the “Lease”) expires in December, 2020. Shoppers has four five-year options to extend the Lease at pre-determined rental rates. The base rent paid by Shoppers is approximately \$36,000 per month. Shoppers is also required under the Lease to pay property taxes, insurance and maintenance expenses.
3. The Company’s officers and directors are John Davies (“Davies”) and Walter Thompson (“Thompson”).

4. The Company intended to develop a 33-floor student housing residence on the Real Property, with a Shoppers' store, office space and amenity area located on the first three levels. The Receiver believes the Company's project was unlikely to be approved by the City of Kingston as the maximum zoning permitted on the Real Property by the City of Kingston is ten storeys. Moreover, the long-term lease with Shoppers would complicate any redevelopment.

2.1 Secured Creditors

KingSett Mortgage Corporation

1. KingSett has a mortgage on the Real Property in the amount of \$7 million, plus interest and fees. The KingSett mortgage was used to finance a portion of the purchase price of the Real Property. The total amount owing to KingSett as at the date of this Report is approximately \$7.2 million.

445 Trustee and the Davies Developers' Proceedings

1. The Company is also indebted to Textbook Student Suites (445 Princess Street) Trustee Corporation (the "445 Trustee") in the amount of approximately \$8.4 million. The 445 Trustee and Olympia Trust Company¹ have a mortgage registered on title to the Real Property.
2. Pursuant to an order of the Court dated October 27, 2016, Grant Thornton Limited was appointed Trustee ("Trustee") of eleven entities², including the 445 Trustee, which raised monies from investors ("Investors") through syndicated mortgage investments (collectively, the "Trustee Corporations"). Eight of the Trustee Corporations then advanced these monies on a secured basis pursuant to loan agreements between a Trustee Corporation and eleven entities (the "Davies Developers"), including the Company.
3. On January 24, 2017, the Court made an order appointing Chaitons LLP as representative counsel to the Investors ("Representative Counsel").
4. Davies and/or Thompson are the sole directors and officers of the Davies Developers.
5. KSV was appointed receiver of certain property of Scollard Development Corporation, one of the Davies Developers, on February 2, 2017 (the "Scollard Receivership Date"). Since that time, KSV has been appointed the receiver of the real property and property related to the real property of seven additional Davies Developers.³

¹ This mortgage is a syndicated mortgage investment. Individuals who hold their mortgage investment in a Registered Retirement Savings Plan have a mortgage with Olympia Trust instead of the 445 Trustee.

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

³ Memory Care Investments (Kitchener) Ltd., Memory Care Investments (Oakville) Ltd., 1703858 Ontario Inc., Legacy Lane Investments Ltd., Textbook (555 Princess Street) Inc., Textbook (525 Princess Street) Inc. and the Company.

6. The Davies Developers are developers of student residences, accommodations for people suffering from various forms of cognitive impairment and low-rise condominiums. All but one of the Davies Developers' projects (the "Projects") were in pre-construction on the Scollard Receivership Date.⁴
7. The funds advanced from the Trustee Corporations to the Davies Developers were to be used to purchase real property and to pay the soft costs associated with the development of the Projects.
8. KSV, in its capacity as receiver, is investigating transactions involving the Davies Developers, including the use by the Davies Developers of the monies advanced to them through the Trustee Corporations.
9. A Schedule of Receipts and Disbursements for the Company is provided below.

(\$000s; unaudited)	Amount
Receipts	
Syndicated mortgage proceeds	8,396
KingSett	7,000
Rental income	324
Affiliated entities	58
Other	51
	15,829
Disbursements	
Land	9,066
Payments to shareholders	2,121
Affiliated entities	1,745
Broker and referral fees	1,427
Interest to 445 Trustee	672
Professional fees	471
Interest paid to KingSett	293
Other	18
Development costs	16
	15,829
Ending bank balance	-

10. The table reflects that of the approximately \$15.8 million in receipts:
 - Approximately \$2.1 million was paid to shareholders and entities and individuals related to shareholders of Company;
 - approximately \$1.75 million was advanced to affiliated entities;
 - approximately \$1.4 million was paid to brokers and in referral fees in connection with the syndicated mortgage investments; and

⁴ Footings and foundations have been laid down at one of the Davies Developers' Burlington project.

- approximately \$16,000 was spent on development costs (0.01% of total receipts). The development activities performed by the Company mainly related to obtaining a Phase One Environmental Assessment and conducting site servicing activities.
11. Based on its findings in the investigation, KSV has filed a statement of claim against, among others, Davies and Aeolian Investments Ltd. (“Aeolian”) alleging, among other things, fraud, breach of fiduciary duty and negligence. Aeolian is owned by Davies’ wife and his children. Aeolian’s sole director and officer is Davies. Aeolian is a direct or an indirect shareholder of each of the Davies Developers.
 12. Further information regarding the Davies Developers’ receiverships is provided in the prior reports of the Receiver, copies of which are available on the Receiver’s website at: <http://www.ksvadvisory.com/insolvency-cases/scollard-development-corporation/>.

3.0 Sales Process

3.1 Sale Process Overview

1. The Receivership Order (attached as Appendix “A”) approved the Sale Process, including the retention of Jones Lang LaSalle Incorporated (“JLL”) as the listing agent for the Property. A summary of the Sale Process is as follows:

Pre-marketing Phase

- a) Following the issuance of the Receivership Order, the Receiver and JLL assembled information to be used by interested parties for due diligence purposes;
- b) JLL and/or the Receiver prepared:
 - a marketing “postcard” and an investment summary detailing the opportunity (the “Investment Summary”);
 - a confidentiality agreement (“CA”);
 - a virtual data room, which contained, *inter alia*, various reports and other information concerning the development, such as a Phase 2 environmental report prepared in contemplation of these proceedings, and a summary of the Company’s development plan;
 - a form of asset purchase agreement which the Receiver recommended interested parties use when submitting an offer - a copy of this document was made available in the virtual data room; and
 - a Confidential Information Memorandum (“CIM”), which included a summary of the Property and details concerning the Sale Process. The CIM advised purchasers that offers with limited conditions or no conditions were preferred.

Marketing Phase

- a) In order to obtain values both on an “as is” basis and a re-development basis, the Receiver instructed JLL to market the Property to both investors and developers;
- b) On February 5, 2018, JLL sent the postcard to over 3,000 investors and developers in its database;
- c) On February 7, 2018, and again on March 8, 2018, JLL emailed the Investment Summary to investors and developers in its database;
- d) The CA was attached to the Investment Summary. Interested parties were required to sign the CA in order to obtain a copy of the CIM and access to the data room;
- e) The Property was advertised on February 15 and 20, 2018 in the national edition of *The Globe and Mail* newspaper;

Bid Deadline

- a) The Sale Process approved as part of the Receivership Order did not set a deadline for submitting offers as the Receiver believed that it would be appropriate to canvass the market and gauge feedback from interested parties prior to setting the deadline;
- b) Throughout the process, JLL provided the Receiver with weekly written summaries of its marketing efforts and feedback concerning the process. At the end of February, 2018, the Receiver and JLL, in consultation with KingSett, determined there was a sufficient amount of interest in the Property to set a bid date. To maximize the number of offers, the bid date was set on March 28, 2018, after the March Break holiday (the “Bid Deadline”);
- c) On March 8 and again on March 22, 2018, JLL advised all parties of the Bid Deadline. To facilitate comparison of the offers received, all parties were also encouraged to submit offers in the form of the asset purchase agreement provided in the data room, and to blackline any changes made to that agreement.

3.2 Sale Process Results

1. A summary of the results of the Sale Process is as follows:
 - 55 parties executed the CA, were provided a copy of the CIM and given access to the data room; and
 - six parties submitted offers.
2. The Receiver invited the three parties with the best offers to participate in a second round of bidding. Second round bids were due on April 4, 2018 (the “Second Round Deadline”). Two of the parties resubmitted offers and the third left its original offer open for acceptance.

3. A summary of the offers received in each round of bidding is provided in Confidential Appendix “1” (the “Offer Summary”). The Receiver’s rationale for requesting that the Offer Summary be sealed is provided in Section 4.1 below.
4. After the second-round offers were submitted, the Receiver engaged in discussions with the Purchaser. The APS was executed on April 6, 2018 and is subject only to Court approval.
5. The Receiver understands that the Purchaser and/or its affiliates own a portfolio of commercial properties across Ontario, including several properties where Shoppers is a tenant.

4.0 Transaction⁵

1. A summary of the Transaction is as follows:
 - **Purchaser:** 1975919 Ontario Inc., an affiliate of Goldmanco;
 - **Purchased Assets:** all of the Receiver’s and the Company’s right, title and interest in the following:
 - (i) prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Real Property;
 - (ii) the Real Property;
 - (iii) the Assumed Contracts and the Lease; and
 - (iv) all intellectual property, if any, owned by the Company with respect to the development that was proposed to be completed;
 - **Purchase Price:** the Receiver recommends that the Purchase Price be sealed;
 - **Deposit:** the Purchaser has paid a deposit representing 15% of the purchase price;
 - **Excluded Assets:** all of the Receiver’s and the Company’s right, title and interest to all assets of the Company that are not Purchased Assets, including (i) books and records that do not exclusively or primarily relate to any of the Purchased Assets; (ii) tax refunds for the period prior to the Closing Date; and (iii) the Terminated Contracts;
 - **Representation and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties;
 - **Closing:** the first business day which is 5 days after the issuance of the Approval and Vesting Order (“AVO”), provided no party has appealed the AVO;

⁵ Terms not defined in this section have the meaning provided to them in the APS.

- **Material Conditions:**
 - (i) there shall be no order issued by a Governmental Authority against either the Company or the Purchaser or involving the Purchased Assets that prevents completion of the Transaction;
 - (ii) there shall be no new work orders or similar orders and no new Encumbrances registered on title to the Real Property or affecting title to the Real Property arising or registered after the date of the APS which cannot be vested out pursuant to the AVO;
 - (iii) there shall be no new environmental issue that causes a material adverse effect on the Real Property and there should not be any other material adverse change to the condition or operation of the Real Property; and
 - (iv) the Court shall have issued the AVO.
 - **Closing Deliverable:** The Receiver must deliver to the Purchaser an Assignment and Assumption of the Lease, together with an acknowledgement executed by Shoppers confirming the terms of the Lease are the same as provided to the Purchaser prior to the execution of the APS and that the Lease is in good standing without any default;
 - **Termination:** the APS can be terminated:
 - (i) upon mutual written agreement of the Receiver and the Purchaser;
 - (ii) if any of the conditions in favour of the Purchaser or Receiver are not waived or satisfied; and
 - (iii) if prior to closing: (a) the Purchased Assets are substantially damaged or destroyed. Substantial damage is deemed to have occurred if the loss or damage to the Purchased Assets exceeds 15% of the Purchase Price; or b) all or a material part of the Real Property is expropriated by a Governmental Authority.
2. A redacted version of the APS is attached as Appendix “B”. An unredacted version of the APS is provided in Confidential Appendix “2”.

4.1 Confidentiality

1. The Receiver respectfully requests that the Offer Summary and the unredacted APS be filed with the Court on a confidential basis and be sealed (“Sealing Order”) as the documents contain confidential information, including the purchase price. If the financial terms of the APS and the Offer Summary are not sealed, the information may negatively impact realizations on the Purchased Assets if the Transaction does not close. The Receiver is not aware of any party that will be prejudiced if the information is sealed. Accordingly, the Receiver believes the proposed Sealing Order is appropriate in the circumstances.

4.2 Recommendation

1. For the following reasons, the Receiver recommends that the Court issue an order approving the Transaction and vesting title to the Purchased Assets in the Purchaser:
 - a) the Sale Process was conducted in accordance with the terms of the Receivership Order, which approved the Sale Process;
 - b) the value of the Transaction represents the highest and best offer received;
 - c) the market was widely canvassed using several techniques, including direct solicitation of investors and developers by JLL and a newspaper advertisement in a national publication;
 - d) JLL is of the view that the Transaction is the best available in these circumstances;
 - e) absent the Transaction, a protracted marketing period will be necessary. The ongoing professional fees and other costs will erode the proceeds available for distribution with no certainty that a superior transaction could be completed;
 - f) KingSett, the principal secured creditor of the Company, has consented to the Transaction; and
 - g) the Trustee and Representative Counsel have been advised of the Transaction and neither has advised the Receiver that it opposes the Transaction.

5.0 Distribution

5.1 Proposed Distribution

1. Prior to the receivership, KSV's counsel, Bennett Jones, prepared an opinion on the validity and enforceability of KingSett's security. The opinion provides that, subject to the standard assumptions and qualifications contained therein, KingSett holds a valid and perfected security interest in the Company's business and assets as set out in its security documents, and that KingSett's mortgage with respect to the Real Property constitutes a valid and enforceable charge. A copy of the security opinion will be made available to the Court should it wish to review it.
2. Other than the Receiver's Charge, the Receiver is not aware of any claim that may rank in priority to KingSett.
3. The Receiver is seeking the Court's authority to make a distribution upon closing of the Transaction to repay to KingSett up to the full amount owing to KingSett under its mortgage on the Real Property.
4. The Receiver is not seeking its discharge at this time due to the ongoing litigation against Davies and Aeolian, among others.

6.0 Professional Fees

1. The fees (excluding disbursements and HST) of the Receiver and Bennett Jones from the commencement of the proceedings to March 31, 2018 total \$55,838.50 and \$20,620.50, respectively. Detailed invoices are provided in affidavits filed by representatives of the Receiver and Bennett Jones which are provided in Appendices "C" and "D", respectively.
2. The average hourly rate for the Receiver and Bennett Jones for the referenced billing period was \$544.13 and \$545.52, respectively.
3. The Receiver is of the view that the hourly rates charged by Bennett Jones are consistent with the rates charged by downtown Toronto law firms practicing in the area of insolvency and restructuring, and that the fees charged are reasonable in the circumstances.

7.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.
IN ITS CAPACITY AS RECEIVER OF CERTAIN PROPERTY OF
TEXTBOOK (445 PRINCESS STREET) INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**



THE HONOURABLE

MR. JUSTICE HAINEY

BETWEEN:

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TUESDAY, THE 9TH

DAY OF JANUARY, 2018

KINGSETT MORTGAGE CORPORATION

Applicant

and

TEXTBOOK (445 PRINCESS STREET) INC.

Respondent

IN THE MATTER OF THE RECEIVERSHIP OF
TEXTBOOK (445 PRINCESS STREET) INC.

AND 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 the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing KSV Kofman Inc. (“**KSV**”) as receiver and manager (in such capacity, the “**Receiver**”) without security, of the real property known as 429 and 445 Princess Street, Kingston, Ontario, (collectively, the “**Real Property**”) the legal description of which is further set out in **Schedule “A”** to this Order, and all other property, assets and undertakings of Textbook (445 Princess Street) Inc. (“**Textbook**

445 Princess” or the **“Debtor”**) acquired for, or used in relation to the Real Property (the **“Property”**), was heard this day at 330 University Avenue, 8th Floor, Toronto, Ontario.

ON READING the Affidavit of Daniel Pollack, sworn January 3, 2018, and the Exhibits thereto, the Pre-Filing Report of KSV dated January 5, 2018 (the **“Pre-Filing Report”**), and on hearing the submissions of counsel for the Applicant and Counsel for KSV, no one else appearing although duly served as appears from the Affidavit of Service of Helen Osijczuk-Pawlyk sworn January 5, 2018, and on reading the Consent of KSV to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV is hereby appointed Receiver, without security, of the Property, including all proceeds thereof.

RECEIVER’S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons (each a “**Consultant**”) from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (d) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets as the Receiver deems reasonably necessary in order to carry out the powers conferred on the Receiver in this Order;
- (e) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor with respect to the Property, including, without limitation, rent owing to the Debtor from the Property and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor, including, as may be necessary, to collect funds currently or hereafter in the hands of the Debtor or any Person (as defined below) related thereto;
- (f) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver’s name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

- (g) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (h) in accordance with paragraphs 28 to 0 herein, to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (i) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, with the approval of this Court, and in each such case notice under subsection 63(4) of the *Ontario Personal Property Security Act*, or section 31 of the *Ontario Mortgages Act*, as the case may be, shall not be required.
- (j) 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;
- (k) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate, on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (l) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (m) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any Property owned or leased by the Debtor;
and
- (o) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors (including Walter Thompson and John Davies), officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or

control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

9. THIS COURT ORDERS that no party, other than the Receiver or its Consultants shall advertise, market for sale or sell all or any part of the Property, without the written consent of the Receiver and the Applicant, or further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the

Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor’s behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

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

LIMITATION ON THE RECEIVER’S LIABILITY

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

RECEIVER’S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver's Charge**”) on the Property, limited to the amount of \$300,000, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7),

81.4(4), and 81.6(2) of the BIA. With respect to any amounts in excess of \$300,000, the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a further charge (the “**Subordinated Receiver's Charge**”) on the Property as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and the Subordinated Receiver's Charge shall form a charge on the Property immediately subordinate to the security in favour of the Applicant, but in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person ranking subordinate to the security in favour of the Applicant.

18. THIS COURT ORDERS that, if requested by the Court, the Applicant or any other interested party, the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a Judge of the Commercial List of the Ontario Superior Court of Justice.

19. 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

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000 (or such greater amount as this Court may by further Order authorize) (the “**Authorized Sum**”) at

any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that the Receiver be at liberty and is hereby empowered to borrow the Authorized Sum from the Applicant by way of the Commitment Letter (as described in the Pre-Filing Report) (the “**Identified Borrowings**”) which Identified Borrowings shall benefit from the Receiver's Borrowings Charge on the same terms and conditions as provided in paragraph 21 of this Order, and which Commitment Letter and the terms and conditions thereof be and are hereby approved by this Court.

22. THIS COURT ORDERS that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court; however, the Applicant shall be entitled but not obligated to register the Receiver's Borrowings Charge on title to the Real Property.

23. 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.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof, up to the principal amount of \$200,000, shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates, and any additional monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis but immediately subordinate to the borrowings in favour of the Applicant under those Receiver's Certificates, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates..

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: "<http://ksvadvisory.com/insolvency-cases/textbook-445-princess-street-inc/>".


26. THIS COURT ORDERS that the Applicant, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List

from time to time, and the Receiver shall post a copy of all such materials on its website at the URL listed in paragraph 25 above.

ENGAGEMENT OF ENVIRONMENTAL CONSULTANT AND LISTING AGENT

27. THIS COURT ORDERS that the Receiver is hereby authorized to engage Pinchin Inc. (“**Pinchin**”) to carry out and perform an environmental phase two assessment of the Real Property.

28. THIS COURT ORDERS ^{the} that Listing Agreement ~~dated January __, 2018,~~ ^{in substantially form and substance} between the Receiver and Jones Lang LaSalle (“JLL”), attached as **Appendix “B”** to the Pre-Filing Report (the “**Listing Agreement**”) is hereby approved, and the Receiver and JLL are hereby authorized to carry out and perform their respective obligations under the Listing Agreement (including payment of the amounts due to be paid to JLL pursuant to the terms of the Listing Agreement).



APPROVAL OF SALE PROCESS

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

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

31. THIS COURT ORDERS that the Receiver and its affiliates, partners, directors, employees, agents, counsel and controlling person shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from the

gross negligence or willful misconduct of such party in performing its obligations under the Sale Process (as determined by this Court).

PIPEDA

32. THIS COURT ORDERS that, in connection with the Sale Process and pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver and JLL are authorized and permitted to 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 (i) return all such information to the Receiver or JLL, as applicable; (ii) destroy all such information; or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver or JLL, as applicable, or ensure that all other personal information is destroyed.

GENERAL

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 the Debtor.

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

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

A handwritten signature in blue ink, appearing to read "Hainey J.", is written over a horizontal line.

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

JAN 09 2018

PER / PAR:

Handwritten initials in blue ink, appearing to be "ml".

SCHEDULE "A"

LEGAL DESCRIPTION OF THE REAL PROPERTY

PIN: 36071-0211 (LT)

Address: 429 Princess Street, Kingston, Ontario

PIN: 36071-0209 (LT)

Address: 445 Princess Street, Kingston, Ontario

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Kofman Inc., the receiver and manager (the "Receiver") of certain real property registered on title as being owned by Textbook (445 Princess Street) Inc. (the "Debtor") and that is listed on Schedule "A" hereto (collectively, the "Real Property") and of all the assets, undertakings and properties of the Debtor acquired for or used in relation to the Real Property (together with the Real Property, the "Property"), appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 9th day of January, 2018 (the "Order") made in an action having Court file number CV-17-589078-00CL, 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 \$200,000 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of 11.5 per cent per annum.

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

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

4. 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.

5. 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.

6. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____, day of _____, 20__.

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

Per: _____

Name:

Title:

SCHEDULE "A" TO THE RECEIVER'S CERTIFICATE

LEGAL DESCRIPTION OF THE REAL PROPERTY

PIN: 36071-0211 (LT)

Address: 429 Princess Street, Kingston, Ontario

PIN: 36071-0209 (LT)

Address: 445 Princess Street, Kingston, Ontario

KINGSETT MORTGAGE CORPORATION
Applicant

-and-

TEXTBOOK (445 PRINCESS STREET) INC.
Respondent

Court File No. CV-17-589078-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(APPOINTING RECEIVER)**

LAX O'SULLIVAN LISUS GOTTLIEB LLP
Counsel

Suite 2750, 145 King Street West
Toronto ON M5H 1J8

Matthew P. Gottlieb LSUC#: 32268B
mgottlieb@counsel-toronto.com
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Andrew Winton LSUC#: 544731
awinton@counsel-toronto.com
Tel: 416 644 5342

Fax: 416 598 3730

Lawyers for the Applicant

Appendix “B”

AGREEMENT OF PURCHASE AND SALE

BETWEEN

KSV KOFMAN INC.,
in its capacity as court-appointed receiver and manager
of the real property known as 429 and 445 Princess Street, Kingston, Ontario and all other
property, assets and undertakings of Textbook (445 Princess Street) Inc. related thereto, and not
in its personal capacity or in any other capacity

- and -

1975919 ONTARIO INC.

Dated: April 6, 2018

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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this 6 day of April, 2018.

BETWEEN:

KSV KOFMAN INC., in its capacity as court-appointed receiver, and manager of the real property known as 429 and 445 Princess Street, Kingston, Ontario and all other property, assets and undertakings of Textbook (445 Princess Street) Inc. related thereto, and not in its personal capacity or in any other capacity

(in such capacity, the "Receiver")

- and -

1975919 ONTARIO INC., a company incorporated in accordance with the laws of the Province of Ontario

(the "Purchaser")

RECITALS

- A. **WHEREAS** pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on January 9, 2018 (the "Receivership Order"), the Receiver was appointed as the court-appointed receiver and manager of all of the lands and premises municipally described as 429 and 445 Princess Street, Kingston, Ontario (collectively, the "Lands") and all of the present and after-acquired assets, undertaking and properties of Textbook (445) Princess Street Inc. (the "Debtor") related thereto (collectively, together with the Lands, the "Property");
- B. **AND WHEREAS** pursuant to the Receivership Order the Receiver was authorized to, among other things, market the Purchased Assets and apply for an order of the Court approving the sale of the Purchased Assets and vesting in and to a purchaser all the Debtor's right, title and interest in and to the Purchased Assets;
- C. **AND WHEREAS** pursuant to the Receivership Order a sales process was approved by the Court and implemented by the Receiver;
- D. **AND WHEREAS** the Purchaser wishes to purchase and the Receiver wishes to sell the Purchased Assets upon the terms and subject to the conditions set out herein;

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

ARTICLE 1
DEFINED TERMS

1.1 Definitions

In this Agreement:

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

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

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

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

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

"Assignment and Assumption of the Assumed Contracts" means an agreement pursuant to which the Receiver will assign to the Purchaser all of the Receiver's and the Debtor's right, title and interest in and to the Assumed Contracts and the Purchaser will assume the ongoing obligations of the Debtor arising under the Assumed Contracts from and after the Closing, such agreement to be in form agreed upon by the Receiver and Purchaser, each acting reasonably and in good faith, on or before the Closing Date;

"Assignment and Assumption of the Lease" means an agreement pursuant to which the Receiver will assign to the Purchaser all of the Receiver's and the Debtor's right, title and interest in and to the Lease and the Purchaser will assume the ongoing obligations of the Debtor arising under the Lease from and after the Closing, such agreement to be in form agreed upon by the Receiver and Purchaser, each acting reasonably and in good faith, on or before the Closing Date;

"Assumed Contracts" means those Contracts set out in Schedule "D" attached hereto (save and except those that, by written notice to the Receiver on or before the Contract Selection Date, the

Purchaser has elected to not assume on Closing (the "Terminated Contracts"), it being acknowledged that all Terminated Contracts will become part of the Excluded Assets;

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

"Building" means, collectively, the building, fixtures and other improvements situated on the Lands, excluding any and all fixtures, equipment and chattels of the Tenant which, in accordance with the Lease, may be removed by the Tenant in accordance with the Lease;

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

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

"Closing" means the successful completion of the Transaction;

"Closing Date" means the first Business Day which is five (5) Business Days after receipt of the Approval and Vesting Order;

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

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

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

"Contract Selection Date" means the date which is five (5) Business Days after the Acceptance Date;

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

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

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

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

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

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

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

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

"Fixtures" means all existing fixtures of every nature and kind which are incorporated in the Building and shall include, without limitation:

- (a) heating, ventilating, air-conditioning, plumbing, electrical, sprinkler, drainage, elevating and incinerating systems;
- (b) carpets and other installed floor coverings;
- (c) blinds and other window coverings; and
- (d) electric light fixtures.

For certainty, Fixtures shall not include any furniture, chattels or other moveable equipment or other tangible personal property owned by the Tenant or leased by the Receiver or the Debtor and incorporated in, situated upon and/or used in connection with the Lands and/or the Building, none of which are included in the Transaction:

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

policy, regulatory or taxing authority or power, and "Governmental Authority" means any one of them;

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

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

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

"Lease" means collectively (i) the existing lease dated December 3, 1990 between Globular Drugs Ltd. (the "Landlord"), as landlord, Imasco R.I. Inc. (the "Original Tenant"), as tenant, and Shoppers Drug Mart ("Shoppers"), a division of Imasco Retail Inc., as guarantor, as amended by a lease amending agreement dated July 30, 1998 between the Landlord and the Original Tenant (which changed its name to Shoppers Realty Inc. (the "Tenant") by Articles of Amendment effective of January 25, 2000), as further amended by a lease renewal and amending agreement dated November 6, 2010 between the Landlord and the Tenant; and (ii) the existing lease dated November 16, 2010 between the Landlord, as landlord, the Tenant, as tenant, and Shoppers, as guarantor;

"LRO" means the Land Registry Office for the Land Titles Division of Frontenac (No. 13);

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

"Parties" means the Receiver and the Purchaser;

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

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

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

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

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

- (a) the full benefit of all prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Real Property;
- (b) the Real Property;
- (c) the Assumed Contracts and the Lease; and
- (d) all intellectual property, if any, owned by the Debtor with respect to the development to be completed on the Lands,

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

"Purchaser" means 1975919 Ontario Inc.;

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

"Real Property" means collectively the Lands, the Building and the Fixtures;

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

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

"Receiver's Solicitors" means Bennett Jones LLP;

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

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

"Tenant" means all persons having a right to occupy any rentable area of the Building pursuant to the Lease;

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

ARTICLE 2 **SCHEDULES**

2.1 Schedules

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

<u>Schedule</u>	<u>Description</u>
Schedule A	Approval and Vesting Order
Schedule B	Permitted Encumbrances
Schedule C	Legal Description of Lands
Schedule D	List of Assumed Contracts

ARTICLE 3
AGREEMENT TO PURCHASE

3.1 Purchase and Sale of Purchased Assets

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

The provisions of this Section 3.1 shall not merge but shall survive the completion of the Transaction. Notwithstanding the forgoing, nothing herein shall prohibit the Receiver, in its sole, absolute and unfettered discretion, from seeking to be

discharged as receiver of the Debtor at any time after Closing. The parties hereto hereby acknowledge and agree that the covenants of the Receiver contained in this Section 3.1 shall terminate concurrently with the discharge of the Receiver as receiver of the Debtor.

3.2 Excluded Assets

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

3.3 Excluded Liabilities

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

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

ARTICLE 4 PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price

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

4.2 Deposit

Within two (2) Business Days after the Acceptance Date, the Purchaser shall pay to the Receiver's Solicitors, in trust, a deposit by wire or certified cheque of [REDACTED] dollars (the "Deposit"), which Deposit shall be held in accordance with the provisions of this Agreement pending completion or other termination of this Agreement and shall be applied against and towards the Purchase Price due on completion of the Transaction on the Closing Date.

4.3 Satisfaction of Purchase Price

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

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

4.4 Allocation of Purchase Price

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

4.5 Adjustment of Purchase Price

- (a) The Purchase Price shall be adjusted as of the Closing Time for all operating costs, realty taxes, local improvement rates and charges, water and assessment rates, current rents, prepaid rents and interest thereon (if any), security deposits and interest thereon (if any), current expense and operation recoveries from Tenants, utility deposits, amounts prepaid or payable under the Assumed Contracts and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a receivership sale. The Receiver shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval no later than five (5) Business Days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably, and such estimate shall serve as a final determination. Notwithstanding any other term in this Agreement, in no event shall the Purchaser be responsible for any charges, fees, Taxes, costs or other adjustments in any way relating to the period prior to the Closing Date or relating to the Excluded Liabilities or to any

matters or assets other than the Purchased Assets for the period from and after the Closing Date.

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

ARTICLE 5 **TAXES**

5.1 Taxes

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

ARTICLE 6 **ACCESS AND CONFIDENTIALITY**

6.1 Confidentiality

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

6.2 Authorizations

Upon request, the Receiver shall provide the Purchaser with authorizations executed by the Receiver and addressed to the appropriate municipal Buildings department, zoning department and fire department and to any other Governmental Authority, authorizing the release of any and all information on file in respect of the Purchased Assets, but such authorization shall not authorize any inspections by any Governmental Authority.

ARTICLE 7

CLOSING ARRANGEMENTS

7.1 Closing

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

7.2 Tender

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

7.3 Receiver's Closing Deliverables

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

- (a) a copy of the issued and entered Approval and Vesting Order and the attached Receiver's Certificate;
- (b) a statement of adjustments prepared in accordance with Section 4.5 hereof, to be delivered not less than five (5) Business Days prior to Closing;
- (c) the Assignment and Assumption of the Assumed Contracts and to the extent not assignable, an agreement that the Receiver will hold same in trust for the Purchaser in accordance with the provisions of Section 3.1(c);
- (d) the Assignment and Assumption of the Lease, together with an acknowledgement executed by the Tenant, in the Tenant's standard form, confirming the terms of the Lease are the same as provided to the Purchaser prior to execution of this agreement and that the Lease is in good standing without any default by the landlord or Tenant thereunder;
- (e) a certificate signed by a senior officer of the Receiver confirming that the Receiver is not a non-resident of Canada within the meaning of section 116 of the ITA and

that, to the best of the Receiver's knowledge, the Debtor is not a non-resident of Canada within the meaning of the said section 116;

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

7.4 Purchaser's Closing Deliverables

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

- (a) the indefeasible payment and satisfaction in full of the Purchase Price according to Section 4.3 hereof;
- (b) the Assignment and Assumption of the Assumed Contracts and to the extent not assignable, an agreement that the Receiver will hold same in trust for the Purchaser in accordance with the provisions of Section 3.1(c);
- (c) the Assignment and Assumption of the Lease;
- (d) a certificate from the Purchaser, dated as of the Closing Date, certifying that all representations, warranties and covenants of the Purchaser contained in Article 10 are true as of the Closing Time, with the same effect as though made on and as of the Closing Time;
- (e) if necessary, payment or evidence of payment of HST applicable to the Purchased Assets or, if applicable, appropriate tax exemption certificates with respect to HST in accordance with Article 5 hereof;

- (f) if desired, a direction directing the Receiver to convey title to any of the Purchased Assets to an entity other than the Purchaser; and
- (g) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Receiver, acting reasonably, or by Applicable Law or any Governmental Authority.

7.5 Receiver's Certificate

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

ARTICLE 8 **CONDITIONS PRECEDENT TO CLOSING**

8.1 Conditions in Favour of the Receiver

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

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

8.2 Conditions in Favour of Receiver Not Fulfilled

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

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

8.3 Conditions in Favour of the Purchaser

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

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

8.4 Conditions in Favour of Purchaser Not Fulfilled

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

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

ARTICLE 9
REPRESENTATIONS & WARRANTIES OF THE RECEIVER

9.1 Representations & Warranties of the Receiver

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

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

ARTICLE 10
REPRESENTATIONS & WARRANTIES OF THE PURCHASER

10.1 Representations & Warranties of the Purchaser

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

- (a) the Purchaser is a company duly formed and validly subsisting under the laws of the Province of Ontario;

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

ARTICLE 11 **COVENANTS**

11.1 Mutual Covenants

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

11.2 Receiver Covenants

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

ARTICLE 12 **POSSESSION AND ACCESS PRIOR TO CLOSING**

12.1 Possession of Purchased Assets

The Receiver shall remain in possession of the Purchased Assets until the Closing Time, at which time the Purchaser shall take possession of the Purchased Assets where situated. In no event shall

the Purchased Assets be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in this Agreement and the Approval and Vesting Order have been satisfied or waived and the Purchaser has satisfied or the Receiver has waived all the delivery requirements outlined in Section 8.1 hereof.

12.2 Risk

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

ARTICLE 13
AS IS, WHERE IS

13.1 Condition of the Purchased Assets

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

ARTICLE 14
POST-CLOSING MATTERS

14.1 Books and Records

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

ARTICLE 15
TERMINATION

15.1 Termination of this Agreement

This Agreement may be validly terminated:

- (a) upon the mutual written agreement of the Parties;
- (b) pursuant to Section 8.2 hereof by the Receiver;

- (c) pursuant to Section 8.4 hereof by the Purchaser; or
- (d) pursuant to Section 12.2 hereof.

15.2 Remedies for Breach of Agreement

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

15.3 Termination If No Breach of Agreement

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

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

ARTICLE 16 **GENERAL CONTRACT PROVISIONS**

16.1 Further Assurances

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

16.2 Survival Following Completion

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

16.3 Notice

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

(a) to the Receiver:

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

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

and a copy to the Receiver's counsel to:

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

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

(b) to the Purchaser:

1975919 Ontario Inc.
1989 Leslie Street
Toronto, ON M3B 2M3

Attention: Derek Hull
Tel: 416-445-1107
Email: dhull@goldmanco.ca

and a copy to the Purchaser's counsel to:

Fogler, Rubinoff LLP

77 King Street West, Suite 3000
Toronto, ON M5K 1G8

Attention: Avi Sugar
Tel: (416) 365-3717
Email: asugar@foglers.com

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

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

16.4 Waiver

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

16.5 Consent

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

16.6 Governing Law

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

16.7 Entire Agreement

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

16.8 Time of the Essence

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

16.9 Time Periods

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

16.10 Assignment

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

16.11 Expenses

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

16.12 Severability

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

16.13 No Strict Construction

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

16.14 Cumulative Remedies

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

16.15 Currency

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

16.16 Receiver's Capacity

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

16.17 Planning Act

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

16.18 No Third Party Beneficiaries

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

16.19 Number and Gender

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

16.20 Counterparts

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

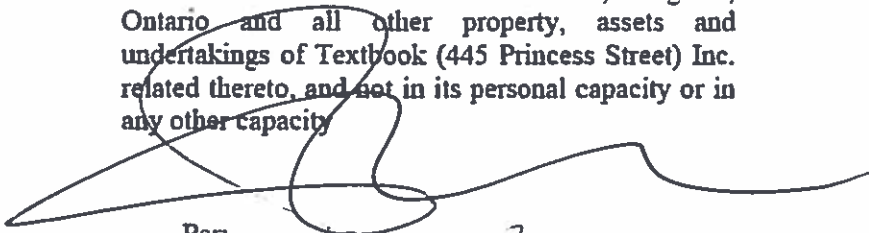
16.21 IRREVOCABLE DATE

This Agreement is open for acceptance by the Receiver and communication of such acceptance by the 18th day of April, 2018, 5:00 p.m. Toronto time, and if not accepted and executed on or before such date this Agreement shall be null and void.

[SIGNATURE PAGE FOLLOWS.]

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

KSV KOFMAN INC., in its capacity as court-appointed receiver and manager of the real property known as 429 and 445 Princess Street, Kingston, Ontario and all other property, assets and undertakings of Textbook (445 Princess Street) Inc. related thereto, and not in its personal capacity or in any other capacity



Per:

Name: ROBERT LAPTIN

Title: PRESIDENT

ACCEPTED by the Purchaser this 6 day of April, 2018

1975919 ONTARIO INC.

Per:



Name: **Derek Hull**

Title: **VP: Acquiring & Development**

**SCHEDULE A
APPROVAL AND VESTING ORDER**

Court File No. CV-17-589078-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**




THE HONOURABLE) <*> THE <*> DAY
JUSTICE) <*> OF <*> 2018

KINGSETT MORTGAGE CORPORATION
- and -
TEXTBOOK (445 PRINCESS STREET) INC.

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Kofman Inc., in its capacity as Court-appointed receiver and manager (in such capacity, the "Receiver"), without security, all of the lands and premises municipally described as 429 and 445 Princess Street, Kingston, Ontario (collectively, the "Lands") and all of the present and after-acquired assets, undertaking and properties of Textbook (445 Princess Street) Inc. (the "Debtor") related thereto (collectively, together with the Lands, the "Property") for an order, *inter alia*, approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale between the Receiver, as vendor, and <*> (the "Purchaser"), as purchaser, dated <*> 2018 (the "Sale Agreement"), a copy of which is attached as Confidential Appendix "<*>" to the <*> Report of the Receiver dated <*> 2018 (the "<*> Report"), and vesting in the Purchaser, or as it may direct in accordance with the Sale Agreement,

all the Receiver's and the Debtor's right, title and interest in and to the property described as the "Purchased Assets" in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the  Report and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of  sworn  2018, filed,

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

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Receiver's Certificate"), all the Receiver's and the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement, including without limitation the subject real property identified in Schedule "B" hereto (the "Real Property"), shall vest absolutely in the Purchaser, or as it may direct, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, leases, notices of lease, subleases, licences, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute or

contingent), obligations, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Hainey dated January 9, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D") and, for greater certainty, this Court orders and declares that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and are non-enforceable and non-binding as against the Purchaser.

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

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if

the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

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

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

any assignment in bankruptcy made in respect of the Debtor,

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

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

All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

Court File No. CV-17-589078-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

KINGSETT MORTGAGE CORPORATION




- and -

TEXTBOOK (445 PRINCESS STREET) INC.

RECEIVER'S CERTIFICATE

RECITALS

I. Pursuant to an Order of the Honourable Mr. Justice Haaney of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated January 9, 2018, KSV Kofman Inc. was appointed as receiver and manager (in such capacity, the "Receiver"), without security, all of the lands and premises municipally described as 429 and 445 Princess Street, Kingston, Ontario (collectively, the "Lands") and all of the present and after-acquired assets, undertakings and properties of Textbook (445 Princess Street) Inc. (the "Debtor") related thereto (collectively, together with the Lands, the "Property").

II. Pursuant to an Order of the Court dated , 2018, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and  (the "Purchaser"), as purchaser, dated , 2018 (the "Sale Agreement"), and provided for the vesting in the Purchaser, or as it may direct in accordance with the Sale Agreement, of all the Receiver's and the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement), which vesting is to be

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

IV. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The transaction has been completed to the satisfaction of the Receiver; and

4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV KOFMAN INC., in its capacity as court-appointed receiver, and manager of the real property known as 429 and 445 Princess Street, Kingston, Ontario and all other property, assets and undertakings of Textbook (445 Princess Street) Inc. related thereto, and not in its personal capacity or in any other capacity

Per: _____

Name:

Title:

SCHEDULE "B"
LEGAL DESCRIPTION OF THE REAL PROPERTY

429 Princess Street, Kingston, Ontario

PIN 36071-0211 (LT)

**PT LT 9 PL 135 KINGSTON CITY PT 1 13R6874; T/W FR600210; KINGSTON; THE
COUNTY OF FRONTENAC**

445 Princess Street, Kingston, Ontario

PIN 36071-0209 (LT)

**LT 7-8 PL 135 KINGSTON CITY; PT LT 6 PL 135 KINGSTON CITY; PT LT 24 BLK Z CON
1 KINGSTON PT 1 13R9645; T/W & S/T FR396611; KINGSTON; THE COUNTY OF
FRONTENAC**

SCHEDULE "C"
INSTRUMENTS TO BE DELETED FROM PIN NOS. 36071-0211 (LT) and
36071-0209 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
FC223254	2016/07/18	Charge	\$7,000,000	Textbook (445 Princess Street) Inc.	KingSett Mortgage Corporation
FC223255	2016/07/18	Notice of Assignment of Rents - General	N/A	Textbook (445 Princess Street) Inc.	KingSett Mortgage Corporation
FC223256	2016/07/18	Charge	\$6,000,000	Textbook (445 Princess Street) Inc.	Textbook Student Suites (445 Princess Street) Trustee Corporation
FC223257	2016/07/18	Transfer of Charge (re: FC223256)	N/A	Textbook Student Suites (445 Princess Street) Trustee Corporation	Textbook Student Suites (445 Princess Street) Trustee Corporation Olympia Trust Company
FC225770	2016/08/22	Notice (re: amending charge FC223256 to increase principal amount to \$8,450,000)	N/A	Textbook Student Suites (445 Princess Street) Trustee Corporation Olympia Trust Company	
FC225771	2016/08/22	Transfer of Charge (re: FC223256)	N/A	Textbook Student Suites (445 Princess Street) Trustee Corporation Olympia Trust Company	Textbook Student Suites (445 Princess Street) Trustee Corporation Olympia Trust Company

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
FC228102	2016/09/28	Transfer of Charge (re: FC223256)	N/A	Textbook Student Suites (445 Princess Street) Trustee Corporation Olympia Trust Company	Textbook Student Suites (445 Princess Street) Trustee Corporation Olympia Trust Company
FC229585	2016/10/24	Postponement of Interest	N/A	Textbook Student Suites (445 Princess Street) Trustee Corporation Olympia Trust Company	KingSett Mortgage Corporation
FC254586	2018/01/10	Application for Court Order (appointing receiver)	N/A	Ontario Superior Court of Justice (Commercial List)	KSV Kofman Inc.

INSTRUMENTS TO BE DELETED FROM PIN NO. 36071-0211 (LT) ONLY

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
FC230738	2016/11/14	Application for Court Order	N/A	Ontario Superior Court of Justice	Grant Thornton Limited

INSTRUMENTS TO BE DELETED FROM PIN NO. 36071-0209 (LT) ONLY

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
FC230376	2016/11/03	Application for Court Order	N/A	Ontario Superior Court of Justice	Grant Thornton Limited

**SCHEDULE "D"
PERMITTED ENCUMBRANCES**

Assumed Encumbrances from PIN NOS. 36071-0211 (LT) and 36071-0209 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
FR681026	1998/08/12	Agreement re: Site Plan Control	N/A	101177 Ontario Inc. and Globular Drugs Limited	The Corporation of the City of Kingston
FC103142	2010/11/19	Application (General) (re: FR607874 and FR686777) re name change of Imasco R.I. Inc. to Shoppers Realty Inc.	N/A	Shoppers Realty Inc.	

Assumed Encumbrances from PIN NO. 36071-0211 (LT) only

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
FR686777	1999/05/21	Notice of Lease	N/A	Globular Drugs Ltd.	Imasco R. I. Inc.

Assumed Encumbrances from PIN NO. 36071-0209 (LT) only

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
FR396611	1984/10/15	Indenture	\$2.00	Dominion Stores Limited	Globular Drugs Limited
FR607874	1993/12/01	Notice of Lease	N/A	Globular Drugs Ltd.	Imasco R. I. Inc.

**SCHEDULE B
PERMITTED ENCUMBRANCES**

PART I: GENERAL PERMITTED ENCUMBRANCES

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

PART II: SPECIFIC PERMITTED ENCUMBRANCES

Assumed Encumbrances from PIN NOS. 36071-0211 (LT) and 36071-0209 (LT)

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
FR681026	1998/08/12	Agreement	N/A	101177 Ontario Inc. and Globular Drugs Limited	The Corporation of the City of Kingston
FC103142	2010/11/19	Application (General) (re: FR607874 and FR686777) re name change of Imasco R.I. Inc. to Shoppers Realty Inc.	N/A	Shoppers Realty Inc.	

Assumed Encumbrances from PIN NO. 36071-0211 (LT) only

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
FR686777	1999/05/21	Notice of Lease	N/A	Globular Drugs Ltd.	Imasco R. I. Inc.

Assumed Encumbrances from PIN NO. 36071-0209 (LT) only

Reg. No.	Date	Instrument Type	Amount	Parties From	Parties To
FR396611	1984/10/15	Indenture	\$2.00	Dominion Stores Limited	Globular Drugs Limited
FR607874	1993/12/01	Notice of Lease	N/A	Globular Drugs Ltd.	Imasco R. I. Inc.

**SCHEDULE C
LEGAL DESCRIPTION OF LANDS**

429 Princess Street, Kingston, Ontario

PIN 36071-0211 (LT)

**PT LT 9 PL 135 KINGSTON CITY PT 1 13R6874; T/W FR600210; KINGSTON; THE
COUNTY OF FRONTENAC**

445 Princess Street, Kingston, Ontario

PIN 36071-0209 (LT)

**LT 7-8 PL 135 KINGSTON CITY; PT LT 6 PL 135 KINGSTON CITY; PT LT 24 BLK Z CON
1 KINGSTON PT 1 13R9645; T/W & S/T FR396611; KINGSTON ; THE COUNTY OF
FRONTENAC**

**SCHEDULE D
LIST OF ASSUMED CONTRACTS**

[TO BE POPULATED BY PURCHASER]

Appendix “C”

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

BETWEEN:

KINGSETT MORTGAGE CORPORATION

APPLICANT

- AND -

TEXTBOOK (445 PRINCESS STREET) INC.

RESPONDENT

AFFIDAVIT OF ROBERT KOFMAN
(Sworn April 13, 2018)

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

1. I am the President of KSV Kofman Inc. ("KSV").
2. Pursuant to an order (the "Receivership Order") of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on January 9, 2018, KSV was appointed as the receiver and manager ("Receiver") of the real property ("Real Property") registered on title as being owned by Textbook (445 Princess Street) Inc. (the "Company") and of all of the Company's assets, undertakings and properties acquired for or used in relation to the Real Property.
3. I have had overall responsibility for this mandate since the date of the Receivership Order. As such, I have knowledge of the matters to which I hereinafter depose.

4. On April 13, 2018, the Receiver finalized its First Report to Court in which it provided a summary of the Receiver's fees and disbursements and those of its legal counsel for the period ending March 31, 2018.

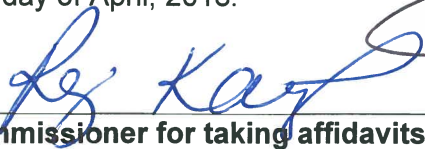
5. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of KSV for the periods indicated and confirm that these accounts accurately reflect the services provided by KSV in this matter and the fees and disbursements claimed by them.

6. Additionally, attached hereto as Exhibit "B" is a summary of roles, hours and rates charged by members of KSV who have worked on this matter, and I hereby confirm that the list represents an accurate account of such information.

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

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

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 13th day of April, 2018.



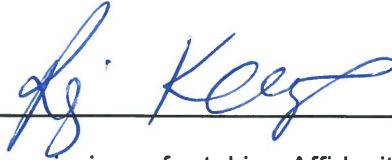
Commissioner for taking affidavits, etc.

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)

ROBERT KOFMAN

Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Expires January 22, 2021.

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KOFMAN
SWORN BEFORE ME THIS 13th DAY OF APRIL, 2018



A Commissioner for taking Affidavits, etc.

**Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Expires January 22, 2021.**



ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

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ksvadvisory.com

INVOICE

Textbook (445 Princess Street) Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

February 21, 2018

Invoice No: 824

HST #: 818808768RT0001

Re: Textbook (445 Princess Street) Inc. (the “Company”)

For professional services rendered from December 15, 2017 to January 31, 2018 by KSV Kofman Inc. in its capacity as Court-appointed receiver (“Receiver”) of Company’s real property and its related assets, property and undertakings, including:

Receivership Application

- Corresponding with Bennett Jones LLP (“Bennett Jones”), legal counsel to the Receiver, KingSett Mortgage Corporation (“KingSett”), a secured creditor of the Company, and Lax O’Sullivan Lisus Gottlieb LLP (“Lax”), KingSett’s legal counsel, concerning the receivership application;
- Attending a call on December 19, 2017 with KingSett to discuss the receivership application and a sale process (the “Sale Process”) for the Company’s real property located at 445 Princess Street, Kingston, Ontario (the “Kingston Property”);
- Attending a call on December 20, 2017 with Lax to discuss the receivership application;
- Reviewing and commenting on the receivership application materials, including a Notice of Motion, the Affidavit of Daniel Pollack sworn January 3, 2018 and a draft receivership order;
- Reviewing and executing a commitment letter (the “Commitment Letter”) between the Receiver and KingSett in connection with receivership financing;
- Preparing a report to court dated January 5, 2018 to, among other things, recommend the approval of the Sale Process and the Commitment Letter;
- Preparing a receivership action plan;
- Attending at Court on January 9, 2018 for the receivership application;

General Receivership Activities

- Preparing a letter dated January 9, 2018 to Royal Bank of Canada (“RBC”) requesting that the Company’s bank account be restricted to deposits only;
- Corresponding with RBC representatives regarding the Company’s bank account;
- Opening a receivership bank account at Bank of Montreal;
- Preparing a letter to John Davies dated January 11, 2018 regarding funds advanced prior to the receivership (the “Advance”) by the Company to Textbook Student Suites Inc., a shareholder of the Company;
- Reviewing and commenting on a letter dated January 16, 2018 regarding the Advance prepared by Bennett Jones to Dentons LLP, counsel to Mr. Davies ;
- Preparing the Receiver’s Notice and Statement (the “Receiver’s Notice”) for the Company, as required under Sections 245 and 246 of the *Bankruptcy and Insolvency Act*;
- Preparing a creditors’ list to attach to the Receiver’s Notice;
- Corresponding with HUB International Limited to obtain proof of insurance for the Kingston Property;
- Preparing a letter dated January 10, 2018 to Shoppers Drug Mart Corporation (“Shoppers”), the tenant of the Kingston Property, to advise of the receivership proceedings and to direct Shoppers to pay future rent to the Receiver;
- Attending on January 10, 2018 at the Company’s offices to, *inter alia*, obtain the Company’s books and records;
- Corresponding with Mr. Davies and Walter Thompson regarding the Company’s books and records;
- Posting Court materials on the Receiver’s website; and
- Updating the service list as required under the E-Service Protocol.

Sale Process

- Negotiating a listing agreement (“Listing Agreement”) with Jones Lang LaSalle Inc. (“JLL”), the realtor engaged to sell the Kingston Property;
- Corresponding with KingSett regarding the Listing Agreement, including several emails and calls on January 5, 2018;
- Executing the Listing Agreement on January 8, 2018;
- Reviewing and commenting on several versions of marketing materials in connection with the Sale Process, including a postcard, an e-mail to prospective purchasers and a confidential information memorandum and corresponding with Kingsett re same;

- Attending a call on January 12, 2018 with KingSett and JLL to discuss the Sale Process;
- Preparing a form of confidentiality agreement to be used by JLL in connection with the Sale Process;
- Reviewing a form of Agreement of Purchase and Sale to be included in the data room as part of the Sale Process;
- Reviewing a virtual data room to be used in connection with the Sale Process;

Phase Two Environmental Report

- Reviewing a Phase One Environmental Assessment prepared by Pinchin Ltd. ("Pinchin") for the Kingston Property;
- Retaining Pinchin to perform a Phase Two environmental assessment ("Phase Two"), dealing with Kingsett regarding the terms of Pinchin's engagement and negotiating Pinchin's engagement letter;
- Preparing a letter to Shoppers dated January 12, 2018 to advise of the Receiver's intention to perform the Phase Two;
- Corresponding with Pinchin regarding the results of the Phase Two, including several emails and calls on January 23, 29, 30 and 31, 2018;

Other

- Convening internal meetings in connection with this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$ 33,457.00
HST	4,349.41
Total	<u>\$ 37,806.41</u>

KSV Kofman Inc.
Textbook (445 Princess Street) Inc.
Time Summary
For the period December 15, 2017 to January 31, 2018

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	700	17.85	12,457.50
Noah Goldstein	550	29.44	15,742.00
Other Staff and Administration		16.80	5,257.50
Total Fees			<u>33,457.00</u>

Note: Effective January 1, 2018, the hourly rate of Messrs. Kofman and Goldstein increased by \$5 and \$50, respectively.



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INVOICE

Textbook (445 Princess Street) Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

March 6, 2018

Invoice No: 835

HST #: 818808768RT0001

Re: Textbook (445 Princess Street) Inc. (the “Company”)

For professional services rendered during February 28, 2018 by KSV Kofman Inc. in its capacity as Court-appointed receiver (“Receiver”) of Company’s real property and its related assets, properties and undertakings, including:

- Corresponding with Bennett Jones LLP (“Bennett Jones”), legal counsel to the Receiver, and KingSett Mortgage Corporation (“KingSett”), a secured creditor of the Company, regarding receivership matters;
- Corresponding with Grant Thornton Limited, in its capacity as the Court-appointed trustee of Textbook Student Suites (445 Princess Street) Trustee Corporation, a secured creditor of the Company, concerning a sale process (the “Sale Process”) for the Company’s real property located at 445 Princess Street, Kingston (the “Property”);
- Corresponding with HUB International regarding insurance coverage for the Property, including emails on February 13, 2018;

Sale Process

- Corresponding with Jones Lang LaSalle Inc. (“JLL”), the listing broker for the Property, in respect of the Sale Process, including attending telephone calls and emails on February 1, 2, 5, 12, 13, 14, 16, 17, 20, 21, 22, 23, 26, 27 and 28, 2018;
- Corresponding with parties interested in purchasing the Property and referring same to JLL;
- Reviewing weekly updates from JLL regarding the Sale Process;
- Reviewing revisions to a virtual data room to be used in connection with the Sale Process;

- Reviewing a Phase One and Phase Two Environmental Assessment (the “ESAs”) prepared by Pinchin Ltd. (“Pinchin”) for the Property;
- Corresponding with Pinchin regarding the ESAs, including attending calls and emails on February 1, 2, 8, 12, 14 and 15, 2018;

Other

- Posting Court materials on the Receiver’s website; and
- Updating the service list as required under the E-Service Protocol.
- Convening internal meetings in connection with this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$ 11,842.50
HST	<u>1,539.53</u>
Total	<u>\$ 13,382.03</u>

KSV Kofman Inc.
Textbook (445 Princess Street) Inc.
Time Summary
For the period ending February 28, 2018

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	700	3.80	2,660.00
Noah Goldstein	550	16.35	8,992.50
Other Staff and Administration		0.60	190.00
Total Fees			<u>11,842.50</u>



ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

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INVOICE

Textbook (445 Princess Street) Inc.
c/o KSV Kofman Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

April 9, 2018

Invoice No: 878

HST #: 818808768RT0001

Re: Textbook (445 Princess Street) Inc. (the “Company”)

For professional services rendered during March, 2018 by KSV Kofman Inc. in its capacity as Court-appointed receiver (“Receiver”) of Company’s real property and its related assets, properties and undertakings, including:

- Corresponding with Bennett Jones LLP (“Bennett Jones”), legal counsel to the Receiver, and KingSett Mortgage Corporation (“KingSett”), a secured creditor of the Company, regarding receivership matters;
- Corresponding with Grant Thornton Limited, in its capacity as the Court-appointed trustee of Textbook Student Suites (445 Princess Street) Trustee Corporation, a secured creditor of the Company, concerning a sale process (the “Sale Process”) for the Company’s real property located at 429 and 445 Princess Street, Kingston (the “Property”);
- Corresponding with HUB International regarding insurance coverage for the Property;

Sale Process

- Corresponding with Jones Lang LaSalle Inc. (“JLL”), the listing broker for the Property, in respect of the Sale Process, including telephone calls and emails on March 3, 9, 20, 22, 23, 26, 27, 28 and 29, 2018;
- Corresponding with parties interested in purchasing the Property and referring same to JLL;
- Reviewing weekly updates from JLL regarding the Sale Process;
- Reviewing offers received on March 28, 2018 as part of the Sale Process;
- Attending a meeting March 29, 2018 at KingSett’s offices with JLL to discuss the offers received;

Other

- Posting Court materials on the Receiver's website; and
- Updating the service list as required under the E-Service Protocol.
- Convening internal meetings in connection with this mandate; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached summary	\$ 10,631.73
HST	<u>1,382.12</u>
Total	<u>\$ 12,013.85</u>

KSV Kofman Inc.
Textbook (445 Princess Street) Inc.
Time Summary
For the month ending March, 2018

Personnel	Rate (\$)	Hours	Amount (\$)
Robert Kofman	700	7.65	5,355.00
Noah Goldstein	550	9.13	5,021.50
Other Staff and Administration		1.00	162.50
Subtotal			10,539.00
Out of pocket disbursements			92.73
Total Fees			10,631.73

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF ROBERT KOFMAN
SWORN BEFORE ME THIS 13th DAY OF APRIL, 2018



A Commissioner for taking Affidavits, etc.

**Rajinder Kashyap, a Commissioner, etc.,
Province of Ontario, for KSV Kofman Inc.
Expires January 22, 2021.**

Textbook (445 Princess Street) Inc.

Schedule of Professionals' Time and Rates

For the Period from December 15, 2017 to March 31, 2018

Personnel	Title	Duties	Hours	Billing Rate (\$ per hour)	Amount (\$)
Robert Kofman	President	Overall responsibility	29.30	695 - 700	20,472.50
Noah Goldstein	Managing Director	All aspects of mandate	54.92	500 - 550	29,756.00
Other staff and administrative	Various		18.40	100 - 420	5,610.00
Total fees					<u>55,838.50</u>
Total hours					102.62
Average hourly rate					\$ 544.13

Appendix “D”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

KINGSETT MORTGAGE CORPORATION

APPLICANT

-AND-

TEXTBOOK (445 PRINCESS STREET) INC.

RESPONDENT

AFFIDAVIT

I, **Sean H. Zweig**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the partner at Bennett Jones LLP ("**Bennett Jones**") who has carriage of this file, and as such have knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters discussed in this Affidavit, I have informed myself by review of the relevant background documents and facts.

2. Bennett Jones is counsel to KSV Kofman Inc. in its capacity as Court-appointed receiver and manager (in such capacity, the "**Receiver**"), without security of all of the lands and premises municipally described as 429 and 445 Princess Street, Kingston, Ontario and all of the present and after-acquired assets, undertaking and properties of Textbook (445 Princess Street) Inc. related thereto.

3. Bennett Jones has prepared the following Statements of Account in connection with the receivership proceeding referenced above:

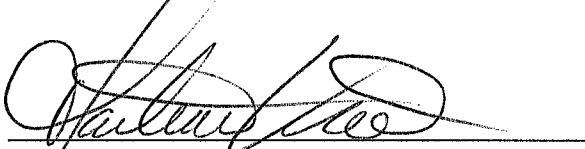
- (a) Account dated February 5, 2018 in the amount of \$19,500.00 (exclusive of disbursements, harmonized sales tax (“HST”) and other charges) in respect of the period from December 4, 2017 to January 31, 2018 (a copy of which is attached as Exhibit “A”);
- (b) Account dated March 6, 2018 in the amount of \$347.50 (exclusive of disbursements, HST and other charges) in respect of the period from February 1, 2018 to February 21, 2018 (a copy of which is attached as Exhibit “B”); and
- (c) Account dated April 4, 2018 in the amount of \$773.00 (exclusive of disbursements, HST and other charges) in respect of the period from March 1, 2018 to March 31, 2018 (a copy of which is attached as Exhibit “C”).

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

5. The total legal fees and disbursements (including HST) billed by Bennett Jones to March 31, 2018 in connection with these receivership proceedings is \$24,174.58. To the best of my knowledge, the rates charged by Bennett Jones are comparable to the rates charged for the provision of services of a similar nature and complexity by other large legal firms in the Toronto market.

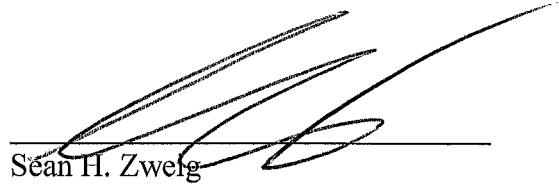
6. This Affidavit is made in support of a motion to, *inter alia*, approve of the fees and disbursements of Bennett Jones as counsel to the Receiver, and for no other or improper purpose.

SWORN before at the City of Toronto,)
in the Province of Ontario,)
this 13th day April 2018)
)
)



A Commissioner, etc.

Martine Vieira, a Commissioner, etc.,
Province of Ontario, for Bennett Jones LLP,
Barristers and Solicitors.
Expires April 30, 2021.

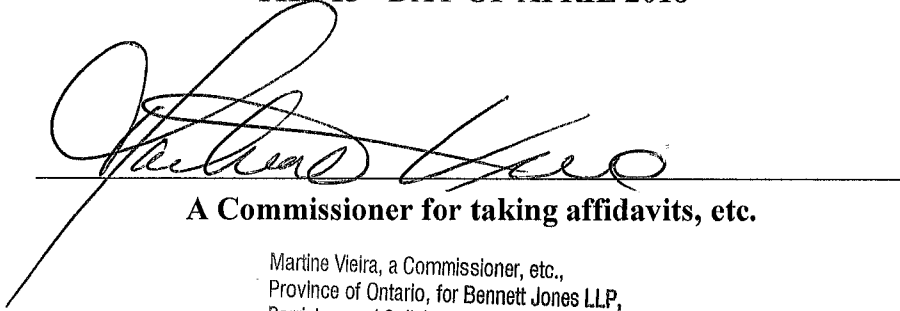

Sean H. Zweig

THIS IS EXHIBIT "A" REFERRED TO IN THE

AFFIDAVIT OF SEAN H. ZWEIG

SWORN

THE 13th DAY OF APRIL 2018



A handwritten signature in black ink, appearing to read "Martine Vieira", is written over a horizontal line. The signature is fluid and cursive.

A Commissioner for taking affidavits, etc.

Martine Vieira, a Commissioner, etc.,
Province of Ontario, for Bennett Jones LLP,
Barristers and Solicitors.
Expires April 30, 2021.



Bennett Jones

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

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

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

Re: TEXTBOOK (445 PRINCESS STREET) INC.
Our File Number: 074735.00016

Date: February 5, 2018
Invoice: 1209846

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	19,500.00
Other Charges		121.50
Disbursements		447.35
Disbursements Incurred As Your Agent (Non-taxable)		74.25
Total Due before GST/HST	\$	<u>20,143.10</u>
GST/HST	\$	2,608.95
TOTAL Due in CAD	\$	<u><u>22,752.05</u></u>

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

GST/HST Number: 119346767



Date	Lawyer	Description	Hours
04/12/17	S. H. Zweig	Reviewing email from D. Pollack, including Demand Letter, NTES and rent attornment letter	0.40
11/12/17	S. H. Zweig	High-level review of KingSett security documents; Discussion with J. van Gent regarding security opinion	0.50
11/12/17	J. D. van Gent	Emails to and from S. Zweig concerning new file and requirement for security opinion; Emails to and from D. Afroz concerning precedent security opinions in connection with same	0.20
13/12/17	J. D. van Gent	Numerous emails to and from S. Zweig and D. Afroz concerning information required to draft security opinion; Office conference with M. Loughry to provide instructions for drafting of security opinion; Office conference with M. Loughry to discuss questions arising during drafting of same	0.30
13/12/17	L. Neilson	Ordering and obtaining Ontario profile report, Ontario Personal Property Security Act search and summary	0.50
13/12/17	S. H. Zweig	Emails with N. Goldstein regarding pre-filing report	0.10
13/12/17	M. C. A. Loughry	Meeting with J. van Gent receiving instructions on draft security opinion; Coordinating with L. Neilson for PPSA and corporate searches; Drafting security opinion; Meeting with J. van Gent discussing the opinion and supporting documents and instruments registered on title	3.20
14/12/17	M. C. A. Loughry	Meeting with J. van Gent regarding revisions to draft security opinion; Revising security opinion and circulating same to S. Zweig for review; Arranging for signing and delivery of final opinion	0.80
14/12/17	S. H. Zweig	Reviewing and commenting on draft security opinion; Emails regarding same; Reviewing correspondence regarding Phase II environmental issues, and emails with B. Kofman regarding same	0.70
14/12/17	J. D. van Gent	Reviewing and providing comments on draft security opinion; Executing same	0.50
15/12/17	A. Terpoy-Heinemann	Searching VuMap, Teraview and Kingston maps to determine addresses and corresponding PINs; Forwarding results to S. Zweig	0.60
15/12/17	S. H. Zweig	Emails with N. Goldstein regarding security opinion; Investigating into and corresponding about Division St. addresses	0.40
15/12/17	L. Neilson	Ordering and obtaining Ontario profile report	0.30
18/12/17	S. H. Zweig	Call with N. Goldstein	0.20
20/12/17	S. H. Zweig	Reviewing and commenting on draft pre-filing report; Call with N. Goldstein regarding same	1.10
21/12/17	S. H. Zweig	Reviewing revised draft of Report	0.30
22/12/17	S. H. Zweig	Multiple emails with KSV and A. Winton regarding Report and related issues; Reviewing and commenting on Notice of Application; Emails regarding same	0.60



Date	Lawyer	Description	Hours
23/12/17	S. H. Zweig	Reviewing further draft of pre-filing Report	0.20
26/12/17	S. H. Zweig	Reviewing D. Pollack comments on Report, and B. Kofman comments on same	0.20
27/12/17	S. H. Zweig	Emails with KSV and A. Winton in connection with upcoming application	0.30
31/12/17	S. H. Zweig	Reviewing correspondence regarding receiver loan and next steps	0.20
02/01/18	S. H. Zweig	Reviewing and commenting on draft Pollack affidavit; Discussion with N. Goldstein regarding same	0.70
03/01/18	S. H. Zweig	Reviewing B. Kofman comments on Pollack Affidavit and discussions regarding same; Calls with N. Goldstein and A. Winton; Reviewing and commenting on draft Order; Reviewing and revising draft consent; Discussion with KSV regarding same	1.10
04/01/18	S. H. Zweig	Reviewing B. Kofman comments on draft Order; Emails with A. Winton and KSV	0.50
05/01/18	S. H. Zweig	Multiple emails with A. Winton and KSV; Reviewing application record filed; Many discussions with N. Goldstein; Reviewing and commenting on revised Report; Finalizing and serving Report; Emails with J. Nemers regarding clarification in Report	1.90
06/01/18	S. H. Zweig	Emails regarding issue raised by second mortgagee	0.20
08/01/18	S. H. Zweig	Emails with A. Winton; Preparing for court application; Discussions with N. Goldstein	1.10
08/01/18	P. Garcha	Filing at commercial list for S. Zweig	0.80
09/01/18	S. H. Zweig	Attending court application; Discussions with N. Goldstein regarding preliminary issues	1.70
09/01/18	L. Stacey	Emails to and from S. Zweig; Discussion with A. Terpoy-Heinemann regarding documents required to register order	0.30
10/01/18	S. H. Zweig	Coordinating registration of Order on title	0.10
10/01/18	A. Terpoy-Heinemann	Drafting application to register court order and corresponding acknowledgment and direction; Forwarding same to S. Zweig; Reviewing acknowledgment and direction and forwarding same to J. van Gent and M. Loughry for signature; Attending to registration of application and forwarding same to S. Zweig together with updated PINs	1.30
10/01/18	M. C. A. Loughry	Reviewing email from S. Zweig and A. Terpoy; Signing application on Teraview and emailing A. Terpoy notifying of same	0.20
11/01/18	S. H. Zweig	Discussion with N. Goldstein; Reviewing KSV letter to J. Davies	0.30
12/01/18	S. H. Zweig	Reviewing and commenting on Pinchin letter; Discussion with N. Goldstein regarding same	0.30



Date	Lawyer	Description	Hours
15/01/18	S. H. Zweig	Reviewing letter from M. Beeforth; Discussion with N. Goldstein regarding same; Drafting responding letter, and reviewing N. Goldstein comments	0.70
16/01/18	S. H. Zweig	Reviewing B. Kofman comments on letter and revising same; Further discussions regarding same and sending same	0.20
16/01/18	J. Blinick	Reviewing responding letter from M. Beeforth and follow-up correspondence relating to same	0.20
17/01/18	S. H. Zweig	Discussion with N. Goldstein regarding HST priority issue, and considering same; Reviewing signed commitment letter; Emails with N. Goldstein regarding form APS	0.40
18/01/18	S. H. Zweig	Discussion with J. van Gent regarding form APS to be drafted	0.10
18/01/18	J. D. van Gent	Emails to and from and telephone call with S. Zweig to discuss drafting purchase agreement, and information required to proceed with same	0.20
19/01/18	S. H. Zweig	Reviewing letter from M. Beeforth; Considering same and discussions with KSV regarding same; Reviewing draft CIM	0.50
21/01/18	S. H. Zweig	Reviewing email from B. Kofman regarding improper transfer and considering options	0.30
22/01/18	J. D. van Gent	Email from N. Goldstein forwarding the confidential information memorandum concerning the property; Office conference with M. Loughry to provide instructions for drafting an initial template form of purchase agreement	0.30
22/01/18	M. C. A. Loughry	Meeting with J. van Gent discussing form of purchase agreement; Reviewing past drafts of purchase agreements; Drafting purchase agreement	3.30
23/01/18	M. C. A. Loughry	Drafting and editing form of purchase agreement and reviewing blackline of agreement against precedent; Meeting with J. van Gent discussing draft	0.90
23/01/18	S. H. Zweig	Reviewing and commenting on draft letter to M. Beeforth; Discussion with J. Bell regarding same; Reviewing creditor list	0.50
23/01/18	J. Blinick	Reviewing file materials; Drafting responding letter to M. Beeforth; Emailing copy of same to S. Zweig and J. Bell for review and comment; Internal correspondence regarding same; Revising letter as per comments; Emailing copy of same to B. Kofman and N. Goldstein for review and comment	1.10
24/01/18	J. Blinick	Internal correspondence and correspondence with KSV regarding letter to M. Beeforth; Revising and finalizing same; Having copy of same delivered	0.30
24/01/18	S. H. Zweig	Further discussions regarding draft letter; Reviewing draft from APS for 445 Princess; Emails regarding same with Receiver	0.80



Date	Lawyer	Description	Hours
24/01/18	M. C. A. Loughry	Meeting with J. van Gent discussing draft purchase agreement and his edits; Inputting changes from markup and reviewing blackline; Pulling additional instruments to be included on list of permitted encumbrances and reviewing; Circulating draft to N. Goldstein and B. Kofman for review and comment	1.10
24/01/18	J. D. van Gent	Reviewing and providing comments on draft form of purchase agreement; Office conference with M. Loughry to discuss same; Emails to and from N. Goldstein and B. Kofman to discuss removal of due diligence provision	0.70
25/01/18	J. D. van Gent	Emails to and from N. Goldstein and B. Kofman concerning revisions to form of purchase agreement; Office conference with M. Loughry to provide instructions concerning same; Reviewing revised form of purchase agreement	0.20
25/01/18	S. H. Zweig	Reviewing revised form APS	0.20
25/01/18	M. C. A. Loughry	Revising form of purchase agreement to remove conditional period; Meeting with J. van Gent to discuss draft; Circulating draft and version blackline to B. Kofman and N. Goldstein	0.90
29/01/18	S. H. Zweig	Reviewing letter from M. Beeforth with attachments; Emails regarding same	0.50
30/01/18	S. H. Zweig	Emails with B. Kofman regarding remedies for improper transfer; Call with J. Bell and J. Blinick	0.30

Total Hours	35.80
Professional Services	\$ 19,500.00

Timekeeper	Hours	Rate
J. D. van Gent	1.40	\$ 755.00
J. D. van Gent	1.00	740.00
S. H. Zweig	12.40	695.00
S. H. Zweig	5.20	680.00
J. Blinick	1.60	555.00
M. C. A. Loughry	6.40	370.00
M. C. A. Loughry	4.00	340.00
P. Garcha	0.80	240.00
L. Neilson	0.80	230.00
L. Stacey	0.30	410.00
A. Terpoy-Heinemann	1.30	230.00
A. Terpoy-Heinemann	0.60	225.00

Other Charges	
Printing Charges	\$ 101.50
Colour Printing Charges	19.00
Photocopy Charges	1.00
Total Other Charges	\$ 121.50



Disbursements	
Online Government Service Fees	\$ 96.30
Land Titles	351.05
Total Disbursements	<u>447.35</u>

Disbursements Incurred As Your Agent (Non-Taxable)	
TeraView Filing Fee	\$ 74.25
Total Disbursements Incurred As Your Agent	<u>\$ 74.25</u>

GST/HST \$ 2,608.95
TOTAL DUE \$ 22,752.05



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

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

Re: TEXTBOOK (445 PRINCESS STREET) INC.
 Our File Number: 074735.00016

Date: February 5, 2018
 Invoice: 1209846

Remittance Statement

Professional Services	\$	19,500.00
Other Charges		121.50
Disbursements		447.35
Disbursements Incurred As Your Agent (Non-taxable)		74.25
Total Due before GST/HST	\$	<u>20,143.10</u>
GST/HST	\$	2,608.95
TOTAL Due in CAD	\$	<u><u>22,752.05</u></u>

Remit by Wire Transfer to:

Beneficiary Account Name: Bennett Jones LLP
Beneficiary Address: 4500, 855 - 2nd Street SW Calgary, AB T2P 4K7 Canada
Beneficiary Bank: Royal Bank of Canada
Bank Address: 339 - 8th Avenue SW Calgary, AB T2P 1C4 Canada
Account Details: Bank 003, Translit 00009, CAD Acct 172-581-1 or USD Acct 400-553-4
SWIFT Code: ROYCCAT2

Intermediary bank: JP Morgan Chase Bank, New York
 ABA: 021000021, SWIFT Code: CHASUS33

**Please include the invoice number on the wire.
 Email notification may be sent to: bennettjoneseft@bennettjones.com**

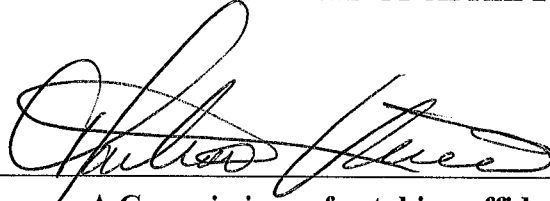
Remit by Credit Card (Visa or MasterCard):
 Call an Accounts Receivable Specialist at
 (403) 298-3137 or (403) 298-3164 with
 your credit card number, expiry date, and
 email address.

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

GST/HST Number: 119346757

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF SEAN H. ZWEIG
SWORN**

THE 13TH DAY OF APRIL 2018

A handwritten signature in black ink, appearing to read 'Martine Vieira', is written over a horizontal line. The signature is fluid and cursive.

A Commissioner for taking affidavits, etc.

Martine Vieira, a Commissioner, etc.,
Province of Ontario, for Bennett Jones LLP,
Barristers and Solicitors.
Expires April 30, 2021.



Bennett Jones

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

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

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

Re: TEXTBOOK (445 PRINCESS STREET) INC.
Our File Number: 074735.00016

Date: March 6, 2018
Invoice: 1213091

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	347.50
Other Charges		16.25
Total Due before GST/HST	\$	<u>363.75</u>
GST/HST	\$	47.29
TOTAL Due in CAD	\$	<u><u>411.04</u></u>

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by visiting our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119346757



Date	Lawyer	Description	Hours
20/02/18	S. H. Zweig	Reviewing correspondence between investor and Receiver	0,10
21/02/18	S. H. Zweig	Two calls with N. Goldstein regarding status and other issue	0,40
Total Hours			0,50
Professional Services			\$ 347,50

Timekeeper	Hours	Rate
S. H. Zweig	0,50	\$ 695,00

Other Charges	
Printing Charges	\$ 16,25
Total Other Charges	\$ 16,25

GST/HST \$ 47,29
TOTAL DUE \$ 411,04



Bennett Jones

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

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

Re: TEXTBOOK (445 PRINCESS STREET) INC.
Our File Number: 074735.00016

Date: March 6, 2018
Invoice: 1213091

Remittance Statement

Professional Services	\$	347.50
Other Charges		16.25
Total Due before GST/HST	\$	<u>363.75</u>
GST/HST	\$	47.29
TOTAL Due in CAD	\$	<u><u>411.04</u></u>

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SWIFT Code: ROYCCAT2

Intermediary bank: JP Morgan Chase Bank, New York
ABA: 021000021, SWIFT Code: CHASUS33

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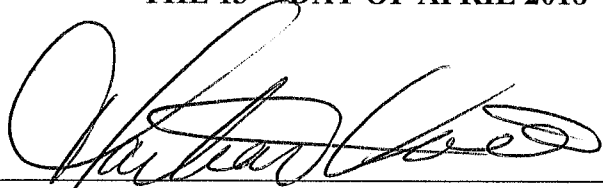
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GST/HST Number: 119346757

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SWORN**

THE 13TH DAY OF APRIL 2018



A Commissioner for taking affidavits, etc.

*Martine Vieira, a Commissioner, etc.,
Province of Ontario, for Bennett Jones LLP,
Barristers and Solicitors.
Expires April 30, 2021.*



Bennett Jones

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P.O. Box 130
Toronto, Ontario M5X 1A4

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

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

Re: TEXTBOOK (445 PRINCESS STREET) INC.
Our File Number: 074735.00016

Date: April 4, 2018
Invoice: 1216606

PROFESSIONAL SERVICES RENDERED in conjunction with the above noted matter:

Professional Services	\$	773.00
Disbursements Incurred As Your Agent (Non-taxable)		138.00
Total Due before GST/HST	\$	<u>911.00</u>
GST/HST	\$	100.49
TOTAL Due in CAD	\$	<u><u>1,011.49</u></u>

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by writing our offices in Calgary, Edmonton, Toronto or Ottawa.

GST/HST Number: 119346757



Date	Lawyer	Description	Hours
03/03/18	S. H. Zweig	Reviewing status update on sale process	0.20
23/03/18	M. C. A. Loughry	Reviewing email from N. Goldstein; Reviewing draft purchase agreement for property information; Emailing A. Terpoy regarding tax certificates required; Telephone call to accounting to inquire as to status of cheque; Emailing N. Goldstein following up on tax certificate request	0.30
23/03/18	A. Terpoy-Heinemann	Reviewing VuMap for assessment roll number information; Email to J. Petrovic and M. Miller with instructions on tax certificates	0.30
23/03/18	S. H. Zweig	Reviewing correspondence regarding tax certificate	0.20
26/03/18	M. C. A. Loughry	Reviewing email from A. Terpoy attaching tax information; Emailing N. Goldstein attaching tax information; Emailing N. Goldstein copies of tax certificates	0.10
28/03/18	S. H. Zweig	Call and emails with N. Goldstein regarding bids received	0.30
29/03/18	S. H. Zweig	Discussion with N. Goldstein regarding additional bid received, and next steps	0.10

Total Hours	1.50
Professional Services	\$ 773.00

Timekeeper	Hours	Rate
S. H. Zweig	0.80	\$ 695.00
M. C. A. Loughry	0.40	370.00
A. Terpoy-Heinemann	0.30	230.00

Disbursements Incurred As Your Agent (Non-Taxable)	
Due Diligence	\$ 138.00
Total Disbursements Incurred As Your Agent	\$ 138.00

GST/HST	\$ 100.49
TOTAL DUE	\$ 1,011.49



Bennett Jones

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

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

Re: TEXTBOOK (445 PRINCESS STREET) INC.
Our File Number: 074735.00016

Date: April 4, 2018
Invoice: 1216606

Remittance Statement

Professional Services	\$	773.00
Disbursements Incurred As Your Agent (Non-taxable)		138.00
Total Due before GST/HST	\$	<u>911.00</u>
GST/HST	\$	100.49
TOTAL Due in CAD	\$	<u><u>1,011.49</u></u>

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GST/HST Number: 119346757

THIS IS EXHIBIT "D" REFERRED TO IN THE

AFFIDAVIT OF SEAN H. ZWEIG

SWORN

THE 13TH DAY OF APRIL 2018



A Commissioner for taking affidavits, etc.

Martine Vielra, a Commissioner, etc.,
Province of Ontario, for Bennett Jones LLP,
Barristers and Solicitors.
Expires April 30, 2021.

Lawyers	Call to Bar	Hourly Rate	Total Time	Value (excluding HST)
J.D. van Gent	2002	\$755.00	1.4	\$1,057.00
J.D. van Gent	2002	\$740.00	1.0	\$740.00
S.H. Zweig	2009	\$695.00	13.7	\$9,521.50
S.H. Zweig	2009	\$680.00	5.2	\$3,536.00
J. Blinick	2013	\$555.00	1.6	\$888.00
M.C.A. Loughry	2017	\$370.00	6.8	\$2,516.00
M.C.A. Loughry	2017	\$340.00	4.0	\$1,360.00
P. Garcha	Articling Student	\$240.00	0.8	\$192.00
L. Neilson	Law Clerk	\$230.00	0.8	\$184.00
L. Stacey	Law Clerk	\$410.00	0.3	\$123.00
A. Terpoy-Heinemann	Law Clerk	\$230.00	1.6	\$368.00
A. Terpoy-Heinemann	Law Clerk	\$225.00	0.6	\$135.00

KINGSETT MORTGAGE CORPORATION

-AND-

TEXTBOOK (445 PRINCESS STREET) INC.

APPLICANT

RESPONDENT

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

Proceeding commenced at Toronto

AFFIDAVIT OF SEAN H. ZWEIG

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario M5X 1A4

Sean H. Zweig
(LSUC #573071)
Tel: 416-777-6254
Fax: 416-863-1716

Counsel to the Receiver