



**The Consolidated Report to Court of
KSV Restructuring Inc.
as Receiver and Manager and, as applicable,
Construction Lien Trustee, of certain real
property, assets, undertakings and property of
Vandyk – Uptowns Limited,
Vandyk – Heart Lake Limited,
2402871 Ontario Inc.,
Vandyk – The Ravine Limited,
Vandyk – Lakeview-DXE-West Limited,
Vandyk – The Buckingham North - Grand
Central Limited, Vandyk – Backyard Kings Mill
Limited, 2495065 Ontario Inc.,
Vandyk – 41 Wabash Limited and
1000318652 Ontario Inc.**

March 1, 2024

Contents		Page
1.0	Introduction.....	2
	1.1 Purposes of this Report.....	3
	1.2 Restrictions	4
2.0	Background	4
	2.1 Vandyk Group	4
	2.2 Debtors	5
3.0	Creditors.....	6
4.0	Sale Processes.....	7
	4.1 Realtor Selection Process	7
	4.2 Sale Processes	8
	4.3 Listing Agreements	12
	4.4 Sale Processes Recommendation	12
5.0	Receiver’s Activities.....	13
6.0	Conclusion and Next Steps.....	14

Appendices

Appendix	Tab
RFP Materials	A
Summary of Realtor Commissions	B



COURT FILE NUMBERS: CV-23-00709180-00CL
CV-23-00710573-00CL
CV-23-00710267-00CL
CV-23-00708970-00CL
CV-23-00711612-00CL

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

B E T W E E N:

**KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION
APPLICANTS**

- AND -

**VANDYK – UPTOWNS LIMITED, VANDYK – HEART LAKE LIMITED, 2402871 ONTARIO
INC., VANDYK – THE RAVINE LIMITED AND VANDYK – LAKEVIEW-DXE-WEST LIMITED
RESPONDENTS**

**MCAP FINANCIAL CORPORATION
APPLICANT**

- AND -

**VANDYK-THE BUCKINGHAM NORTH - GRAND CENTRAL LIMITED AND JOHN VANDYK
RESPONDENTS**

**MCAP FINANCIAL CORPORATION
APPLICANT**

- AND -

**VANDYK-BACKYARD KINGS MILL LIMITED
RESPONDENT**

**OTÉRA CAPITAL INC.
APPLICANT**

- AND -

**2495065 ONTARIO INC.
RESPONDENT**

FIERA FP REAL ESTATE FINANCING FUND, L.P.

APPLICANT

- AND -

**VANDYK – 41 WABASH LIMITED, 10000318652 ONTARIO INC., VANDYK PROPERTIES
INCORPORATED AND JOHN VANDYK**

RESPONDENTS

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

**THE CONSOLIDATED REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER AND, AS APPLICABLE, CONSTRUCTION
LIEN TRUSTEE**

MARCH 1, 2024

1.0 Introduction

1. The Ontario Superior Court of Justice (the “Court”) issued six separate receivership orders on November 14, 2023, December 11, 2023, December 12, 2023, January 18, 2024¹ and January 23, 2024 (collectively, the “Receivership Orders”) appointing KSV Restructuring Inc. (“KSV”) as the receiver and manager and, as applicable, construction lien trustee (in such applicable capacity, the “Receiver”), without security, of certain real property, assets, undertakings and property of the following companies:
 - a) Vandyk – Uptowns Limited (“Uptowns”), Vandyk – Heart Lake Limited (“Heart Lake”), 2402871 Ontario Inc. (“240”), Vandyk – The Ravine Limited (“Ravine”) and Vandyk – Lakeview-DXE-West Limited (“Lakeview”), pursuant to an application commenced by KingSett Mortgage Corporation (“KingSett”) and Dorr Capital Corporation (“Dorr”);
 - b) Vandyk – Backyard Kings Mill Limited (“Kings Mill”), pursuant to an application commenced by MCAP Financial Corporation (“MCAP”);
 - c) Vandyk – The Buckingham North – Grand Central Limited and John Vandyk (“Buckingham”), pursuant to an application commenced by MCAP;
 - d) 2495065 Ontario Inc. (“249”), pursuant to an application commenced by Otera Capital Inc. (“Otera”); and

¹ The Court issued two receivership orders on January 18, 2024.

- e) Vandyk – 41 Wabash Limited (“Wabash”) and 1000318652 Ontario Inc. (“1000”), pursuant to an application commenced by Fiera FP Real Estate Financing Fund, L.P. (“Fiera”, and together with KingSett, Dorr, MCAP and Otera, the “Mortgagees”).
2. The entities subject to the Receivership Orders are collectively referred to as the “Debtors”; the applicable property owned by each of the Debtors is referred to as the “Property”; the real property owned by each of the Debtors is referred to as “Real Property”; and collectively, the real properties are referred to as the “Real Properties”.
3. Copies of the Receivership Orders are available on the Receiver’s case website at the following hyperlinks:
 - a) [Uptowns, Heart Lake, 240, Ravine and Lakeview receivership order](#)
 - b) [Kings Mill receivership order](#)
 - c) [Buckingham receivership order](#)
 - d) [249 receivership order](#)
 - e) [1000 receivership order](#)
 - f) [Wabash receivership order](#)
4. As more fully detailed below, a principal focus of the receivership proceedings at this time is to conduct sale processes (each a “Sale Process” and collectively referred to as the “Sale Processes”) for certain of the Real Properties.
5. This report (the “Report”) is being filed by the Receiver and deals with the Receiver’s recommendation in respect of the listing for sale of the Property owned by 240, 249, Kings Mill, Buckingham, Wabash, 1000, Ravine and Heart Lake (collectively, the “Companies”). The Receiver is in the process of advancing a realization strategy in respect of the other Debtors, being Uptowns and Lakeview, and will return to Court at a future date to seek approval of same.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about these receivership proceedings;
 - b) detail the proposed Sale Processes and the Receiver’s rationale to retain:
 - i. Scotiabank Capital Inc. (“Scotiabank”) as the listing agent to sell 240’s Property;
 - ii. CBRE Limited (“CBRE”) as the listing agent to sell 249’s Property;

- iii. Jones Lang LaSalle Real Estate Services, Inc. (“JLL”) as the listing agent to sell Kings Mill and Buckingham’s respective Property;
 - iv. Colliers Macaulay Nicolls Inc., Brokerage (“Colliers”) as the listing agent to sell Wabash and 1000’s respective Property; and
 - v. TD Cornerstone Commercial Realty Inc. (“TD”) and CBRE as the listing agents under a joint mandate to sell the Ravine and Heart Lake’s respective Property.
- c) summarize the Receiver’s activities since the start of these receivership proceedings; and
 - d) recommend that this Court issue orders:
 - i. approving the Sale Processes; and
 - ii. approving this Report and the Receiver’s activities summarized in this Report.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon: (i) discussions with the Debtors’ former management (“Management”); (ii) the Debtors’ unaudited financial information; (iii) information provided by the Mortgagees and/or their respective legal counsel; and (iv) discussions with various stakeholders in these proceedings (including their legal representatives) (collectively, the “Information”).
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Report by any party.
3. Additional background information regarding the Debtors and the reasons for the appointment of the Receiver are provided in the respective application materials of the Mortgagees. Copies of the Court materials filed to date in these proceedings are available on the Receiver’s websites referenced above (together, the “Websites”). The Websites also include information for home buyers who purchased units from certain of the Debtors.

2.0 Background

2.1 Vandyk Group

1. The Debtors are part of a broader group of development companies within the Vandyk group (collectively, the “Vandyk Group”), which is a real estate developer with its head office in Mississauga, Ontario. The Vandyk Group mainly develops low, mid and high-rise residential projects in the Greater Toronto Area.

2. Several companies within the Vandyk Group are not subject to these receivership proceedings, including certain corporate entities through which the Vandyk Group conducted its development operations.
3. The Receiver understands that the Debtors do not have any employees.

2.2 Debtors

1. Each of the Debtors is a single-purpose real estate development company that owns a specific project that it is developing on its respective Real Property (each a “Project”, and collectively the “Projects”). The Real Properties are all located in the Greater Toronto Area.
2. The municipal addresses and status of the Projects are provided in the table below.

Project Owner	Address	Status
Uptowns	10302 Heart Lake Road, Brampton, Ontario	Approximately 28% constructed
Heart Lake	10194 Heart Lake Road, Brampton, Ontario	Construction has not started
240	327 Royal York Road, Etobicoke, Ontario	Construction has not started
Ravine	336 Waterhouse Cres N, Mississauga, Ontario	Construction has not started
Lakeview	1345 Lakeshore Road East, Mississauga, Ontario	Construction has not started
Buckingham	23 Buckingham Street, Etobicoke, Ontario	Early stages of construction (excavation only)
Kings Mill	15 Neighbourhood Lane, Etobicoke, Ontario	Substantially constructed
249	39 Newcastle Street, Etobicoke, Ontario	Construction has not started
Wabash	41 Wabash Avenue, Toronto, Ontario	Construction has not started
1000	48, 50, and 52 Newcastle Street, Toronto, Ontario	Construction has not started

3.0 Creditors

- The table below provides a summary of the mortgages registered on title to the Real Properties, other than Uptowns and DXE, and the approximate amounts outstanding under each mortgage as at the dates of the Receivership Orders, which amounts continue to accrue interest and fees.

<i>(Unaudited; \$000s)</i>	
Secured Creditor	Amount Owing
<u>Heart Lake</u>	
Dorr (KingSett loan serviced by Dorr)	46,093
<u>240</u>	
KingSett	45,341
1820277 Ontario Limited	7,500 ²
Diversified Capital Inc. ("Diversified")	5,000 ²
	<hr/> 57,841
<u>Ravine</u>	
KingSett	36,324
<u>Buckingham</u>	
MCAP	38,442
Westmount	71,017
Maxims Holdings Inc.	800 ²
	<hr/> 100,259
<u>Kings Mill</u>	
MCAP	37,952
Westmount	17,104
	<hr/> 55,056
<u>249</u>	
Otera	72,946 ³
CIC Management Services Inc.	25,000 ²
	<hr/> 97,946
<u>Wabash</u>	
Fiera	9,147
2306610 Ontario Corp.	1,200 ²
	<hr/> 10,347
<u>1000</u>	
Fiera	9,668
Diversified	30,000 ²
	<hr/> 39,668

² In certain cases where the Receiver does not have the approximate outstanding mortgage amounts as at the date of the Receivership Orders, the amount included in the table reflects the principal amount of the mortgage registered on title. This amount may differ materially from the amount outstanding, or there may, in fact, be no amount outstanding.

³ Reflects the amount owing as at October 23, 2023.

2. In addition to the above, several parties who provided services to the Projects have registered construction liens on certain of the Real Properties, including, among others, construction trades and real estate consultants.
3. Certain of the Debtors are also in arrears in respect of municipal taxes.

4.0 Sale Processes

1. The recommended Sale Processes are for the Property of 240, 249, Kings Mill, Buckingham, Wabash, 1000, Ravine and Heart Lake, and accordingly, the sub-sections below only apply to their respective Property.

4.1 Realtor Selection Process

1. In consultation with the Mortgagees (which differ by Project), the Receiver invited a number of national real estate brokerages to submit proposals to market for sale the Real Property owned by each of the Companies (collectively, the “RFP”).
2. The RFP process outlined the Receiver’s criteria for selecting the successful realtor(s). The Receiver requested that, among other things, each realtor provide background information regarding their firm’s experience, a marketing plan for the respective Property, an estimate of the value of the Property and the realtor’s proposed commission structure. Each of the RFP materials were substantively the same. A sample version of the RFP materials is attached hereto as Appendix “A”.
3. The RFP process for each of the Projects is summarized in the table below.

Property	Number of realtors solicited	RFP Start Date	RFP Deadline	Selected Realtor
240	3	January 15, 2024	January 29, 2024	Scotiabank
249	3	January 15, 2024	January 29, 2024	CBRE
Kings Mill	2	January 16, 2024	January 30, 2024	JLL
Buckingham	3	January 29, 2024 and February 13, 2024	February 12 and 16, 2024 ⁴	JLL
Wabash	2	January 29, 2024	February 12, 2024	Colliers
1000	2	January 29, 2024	February 12, 2024	Colliers
Ravine	2	February 16, 2024	February 26, 2024	TD and CBRE
Heart Lake	2	February 16, 2024	February 26, 2024	TD and CBRE

4. All of the solicited realtors submitted proposals (the “Realtor Proposals”) by the respective RFP deadline. In certain cases, the realtors were asked to present their proposals to the Receiver and the applicable Mortgagee.

⁴ The Receiver initially invited two brokerages to submit proposals for Buckingham and then later added a third brokerage, who received the RFP at a later date and therefore was given an extension until February 16, 2024 to submit its proposal .

5. In consultation with the Mortgagees, the Receiver selected: (i) Scotiabank to sell 240's Property; (ii) CBRE to sell 249's Property; (iii) JLL to sell Kings Mill and Buckingham's respective Property; (iv) Colliers to sell Wabash and 1000's respective Property; and (v) TD and CBRE to jointly sell Ravine and Heart Lake's respective Property. These decisions were based on, among other things, each realtor's knowledge of the specific Projects undertaken by the Companies, their familiarity with the applicable market, their proposed marketing processes, their commission structures, the experience of their teams, including prior experience conducting sale processes in the context of receivership proceedings, and feedback from the applicable Mortgagee.

4.2 Sale Processes

1. The recommended Sale Processes for each of the Companies' respective Property are set out in the table below and are substantially similar to one another.

Summary of Sale Process	
Milestone	Description of Activities
<i>Phase 1</i>	
Prepare marketing materials	<ul style="list-style-type: none"> ➤ Realtors and the Receiver to: <ul style="list-style-type: none"> ○ prepare a teaser and confidential information memorandum ("CIM") for each Project; ○ populate virtual data rooms for each Project; and ○ prepare a form of confidentiality agreement ("CA").
Prospect Identification	<ul style="list-style-type: none"> ➤ For each Real Property, realtors to develop master prospect list in consultation with the Receiver.
<i>Phase 2</i>	
Stage 1 - Marketing	<ul style="list-style-type: none"> ➤ Realtor to complete mass market introduction, including: <ul style="list-style-type: none"> ○ sending offering summary and marketing materials and brochure to each realtor's client base, including the prospect list; ○ publishing the acquisition opportunity in such journals, publications and online sites as the realtor and the Receiver believe appropriate in their discretion; ○ posting "for sale" signs on each Real Property, to the extent applicable; ○ direct canvassing of prospects; ○ posting the acquisition opportunity on MLS for each Project on an unpriced basis, if requested by the Receiver; and ○ meeting with prospective bidders to explain the potential of each site. ➤ Receiver and its legal counsel to prepare a Vendor's form of Purchase and Sale Agreement (the "PSA") which will be made available to prospective purchasers in each virtual data room. ➤ Realtors to provide additional diligence information identified by realtors and Receiver to qualified prospects that execute the CA, including access to virtual data rooms and a copy of the CIM. ➤ Realtors and Receiver to facilitate diligence by interested parties.
Stage 2 – Bid Deadline	<ul style="list-style-type: none"> ➤ Prospective purchasers to submit offers in the form of the PSA, with any changes to the PSA blacklined.

Summary of Sale Process	
Milestone	Description of Activities
<i>Phase 3</i>	
Short-listing of Offers and Selection of Successful Bids	<ul style="list-style-type: none"> ➤ Realtors to collect, summarize and provide to the Receiver commentary on initial bids received. Receiver may consult with the applicable Mortgagee(s) on the offers received. ➤ Short listing of bidders. ➤ Further bidding - bidders may be asked to improve their offers. The Receiver may invite parties to participate in as many rounds of bidding as is required to maximize the consideration and minimize closing risk. The Receiver may also seek to clarify terms of the offers submitted and to negotiate such terms. ➤ The Receiver will be at liberty to consult with the applicable Mortgagee(s) regarding the offers received, subject to any confidentiality requirements that the Receiver believes appropriate. ➤ The Receiver will select the successful bidder(s), having regard to, among other things: <ul style="list-style-type: none"> ○ total consideration (cash and assumed liabilities); ○ form of consideration, including the value of any carried interest; ○ third-party approvals required, if any; ○ conditions, if any, and time required to satisfy or waive same; and ○ such other factors affecting the speed and certainty of closing and the value of the offers as the Receiver considers relevant.
Selected bidders to perform final due diligence	<ul style="list-style-type: none"> ➤ Bidders to address their conditions. ➤ Back up bidder diligence and negotiation may continue in the Receiver's discretion
Sale Approval Motion(s) and Closing(s)	<ul style="list-style-type: none"> ➤ Following execution of definitive transaction documents and satisfaction or waiver of such conditions therein as the Receiver requires prior to seeking Court approval, the Receiver will seek Court approval of the successful offer(s).
Closings	<ul style="list-style-type: none"> ➤ Following Court approval

2. The timelines for each phase of the Sale Processes, arranged by the Companies and their respective Property, are provided in the table below. The timelines were developed by the realtors in consultation with the Receiver. The timelines assume that the Court approves the Sale Processes on the return of this motion and that the Sale Processes launch on that same date. To the extent that the Sale Processes are delayed, the timelines may be adjusted accordingly.

Phase	Timelines				
	240 and 249	Buckingham	Kings Mill	Wabash and 1000	Ravine and Heart Lake
Phase 1 - Prepare marketing materials and Prospect identification	As soon as possible, but no later than March 29, 2024.	As soon as possible, but no later than March 29, 2024	As soon as possible, but no later than March 18, 2024.	As soon as possible, but no later than March 18, 2024.	As soon as possible, but no later than March 13, 2024
Phase 2 - Stage 1 - Marketing	4 to 6 weeks from launch or as otherwise determined by the Receiver and realtor.	4 to 6 weeks from launch or as otherwise determined by the Receiver and realtor.	4 to 5 weeks from launch or as otherwise determined by the Receiver and realtor.	6 to 8 weeks from launch or as otherwise determined by the Receiver and realtor.	4 to 6 weeks from launch or as otherwise determined by the Receiver and realtor.
Phase 2 - Stage 2 - Bid Deadline	Estimated bid date to be no earlier than April 19, 2024, based on, <i>inter alia</i> , the date on which the Sale Process launches, market feedback and consultation with the realtors. The bid deadlines will be communicated to prospective buyers by the realtors.	Estimated bid date to be no earlier than April 24, 2024, based on, <i>inter alia</i> , the date on which the Sale Process launches, market feedback and consultation with the realtors. The bid deadlines will be communicated to prospective buyers by the realtors.	Estimated bid date to be no earlier than April 15, 2024, based on, <i>inter alia</i> , the date on which the Sale Process launches, market feedback and consultation with the realtors. The bid deadlines will be communicated to prospective buyers by the realtors.	Estimated bid date to be no earlier than May 6, 2024, based on, <i>inter alia</i> , the date on which the Sale Process launches, market feedback and consultation with the realtors. The bid deadlines will be communicated to prospective buyers by the realtors.	Estimated bid date to be no earlier than April 10, 2024, based on, <i>inter alia</i> , the date on which the Sale Process launches, market feedback and consultation with the realtors. The bid deadlines will be communicated to prospective buyers by the realtors.
Phase 3 – Short-listing of Offers and Selection of Successful Bids	Two weeks from offer bid deadline.	Two weeks from offer bid deadline.	Two weeks from offer bid deadline.	Two weeks from offer bid deadline.	Two weeks from offer bid deadline.
Selected bidders to perform final due diligence	30 to 60 days from selection of successful bidders.	30 to 60 days from selection of successful bidders.	30 to 60 days from selection of successful bidders.	30 to 90 days from selection of successful bidders.	30 to 60 days from selection of successful bidders.
Sale Approval Motion(s) and Closing(s)	15 to 30 days from the date that the selected bidder confirms applicable conditions have been satisfied or waived.	15 to 30 days from the date that the selected bidder confirms applicable conditions have been satisfied or waived.	15 to 30 days from the date that the selected bidder confirms applicable conditions have been satisfied or waived.	15 to 30 days from the date that the selected bidder confirms applicable conditions have been satisfied or waived.	15 to 30 days from the date that the selected bidder confirms applicable conditions have been satisfied or waived.
Closings	ASAP	ASAP	ASAP	ASAP	ASAP

3. Additional terms of the Sale Processes include:
- a) bidders will have the opportunity to submit offers on an *en bloc* basis, provided that they provide separate values for each Real Property (it is possible that the bid dates for all Real Properties may not align). In the event that an *en bloc* buyer emerges, the Receiver will work with the bidder to structure its offer accordingly;
 - b) the Companies' respective Property, including the Real Properties will be marketed and sold on an "as-is, where-is" basis, with standard representations and warranties for a receivership transaction;
 - c) to the extent permitted by law, all of the rights, title and interest of the Companies in their respective Property, including the Real Properties, will be sold free and clear of all pledges, liens, security interests, encumbrances and claims, pursuant to approval and vesting orders to be sought by the Receiver;
 - d) to the extent permitted by law, interested parties will not be required to assume the home buyer purchase agreements;
 - e) the Receiver, after consultation with the applicable Mortgagees, will have the right to reject any and all offers and shall not be under any obligation to accept any offer, including the highest and best offers;
 - f) any mortgagee of a Real Property retains the right to credit bid the debt owing to it in respect of a Real Property at the conclusion of the Sale Process if there are no acceptable offers that the Receiver is prepared to bring forward for Court approval, following consultation with the applicable Mortgagees;
 - g) if the Receiver determines, in its sole discretion, that it will assist to maximize recoveries, the Receiver will have the right to: (i) waive strict compliance with the terms of the Sale Process, including the right to amend any of the deadlines in the table above by up to six weeks without Court approval; and (ii) modify and adopt such other procedures that will better promote the sale of the Companies' respective Property, including Real Properties or enhance recoveries for stakeholders;
 - h) any material modifications to, or the suspension or termination of, the Sale Process for any or all of the Companies' respective Property, including the Real Properties shall require Court approval, subject to the right to extend bid deadlines as set out in paragraph (g) above; and
 - i) any transaction(s) entered into by the Receiver shall be subject to Court approval.

4.3 Listing Agreements

1. The form of listing agreement with certain of the realtors has been finalized, whereas the other listing agreements are presently being advanced and are expected to be finalized by the return of this motion. The commission structure for each realtor in respect of the relevant Real Property is provided in Appendix “B” to this Report. The listings agreements are in the standard form for a receivership transaction, with slight modifications based on the terms negotiated with each realtor, as consented to by the applicable Mortgagee.
2. Each of the realtors will spend considerable time and effort preparing for and marketing each of the Real Properties. Accordingly, each of the listing agreements includes a work fee in the event that a Real Property is acquired by a mortgagee through a credit bid. In each case, the work fees are structured to be less than the commissions to which the brokers would be entitled if they sold the Real Properties to a third party. These fees may vary by Property based on, *inter alia*, the magnitude of the secured mortgages and the attributes and complexities of a particular Real Property. In the Receiver’s view, these fees are commercially reasonable and appropriate in the circumstances.
3. Given that 240 and 249’s respective Property were both being developed as part of the same Grand Central Mimico development by the Vandyk Group, 240 and 249’s respective Property will be marketed jointly by Scotiabank and CBRE. The respective Mortgagees (Kingsett and Otera) are supportive of the joint marketing mandate.
4. Ravine and Heart Lake’s respective Property will also be marketed jointly by CBRE and TD, as this will allow for a broader marketing. The Mortgagee for both Ravine and Heart Lakes’ Property (Kingsett) is supportive of the joint marketing mandate.
5. The Receiver believes that the Sale Processes should be commenced immediately, which is supported by the applicable Mortgagees.

4.4 Sale Processes Recommendation

1. The Receiver recommends that the Court issue an order approving the Sale Processes for the following reasons:
 - a) in the Receiver’s view, the Sale Processes are commercially reasonable and appropriate at this time due to: (i) the early development stage of the Projects; (ii) the illiquidity of the Projects, including the rate at which interest continues to accrue; (iii) feedback from the Mortgagees; and (iv) the lack of other viable options, including an unconditional refinancing sufficient to repay in full of all applicable mortgages;
 - b) in the Receiver’s view, the Sale Processes represent fair, open and transparent processes developed with input from the selected realtors, and are intended to canvass the market broadly on an efficient basis to obtain the highest and best price;

- c) the Sale Processes provide the Receiver with the timelines, procedures and flexibility that it believes are necessary to maximize the value of the Companies' respective Property;
- d) the Sale Processes represent procedures commonly used to sell real estate development projects, including by KSV in other Court-supervised real property sale processes; and
- e) each of the selected realtors is a leading national brokerage, with the experience and expertise to market the Companies' respective Property, including knowledge of the markets in which the Real Properties are located and a marketing plan tailored to each Real Property and Project.

5.0 Receiver's Activities

1. Since its appointment and with the assistance of counsel, in addition to the activities described above, the Receiver's activities have included:
 - a) corresponding extensively with the Mortgagees regarding, among other things, the status of the Real Properties, the proposed realization plan with respect to each of the Real Properties and the Sale Processes;
 - b) corresponding with the Mortgagees regarding the status of construction on the Projects and addressing issues related to the trades, liens, costs-to-complete construction and funding of construction costs;
 - c) corresponding with representatives of the Vandyk Group, including Management, to obtain information concerning the Projects and the business of the Debtors;
 - d) engaging with various stakeholders, including municipalities and lien claimants;
 - e) attending at the Debtors' head office to assist in record retention for the Projects;
 - f) corresponding with the Debtors' insurance broker to confirm coverage;
 - g) familiarizing itself with each of the Projects, including corresponding with certain of the Debtors' consultants;
 - h) reviewing information provided by the Mortgagees regarding each of the Real Properties, including appraisals, development applications, environmental reports and other consulting reports;
 - i) reviewing liens registered against certain of the Real Properties;
 - j) dealing with issues related to obtaining copies of the Debtors' servers and other electronic records;
 - k) preparing and sending to creditors and to the Official Receiver the statutory notices required pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*; and
 - l) preparing this Report.

6.0 Conclusion and Next Steps

1. The Receiver is currently assessing the options for realization of the Property of the other Debtors. In this regard, the Receiver is in discussions with, among other parties, the mortgagees of the Real Properties of Uptowns and Lakeview, construction consultants and construction trades.
2. The Receiver intends to make recommendations regarding the Property of Uptowns and Lakeview in the near term.
3. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1) (d) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER AND, AS APPLICABLE,
CONSTRUCTION LIEN TRUSTEE, OF CERTAIN REAL PROPERTY, ASSETS,
UNDERTAKINGS AND PROPERTY OF
VANDYK – UPTOWNS LIMITED, VANDYK – HEART LAKE LIMITED, 2402871 ONTARIO INC.,
VANDYK – THE RAVINE LIMITED, VANDYK – LAKEVIEW-DXE-WEST LIMITED,
VANDYK – THE BUCKINGHAM NORTH - GRAND CENTRAL LIMITED,
VANDYK – BACKYARD KINGS MILL LIMITED, 2495065 ONTARIO INC.,
VANDYK – 41 WABASH LIMITED, AND 1000318652 ONTARIO INC.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “A”



Murtaza Tallat
kvs restructuring inc.

220 Bay Street, Suite 1300, Box 20
Toronto, Ontario, M5H 2W4
T +1 416 932 6031
F +1 416 932 6266
mtallat@ksvadvisory.com
ksvadvisory.com

February 16, 2024

DELIVERED BY E-MAIL

CBRE Limited
Mike.Czestochowski@cbre.com

Attention: Mike Czestochowski

Dear Mr. Czestochowski:

Re: Vandyk – Heart Lake Limited and Vandyk – The Ravine Limited (together, the “Companies”)

Pursuant to an order made by the Ontario Superior Court of Justice (Commercial List) dated November 14, 2023 (the “Receivership Order”), which became effective on January 8, 2024, KSV Restructuring Inc. was appointed the receiver and manager (the “Receiver”) of the Companies’ real property (each a “Real Property” and together, the “Real Properties”), and of certain other assets, undertakings and personal properties of the Companies (collectively with the Real Properties, the “Property”).

A copy of the Receivership Orders and other materials filed in the receivership proceedings is available on the Receiver’s case website at <https://www.ksvadvisory.com/experience/case/vandyk> (the “Website”).

The Companies are developers of residential real estate projects (the “Projects”). Information concerning the Property, the Projects and these proceedings can be found on the Website.

The Receiver is inviting you to submit a proposal to market the Real Properties listed on Appendix “A”. **Proposals must be submitted to the Receiver by 5:00 p.m. (Toronto time) on February 26, 2024.** Details of the process and the content to be included in your proposal are attached as Appendix “B”. A confidentiality agreement is attached as Appendix “C”.

Unless otherwise agreed by the Receiver, you are strictly prohibited from soliciting any interest in the Real Properties, or discussing this opportunity with any parties, before a listing agreement is entered into and an order is issued by the Court approving a formal sale process.

Should you have any questions with respect to the above, please contact the undersigned at (416) 932-6031 or mtallat@ksvadvisory.com.

Yours very truly,

KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF
VANDYK – HEART LAKE LIMITED AND VANDYK – THE RAVINE LIMITED

Per: Murtaza Tallat

Appendix "A"

Real Properties

Company	Real Property Address	PIN
Vandyk - Heart Lake Limited	10194 Heart Lake Road, Brampton	PIN 14227-1266 PIN 14227-1264 PIN 14227-1262
Vandyk - The Ravine Limited	336 Waterhouse Cres N, Mississauga (f/k/a 320 Derry Road, Mississauga)	PIN 13214-0871 (LT) PIN 13214-0872 (LT) PIN 13214-0873 (LT) PIN 13214-0874 (LT) PIN 13214-0875 (LT) PIN 13214-0876 (LT) PIN 13214-0877 (LT) PIN 13214-0878 (LT) PIN 13214-0879 (LT) PIN 13214-0880 (LT) PIN 13214-0881 (LT) PIN 13214-0882 (LT) PIN 13214-0883 (LT) PIN 13214-0884 (LT) PIN 13214-0885 (LT) PIN 13214-0886 (LT) PIN 13214-0887 (LT) PIN 13214-0888 (LT) PIN 13214-0889 (LT) PIN 13214-0890 (LT) PIN 13214-0891 (LT) PIN 13214-0892 (LT) PIN 13214-0893 (LT) PIN 13214-0894 (LT) PIN 13214-0895 (LT) PIN 13214-0896 (LT) PIN 13214-0897 (LT) PIN 13214-0898 (LT) PIN 13214-0899 (LT) PIN 13214-0900 (LT) PIN 13214-0901 (LT) PIN 13214-0902 (LT) PIN 13214-0903 (LT) PIN 13214-0904 (LT) PIN 13214-0905 (LT) PIN 13214-0906 (LT) PIN 13214-0907 (LT) PIN 13214-0908 (LT) PIN 13214-0909 (LT) PIN 13214-0910 (LT) PIN 13214-0911 (LT)

Appendix “B”

Request for Proposals for REAL ESTATE BROKER SERVICES

Re: **Vandyk – Heart Lake Limited and Vandyk – The Ravine Limited (together, the “Companies”)**

A. Background

The Receiver is inviting you to provide real estate broker services to assist the Receiver in conducting a sale process for the Real Properties (the “Sale Process”).

Information related to the Real Properties will be provided in data rooms that have been established for the Sale Process (the “Data Rooms”). Realtors can obtain access to the Data Rooms once they sign the confidentiality agreement provided in Appendix “C”.

The terms of the Sale Process will be subject to Court approval.

One or more brokers may be selected to carry out the Sale Process.

B. Realtor’s Role

- Working with the Receiver, the Realtor's role will include, among other things:
 - developing a marketing process, including timelines for the Sale Process;
 - establishing an estimated value for the Real Properties;
 - preparing marketing materials;
 - advertising the Real Properties at the agent's expense;
 - obtaining and negotiating confidentiality agreements from interested parties;
 - showing the Real Properties to interested parties and working with the Receiver to maintain a data room to facilitate due diligence for prospective purchasers in the Sale Process;
 - qualifying interested parties from a financial perspective, to the extent necessary;
 - assisting interested parties with their diligence;
 - assisting to assess offers submitted and with the negotiation strategy;
 - providing Sale Process updates to the Receiver on a weekly basis (or such other frequency, as agreed), detailing the parties contacted, feedback received, the parties performing due diligence at any point in time and the quality of each of the potential bidders, to the extent possible;
 - providing a report to the Receiver at the conclusion of the Sale Process for each Real Property summarizing the Sale Process carried out for that Real Property, including the rationale for selecting the best offer in the Sale Process for that Real Property, which report may be filed by the Receiver with the Court to support its recommendation for Court approval of any transaction(s) for the Real Properties; and

- assisting to close one or more transactions.

C. Proposal Content

- The Proposal must contain the following:
 - Work Plan: proposals shall include a detailed work plan.
 - Value Estimate: proposals shall provide: an estimate of the value of each Real Property, together with supporting assumptions, including a discussion of the highest and best use for each Real Property.
 - Firm Background and Staff Experience: proposals shall provide background information concerning their firm, including the experience of their staff who will be working on this assignment (including résumés for the lead agents) and the degree of experience selling properties subject to formal insolvency proceedings (CCAA, receiverships, etc.).
 - Liability Insurance Certificate: a copy of your liability insurance certificate is to be included.
 - Compensation Structure: proposals shall detail the proposed compensation structure, including whether the commission would change if the broker is retained to list one or both Real Properties.
 - Conflict of Interest Statement: all proposals shall certify the disclosure of any professional or personal financial interests that could be a possible conflict of interest. In addition, any arrangements to derive additional compensation shall also be disclosed and certified.

D. Proposal Considerations

- The factors on which each proposal will be considered include the following:
 - the marketing plan;
 - experience selling similar real estate (including the location of the Real Properties);
 - experience acting in Court-supervised situations;
 - compensation structure; and
 - other factors, in the Receiver's sole discretion.

After consulting with the first mortgagee of the Real Properties, the Receiver will likely arrange a meeting at which you will be asked to present your proposal.

* * *

For more information or questions, please contact Murtaza Tallat at the email address noted above.

CONFIDENTIALITY AGREEMENT

KSV Restructuring Inc.
220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

Email: mtallat@ksvadvisory.com
Attention: Murtaza Tallat

To Whom It May Concern:

Re: Vandyk – Heart Lake Limited and Vandyk – The Ravine Limited (together, the “Companies”)

WHEREAS this agreement (the “Confidentiality Agreement”) is being executed between the Receiver and the Broker (terms as defined below), as entered into as of the date on the last page hereto, for the purpose of providing real estate brokerage services concerning one or more of the Companies’ real properties listed on Appendix “A” (the “Real Properties”) together with any and all other related property, assets undertaking of the Companies (collectively with the Real Properties, the “Property”).

AND WHEREAS We/I as undersigned (hereinafter referred to as the "Broker") requests that KSV Restructuring Inc., in its capacity as receiver and manager (the “Receiver”) of the Property appointed pursuant to and order of the Ontario Superior Court of Justice made on November 14, 2023, which became effective on January 8, 2024, provide the Broker with certain confidential information relating to the Real Properties.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) and in consideration of the Receiver agreeing to provide the Broker with certain or all of the Information (as defined below), the Broker hereby undertakes and agrees as follows:

- a) To treat and maintain confidentially, such information and any other information that the Receiver or any of its advisors furnish to the Broker, whether furnished before or after the date of this Agreement, whether furnished orally or in writing or otherwise recorded or gathered, and regardless of whether specifically identified as "confidential", including any documents or copies (paper, electronic or otherwise) and communications thereof contained (collectively, the "Information").
- b) Not to use any of the Information for any purpose other than for the exclusive purpose of evaluating the possibility of submitting a listing proposal for the Real Properties. The Broker agrees that the Information will not be used in any way detrimental to the Companies, the Property, and/or the Receiver in the performance of its appointment concerning the Property, and that such Information will be kept confidential by the Broker, its directors, officers, employees and representatives (collectively, the “Representatives”) and these Representatives shall be informed by the Broker of the confidential nature of such information and shall be directed to treat such information confidentially.
- c) To be held responsible for any breaches of this Confidentiality Agreement by its Representatives, and to advise the Representatives of the confidential nature of the Information, and to provide to those Representatives to which or to whom the Information is provided a copy of this Confidentiality Agreement, and if such Representative is not otherwise bound by restrictions on disclosure and use similar to the obligations hereunder, to have such Representatives agree to be bound by this Confidentiality Agreement.
- d) To transmit, where required, the Information only to those Representatives who need to know the Information for the purposes described herein, who shall be informed by the Broker of the confidential nature of the Information and who agree to be bound by the provisions of this Confidentiality Agreement. On request, the Broker shall promptly notify the Receiver of the identity of each Representative to whom any Information has been delivered or disclosed.

- e) To not supply or disclose any data, communications or documents included in the Information or any Information included therein or any Information hereinafter obtained in the course hereof or with respect hereto to any corporation, company, partnership or individual or any combination of one or more of the foregoing (any of which are hereby defined as a "Person") other than the Broker and its Representatives, unless the prior written consent of the Receiver has been obtained, in advance.
- f) The Broker and its Representatives will not, without the prior written consent of the Receiver, disclose to any Person that this solicitation for proposal is taking place nor disclose of any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof.
- g) That any time, at the request of the Receiver, the Broker agrees to promptly return or destroy, without any right of compensation or indemnity, all Information without retaining any copies thereof or any notes relating thereto or reproductions or any part thereof in its possession without regards to the form or format. The Broker will certify as to the return or destruction of all Information and related notes and copies of such information and that no Person has a copy of the Information.
- h) That in the event the Broker is required or requested by legal process to disclose any of the Information, the Broker will provide the Receiver with prompt written notice of such requirement or request so that the Receiver may take such actions as it considers appropriate.
- i) That the Broker agrees that the Receiver makes no representations or warranties as to the accuracy or completeness of the Information. The Broker further agrees that neither the Receiver, nor any other author of, or Person providing, Information, shall have any liability to the Broker or any of its Representatives arising from the use of the Information by the Broker or its Representatives.
- j) The Broker represents and warrants that it shall be responsible for any costs associated with its review of the Information. Any consultants, real estate agents/brokers, and/or advisors retained by the Broker shall require the consent of the Receiver prior to retention and shall be required to execute, and to be bound by, this Confidentiality Agreement. The Broker shall retain a copy of such executed Confidentiality Agreement and will provide it to the Receiver immediately following its request.
- k) The Broker and its Representatives acknowledge that the Receiver is acting strictly in its capacity as Receiver and that it shall have no liability for any action, omission, statement, misstatement, representation, or warranty made within the Information. The Broker and its Representatives further acknowledge that the Receiver shall have no liability for any action, omission, statement, misstatement, representation, or warranty made by itself or its employees to the Broker and its Representatives, absent fraud or willful misconduct.
- l) The Broker shall indemnify the Receiver, any of its employees, and its counsel against any loss, cost, damage, expense, legal fees or liability suffered or incurred by any of them as a result of or in connection with any breach by the Broker or any of its Representatives to whom the Broker discloses Information of any term or provision of this Confidentiality Agreement.
- m) The Broker acknowledges and agrees that the execution and delivery of this Confidentiality Agreement and the delivery of the Information does not give rise to any legal obligation of the Receiver, whether in contract, in negligence or other tort, or by way of fiduciary duty or otherwise. Without limiting the generality of the foregoing, the Broker acknowledges and agrees that the Receiver is not and will not be under any obligation, express or implied, to provide or to continue to provide Information, to entertain any offers or proposals for the purchase or any sale, or to complete a sale or other transaction with the Broker, unless and until a legally binding agreement is delivered and executed which expressly provides for such obligations. Furthermore, the Broker acknowledges and agrees that the Receiver has not and will not give any representations or warranties, either express or implied, concerning the accuracy or completeness of, or otherwise relating in any way to, the Information, and that the Receiver shall not have any liability whatsoever to the Broker or any Representatives for any transaction entered into, or not entered into, or any other act, omission or decision made or taken, relying upon or in any way affected by, the

Information.

- n) The Broker agrees that monetary damages would not be a sufficient remedy for any breach of this Agreement by it or its employee or agents and that any court having jurisdiction may enter a preliminary and/or permanent restraining order, injunction or order for specific performance in the event of an actual or threatened breach of any of the provisions of this Agreement, in addition to any other remedy available to the Receiver or the Companies. In addition to all remedies available to the Receiver, it is agreed that the Receiver shall be entitled to equitable relief if necessary, including an injunction or specific performance in relation to a breach of this Confidentiality Agreement by the Broker and/or its Representatives.
- o) The Broker hereby agrees to observe all the requirements of any applicable privacy legislation including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) with respect to personal information which may be contained in the Information.
- p) The Broker acknowledges and agrees that it has had an opportunity to obtain independent legal advice as to the terms and conditions of this Confidentiality Agreement and has either received same or expressly waived its right to do so.
- q) This Confidentiality Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. This Confidentiality Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each party hereto irrevocably submits to the exclusive jurisdiction of the Ontario Superior Court of Justice (Commercial List) sitting in Toronto, Ontario, with respect to any matter arising hereunder or related hereto.
- r) This Confidentiality Agreement shall enure to the benefit of the Receiver and the Companies' mortgagees and their successors and assignees. Any party may deliver an executed copy of this Confidentiality Agreement by facsimile or email. This Confidentiality Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.
- s) This Confidentiality Agreement shall have a term of two (2) years from the date written below.

DATED at _____ this _____ day of _____, 2024

("Broker")

Corporate Name (Please Print)

By (Authorized Signing Officer's Signature)

(Officer's Name and Title)

(Broker's
Address)

(Telephone Number)

(Email Address)

Appendix “B”

Schedule of Realtor Fees
 March 1, 2024

Realtor	Property	Fee on third party sale	Fee on Credit Bid
Scotiabank	240	0.85% of the purchase price	0.85% of the highest Closeable Offer
CBRE	249	0.85% of the purchase price, subject to a cap of \$425,000.	\$175,000
JLL	Kings Mill	0.74% of the purchase price	0.74% of the highest Closeable Offer
JLL	Buckingham	(i) 0.74% on the first \$40MM of the purchase price; plus (ii) 1.20% on any purchase price proceeds in excess of \$40MM	0.74% of the highest Closeable Offer
Colliers	Wabash	<u>No Co-operating broker:</u> 1.875% of the purchase price <u>With Co-operating broker:</u> 2% of the purchase price, with 0.9% payable to co-operating agent and 1.1% to the listing team.	\$100,000
Colliers	1000	<u>No Co-operating broker:</u> 1.875% of the purchase price <u>With Co-operating broker:</u> 2% of the purchase price, with 0.9% payable to co-operating agent and 1.1% to the listing team.	\$100,000
TD and CBRE	Ravine	<u>No Co-operating broker:</u> 1.7% of the purchase price, with 0.85% payable to each of TD and CBRE. <u>With Co-operating broker:</u> 2.2% of the purchase price, with 1.7% payable to the listing team (split 0.85% to each of TD and CBRE) and 0.5% payable to co-operating agent.	1.7% of the highest Closeable Offer, with 0.85% payable to each of TD and CBRE
TD and CBRE	Heart Lake	<u>No Co-operating broker:</u> 1.7% of the purchase price, with 0.85% payable to each of TD and CBRE. <u>With Co-operating broker:</u> 2.2% of the purchase price, with 1.7% payable to the listing team (split 0.85% to each of TD and CBRE) and 0.5% payable to co-operating agent.	1.7% of the highest Closeable Offer, with 0.85% payable to each of TD and CBRE

Notes

Note 1: All fee amounts above are subject to applicable taxes.

Note 2: "Closeable Offer" shall mean a bid provided pursuant to, and in accordance with, the Sales Process, which reflects a reasonably likely prospect of being completed within the terms contemplated by the Sales Process, as determined by the Seller, acting reasonably.

Note 3: The credit bid fee payable to CBRE for the 249 Property is also applicable in a refinancing.