



April 17, 2026

**Fourth Report to Court of  
KSV Restructuring Inc.  
as Receiver and Manager of certain  
real property, assets and undertakings of  
759 Winston Churchill GP Inc.,  
759 Winston Churchill L.P.,  
688 Southdown GP Inc.,  
688 Southdown LP,  
2226 Royal Windsor GP Inc. and  
2226 Royal Windsor LP**

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COURT FILE NUMBER:  
CV-24-00714543-00CL

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

**B E T W E E N:**

**KINGSETT MORTGAGE CORPORATION**

**APPLICANT**

**- AND -**

**759 WINSTON CHURCHILL GP INC., 759 WINSTON CHURCHILL L.P., 688 SOUTHDOWN  
GP INC., 688 SOUTHDOWN LP, 2226 ROYAL WINDSOR GP INC. AND 2226 ROYAL  
WINDSOR LP**

**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**

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

**APRIL 17, 2026**

## **1.0 Introduction**

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on May 30, 2024, (the "**Receivership Order**"), as amended and restated on November 15, 2024 and April 28, 2025 (the "**A&R Receivership Order**") KSV Restructuring Inc. ("**KSV**") was appointed as receiver and manager (in such capacity, the "**Receiver**") of the real property described on Schedule "A" to the Receivership Order (the "**Real Property**") and all present and future assets, undertakings and personal property of 759 Winston Churchill GP Inc. ("**Churchill GP**"), 759 Winston Churchill L.P. ("**Churchill LP**" and, together with Churchill GP, "**Churchill**"), 688 Southdown GP Inc. ("**Southdown GP**"), 688 Southdown LP ("**Southdown LP**" and, together with Southdown GP, "**Southdown**"), 2226 Royal

- Windsor GP Inc. (“**Royal Windsor GP**”) and 2226 Royal Windsor LP (“**Royal Windsor LP**”) and, together with Royal Windsor GP, “**Royal Windsor**”) (collectively, the “**Debtors**”), including all permits and deposits paid and obtained on behalf of a Debtor, located at, related to, used in connection with or arising from or out of the Real Property or which is necessary to the use and operation of the Real Property, including all proceeds therefrom, and excluding all security granted by Churchill GP to The Toronto-Dominion Bank in connection with certain letters of credit (collectively with the Real Property, the “**Property**”). A copy of the A&R Receivership Order is attached as **Appendix “A”**.
2. In the [Receiver’s Third Report to Court](#) dated November 6, 2025 (the “**Third Report**”), the Receiver recommended, and the Court approved pursuant to an Order dated November 13, 2025 (the “**Sale Process Approval Order**”):
    - a) a sale process (the “**Sale Process**”) for the Property owned by Southdown and Royal Windsor (together, the “**Sellers**”, and such Property, the “**Subject Property**”); and
    - b) a Stalking Horse Agreement of Purchase and Sale dated November 6, 2025 between the Receiver and KingSett Mortgage Corporation (“**KingSett**” and in such capacity, the “**Purchaser**”), to be used as a “stalking horse bid” in the Sale Process.
  3. A copy of the Third Report (without the Appendices thereto) is attached as **Appendix “B”** and a copy of the Third Report (with the Appendices thereto) is available on the Receiver’s website. A copy of the Sale Process Approval Order is attached as **Appendix “C”**.

## 1.1 Purposes of this Report

1. The purposes of this report (the “**Report**”) are to, among other things:
  - a) provide background on the Debtors and the Property;
  - b) summarize the results of the Sale Process;
  - c) summarize the proposed sale transaction (the “**Transaction**”) between the Receiver and KingSett pursuant to the Stalking Horse Agreement of Purchase and Sale dated November 6, 2025 (as amended, the “**APS**”), which contemplates a sale of substantially all the Subject Property and has been identified as the successful bid pursuant to the Sale Process;
  - d) discuss the results of the Priority Claims Process (as defined below) as it relates to the Sellers;
  - e) discuss a proposed distribution from the proceeds of the Transaction to the holders of Priority Claims (as defined below);
  - f) discuss a proposed process for the leasing of Churchill’s Real Property; and

- g) recommend that this Court issue the following Orders:
- i. an Approval and Vesting Order (“**AVO**”), among other things:
    - approving the Transaction;
    - following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed AVO (the “**Receiver’s Certificate**”), transferring and vesting all of the Sellers’ right, title and interest in and to the Purchased Assets (as defined in the APS) in the Purchaser, free and clear of all liens, charges, security interests and encumbrances, other than certain permitted encumbrances;
    - authorizing and directing the Receiver to make distributions to the holders of Priority Claims (as defined herein); and
    - granting a sealing order in respect of **Confidential Appendix “1”** to this Report.
  - ii. a Lease Relief Order, among other things:
    - authorizing the Receiver, on behalf of Churchill, to enter into leases with respect to Churchill’s Real Property, subject to the Lease Conditions (as defined below);
    - approving the Leasing Process (as defined below) contemplated therein; and
    - granting a sealing order in respect of **Confidential Appendix “2”** to this Report.

## 1.2 Currency

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

## 1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon: (i) the books and records of the Debtors; (ii) discussions with various suppliers, tradespeople and consultants to the Debtors; (iii) discussions with the management of the South Shore Group (as defined below); and (iv) the receivership application materials (collectively, the “**Information**”).

2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Report by any party.
3. Additional background information regarding the Debtors and the reasons for the appointment of the Receiver are provided in the application materials of KingSett. Copies of the Court materials filed to-date in these proceedings are available on the Receiver’s case website: <https://www.ksvadvisory.com/experience/case/winston-churchill>.

## 2.0 Background

### 2.1 The Debtors

1. The Debtors are privately held real estate development entities and are each part of the larger South Shore Group of companies (the “**South Shore Group**”).
2. Churchill GP, Southdown GP and Royal Windsor GP are the registered owners of the Real Property, and they hold the Real Property for the benefit of Churchill LP, Southdown LP and Royal Windsor LP, respectively.
3. The Debtors intended to develop three real-estate development projects on their respective Real Property (collectively, the “**Projects**” and each a “**Project**”), which are all located in Mississauga, Ontario.
4. The Receiver understands that the Debtors do not have employees.

### 2.2 The Projects

1. The Real Property and the related Projects are comprised of the following:
  - a) a property located at 688 Southdown Road, Mississauga, Ontario (the “**Southdown Lands**” and the Project being developed thereon, the “**Southdown Project**”). The Southdown Lands are approximately 91 acres, of which 80 acres are developable and are currently zoned for industrial use. There is no active construction on the Southdown Lands;
  - b) a property located at 2226 Royal Windsor Drive, Mississauga, Ontario (the “**Royal Windsor Lands**” and the Project being contemplated thereon, the “**Royal Windsor Project**”). The Royal Windsor Lands are comprised of approximately 74.5 acres of industrial zoned land. The Royal Windsor Lands were to be re-zoned for residential use, however, such re-zoning efforts have not yet commenced or have not materially advanced. There is no active construction on the Royal Windsor Lands; and

- c) a property located at 759 Winston Churchill Boulevard, Mississauga, Ontario (the “**Churchill Lands**”, and the Project being developed thereon, the “**Churchill Project**” and collectively with the Royal Windsor Project and Southdown Project, the “**Projects**”). The Churchill Lands are approximately 47.15 acres and were intended to be developed into 750,354 square feet of industrial facilities, comprised of three industrial buildings. Currently, one building is complete and fully leased and the other two (the “**Remaining WC Buildings**” and each, a “**Remaining WC Building**”) are being constructed within the receivership proceedings in accordance with the terms of the A&R Receivership Order.

## 3.0 Southdown & Royal Windsor

### 3.1 Sale Process

1. The Receiver carried out the Sale Process in accordance with the Sale Process Approval Order. The Sale Process was detailed in Section 3.3 of the Third Report, and, accordingly, those details are not repeated herein.
2. Pursuant to the Sale Process Approval Order, the Receiver retained Avison Young (the “**Agent**”) to list the Subject Property for sale.
3. On November 17, 2025, shortly after the Sale Process Approval Order was granted, the Agent listed the Subject Property on MLS® and distributed an interest solicitation letter detailing the acquisition opportunity (the “**Teaser**”) to 1,694 prospective buyer contacts. Attached to the Teaser was a bid process letter and a form of non-disclosure agreement (an “**NDA**”) that interested parties were required to sign in order to obtain access to a virtual data room (the “**VDR**”). The VDR contained information regarding the Subject Property, including financial information, contracts, permits, designs, drawings, budgets and other diligence information that the Receiver had obtained from the South Shore Group, the development manager and consultants engaged in connection with the Sellers’ Projects.
4. In addition, the Agent marketed the Subject Property through, among other things, email campaigns and digital advertisements.
5. The Sale Process provided for a qualified bid deadline of February 17, 2026 (the “**Qualified Bid Deadline**”). Pursuant to the Sale Process Approval Order, the Receiver extended this to March 2, 2026 to facilitate further discussions with the parties that had provided LOIs, including with respect to additional diligence and the negotiation of terms.
6. A summary of the results of the Sale Process is as follows:
  - a) 1,694 parties were sent the Teaser and the NDA.
  - b) 14 parties executed the NDA and were provided access to the VDR to perform additional due diligence. These parties engaged in diligence discussions with the Agent and/or the Receiver with respect to one or more sites.
  - c) Two LOIs were submitted on or prior to the LOI Deadline (January 15, 2026). A summary of the LOIs is included in **Confidential Appendix “1”**. The Receiver’s recommendation with respect to sealing this information is provided in Section 5 below.

- d) No binding offers were ultimately received for the Property of Southdown, other than the Stalking Horse Bid (as defined in the Sale Process), by the Qualified Bid Deadline (March 2, 2026).
  - e) One offer for the Property of Royal Windsor (other than the Stalking Horse Bid) was received by the Qualified Bid Deadline (the “**Royal Windsor Offer**”, a copy of which is included in **Confidential Appendix “1”**). However, the Receiver determined that this bid did not constitute a Qualified Bid, as it failed to provide Consideration Value (as defined in the Sale Process) that, in the Receiver’s opinion, would provide for a superior economic result for the Royal Windsor estate as compared to the Stalking Horse Bid. This determination was informed by, among other things, the fact that no bid was received for the Southdown Property alone and that KingSett would not solely acquire the Southdown Property, the consequence of which would be that the Southdown Indebtedness (as defined below), which is secured by, among other things, the Royal Windsor Collateral Mortgage (as defined below), would remain outstanding.
7. Notwithstanding that the Royal Windsor Offer did not constitute a Qualified Bid, the Receiver, in consultation with KingSett and with the assistance of the Agent, engaged in further discussions with the party that submitted the Royal Windsor Offer after the Qualified Bid Deadline to understand its terms and conditions and whether such party would be willing to improve its offer. Various discussions and proposals were exchanged, but, ultimately, the party was not able to improve the terms of its offer to terms that would provide for a superior economic result for the Royal Windsor estate, when compared to the APS.
  8. Accordingly, as no Qualified Bids were received by the Qualified Bid Deadline (other than the Stalking Horse Bid), the Stalking Horse Bid was deemed to be the successful bid.

## 3.2 The Transaction<sup>1</sup>

### 3.2.1 The APS

1. The following constitutes a summary description of the APS only. Reference should be made directly to the APS for all of its terms and conditions. A copy of the Stalking Horse Agreement of Purchase and Sale dated November 6, 2025 is attached as **Appendix “D”**.
2. The key terms and conditions of the APS are provided below.
  - **Vendor:** the Receiver.
  - **Purchaser:** KingSett.

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<sup>1</sup> Capitalized terms in this section have the meaning provided to them in the APS or the Sale Process, as applicable, unless otherwise defined herein.

- **Purchased Assets:** all of the Sellers' right, title and interest in and to the following:
  - a) the Southdown Lands and Royal Windsor Lands, being the real property legally described in Schedule "A" of the APS;
  - b) the Assumed Contracts, to the extent transferable without consent or subject to any required consent being received by the time all conditions to Closing are satisfied if consent is required;
  - c) all hoarding and preconstruction matters relating to the Lands;
  - d) the Development Approvals, to the extent transferable without consent or subject to any required consent being received by the time all conditions to Closing are satisfied if consent is required;
  - e) all trade names, business names, intellectual property, models including any scale models of prospective development on the Lands, and all advertising literature and materials relating to same within the possession or control of the Sellers or Receiver;
  - f) the full benefit of any and all prepaid expenses or deposits with any Person (including, without limitation, the benefit of any prepaid rent), public utility or Governmental Authority relating to the Lands;
  - g) such other Property of the Sellers as KingSett may advise the Receiver of in writing before Closing, to the extent transferable without consent or subject to any required consent being received by the time all conditions to Closing are satisfied if consent is required, as shall be confirmed in a Schedule added to the APS prior to Closing, if applicable; and
  - h) the Books and Records relating to the Purchased Assets.
- **Excluded Assets:** all assets, undertakings and properties of the Sellers other than the Purchased Assets.
- **Purchase Price:** the Purchase Price is equal to the sum of:
  - a) the amount outstanding under the Receiver's Charge and the Receiver's Borrowings Charge (as such terms are defined in the Receivership Order) on the Closing Date, if any. As at March 31, 2026, the amount owing under the Receiver's Borrowings Charge was approximately \$533,382;
  - b) \$100,000, which shall be used by the Receiver to fund costs incurred in connection with necessary post-Closing matters, with any unused portion to be returned to KingSett;

- c) the amount owing under the First Mortgage Charges (as defined in the APS), which were granted in favour of KingSett, on the Closing Date, including without limitation principal, interest, interest on interest, protective disbursements, legal expenses, and costs and expenses; and
  - d) the amount outstanding in respect of any Priority Payables (as defined and described further below) on the Closing Date.
- **Payment of Purchase Price:**
    - a) **Assumed Mortgages** – KingSett shall cause the release of the Sellers from the amounts owing under the First Mortgage Charges on the Closing Date; and
    - b) **Cash Component** – the balance of the Purchase Price, being the amounts referenced in Section 4.2(b) and (d) of the APS (being (b) and (d) above) and the amount outstanding under the Receiver’s Charge (as such term is defined in the Receivership Order) on the Closing Date, shall be payable in cash on the Closing Date.
    - c) **Release Under Receiver’s Borrowings Charge** – by causing the release of the Receivership Respondents from the amounts owing under the Receiver’s Borrowings Charge (as such term is defined in the Receivership Order) on the Closing Date.
  - **Assumed Liabilities:** include: (i) Liabilities incurred under or in respect of the Permitted Encumbrances (as provided in Schedule “D” to the APS); (ii) all liabilities and obligations arising from the possession, ownership or use of the Purchased Assets arising after Closing, including in respect of any Environmental Liabilities.
  - **Excluded Liabilities:** means any liabilities, obligations or commitments of the Sellers, the Receiver or any other Person, except the Assumed Liabilities, and specifically includes those items listed in Section 3.3 of the APS.
  - **Representations and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties.
  - **Material Conditions:** include, among other things:
    - a) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper;
    - b) the Sale Process Approval Order shall have been obtained and the Stalking Horse Bid contemplated by the APS shall have been selected by the Receiver as the Successful Bid in accordance with the Sale Process Approval Order and the Sale Process; and

- c) the Approval and Vesting Order shall have been granted and shall not be stayed.

### 3.2.2 Amendment to APS

1. The Receiver and KingSett entered into an amendment to the APS on April 17, 2026, which is attached as **Appendix “E”**. This amendment provides that KingSett shall satisfy the portion of the Purchase Price comprised of amounts secured by the Receiver’s Borrowings Charge by releasing the Sellers from the amounts owing thereunder, rather than by making a cash payment for same (which would otherwise need to be paid back to KingSett), and adds additional Permitted Encumbrances (as defined in the APS) to Schedule “D” of the APS.

### 3.2.3 Sellers’ Creditors

1. KingSett is the principal secured creditor of the Sellers.

#### Southdown

- a) As at March 31, 2026, the Receiver has borrowed approximately \$533,382 pursuant to the Receiver’s General Borrowings Charge (as defined in the A&R Receivership Order), of which approximately \$445,969 was to fund costs and disbursements related to Southdown.
- b) Pursuant to a commitment letter dated August 19, 2021 (as amended) between Southdown, as borrower, and KingSett, as lender, KingSett agreed to provide a loan in the principal amount of \$165,000,000, pursuant to which Southdown was indebted approximately \$201.4 million as at March 31, 2026 (the “**Southdown Indebtedness**”).
- c) In addition to the Southdown First Mortgage Charge (as defined in the APS), the Southdown Indebtedness is secured by, among other things, a collateral mortgage (the “**Royal Windsor Collateral Mortgage**”) in respect of the Royal Windsor Lands, up to an amount equal to the lesser of: (i) \$100 million less the value of the Royal Windsor Indebtedness (as defined below) at the applicable time; and (ii) the amount realized upon enforcing the Royal Windsor First Mortgage Charge (as defined in the APS).

#### Royal Windsor

- d) As at March 31, 2026, the Receiver has borrowed approximately \$533,382 pursuant to the Receiver’s General Borrowings Charge, of which approximately \$87,413 was to fund costs and disbursements related to Royal Windsor.
- e) Pursuant to a commitment letter dated June 28, 2022 between Royal Windsor, as borrower, and KingSett, as lender, KingSett agreed to provide a loan in the principal amount of \$35,000,000, pursuant to which Royal Windsor was indebted approximately \$41.9 million as at March 31, 2026 (the “**Royal Windsor Indebtedness**”), and together with the Southdown Indebtedness, the “**KingSett Indebtedness**”).

- f) In addition to the Royal Windsor First Mortgage Charge, the Royal Windsor Indebtedness is secured by, among other things, a collateral mortgage in respect of the Southdown Lands (the “**Southdown Collateral Mortgage**” and, together with the Royal Windsor Collateral Mortgage, the “**Collateral Mortgages**”).
2. The Receiver requested that Osler, as independent legal counsel, conduct a review of the security granted by Southdown and Royal Windsor in respect of the KingSett Indebtedness, including the First Mortgage Charges (as defined in the APS) and the Collateral Mortgages. Osler has provided the Receiver with a written opinion that, subject to standard assumptions and qualifications, pursuant to applicable security documentation, the Sellers created valid security interests or charges, as applicable, against the Property to be sold pursuant to the APS.
3. The Affidavit of Daniel Pollack sworn February 12, 2024, in support of the receivership application contains additional detailed information regarding secured amounts owing to KingSett from the Debtors, including details of KingSett’s security, and, accordingly, that detailed information is not repeated herein. A copy of Mr. Pollack’s Affidavit is available on the Receiver’s website at the following link: [Affidavit of Daniel Pollack](#).
4. In addition to the mortgages registered by KingSett, the Receiver understands that 7037619 Canada Inc. has registered a subordinate mortgage charge in the amount of \$20,000,000 on the Southdown Lands. The Receiver has not reviewed the validity of this mortgage charge given the construct of the APS and associated recoveries.
5. Based on the Sellers’ books and records, as at the date of the Receivership Order, unsecured obligations of Southdown and Royal Windsor totalled approximately \$3.2 million and \$118,000, respectively, which were primarily owing to municipalities, consultants, and professionals.
6. Certain parties have registered construction liens on the Real Property of the Sellers and, accordingly, a portion of the amounts owing to such parties may have priority over the secured claims of the mortgages, as discussed in Section 3.3.1 below.

### 3.2.4 Transaction Recommendation

1. The Receiver recommends the Court issue the proposed Approval and Vesting Order for the following reasons:
  - a) the process undertaken by the Receiver to market the Subject Property was commercially reasonable and conducted in accordance with the terms of the Sale Process Approval Order;
  - b) Avison Young is a global brokerage that has extensive experience selling development properties in and around the Greater Toronto Area and widely canvassed the market for prospective purchasers;
  - c) KingSett, the senior secured lender to the Sellers, is supportive of the Transaction; and
  - d) the Receiver is of the view that the Transaction provides for the highest recovery available for the benefit of the Sellers’ stakeholders in the circumstances.

### 3.3 Priority Claims and Distributions

#### 3.3.1 Priority Construction Lien Claims

1. The APS provides for a purchase price equal to the sum of, among other things, the amount outstanding in respect of any Priority Payables. The APS provides that “**Priority Payables**” means “...any payables that have priority over the First Mortgage Charges, including amounts that have priority pursuant to s. 78(2) of the Construction Act, RSO 1990, c. C30, as determined by the Receiver in consultation with KingSett, both acting reasonably, or as determined by the Court, after application of any amount of cash on hand of the Sellers, as applicable, immediately prior to Closing, plus the Intercompany Claims”.
2. There are two construction liens currently registered on title to some or all of the Southdown Lands (the “**Construction Liens**”) in the aggregate amount of \$13,522,686. There are no construction liens registered against the Royal Windsor Lands.
3. Osler has advised the Receiver that the *Construction Act* (Ontario) provides that (i) in certain circumstances, valid liens arising from an improvement may have certain priority over mortgages, and (ii) various trust claims may be advanced by potential claimants in relation to development projects (any such claim under (i) or (ii), a “**Construction Priority Claim**”, which may constitute a Priority Payable).

#### 3.3.2 Priority Claims Process

1. In light of the foregoing, the Receiver sought an Order of the Court on April 28, 2025 (the “**Priority Claims Procedure Order**”), which authorized the Receiver to conduct a claims process (the “**Priority Claims Process**”) for the purpose of, among other things, identifying and quantifying the Construction Priority Claims.
2. The claims bar date for the Priority Claims Procedure Order was June 30, 2025 (the “**Priority Claims Bar Date**”). As of the Priority Claims Bar Date, the Receiver had received two claims for Priority Payables (“**Priority Claims**”) from construction lien claimants (collectively, the “**Construction Lien Claimants**”). No other Priority Claims, other than those of Construction Lien Claimants, have been received.
3. The Receiver, with the assistance of Osler, and in consultation with Kenaidan Contracting Limited, has completed its review of the Priority Claims and has reached a consensual resolution with both of the Construction Lien Claimants regarding the quantum of the Priority Claims in accordance with the Priority Claims Procedure Order, the settled amounts of which total \$3,568,475.50.

#### 3.3.3 Distributions to Priority Creditors

1. If the proposed Transaction is approved by the Court, the Receiver is seeking authorization and direction to distribute proceeds therefrom to pay the Priority Claims in accordance with the terms of the AVO.

2. The Purchase Price (as defined in the APS) under the Transaction specifically provides for a cash portion of the Purchase Price to be paid for any amounts outstanding in respect of any Priority Claims on the Closing Date (as defined in the APS). As such, these amounts shall be fully funded in cash by KingSett on the Closing (as defined in the APS) of the Transaction.

## 4.0 Winston Churchill

### 4.1 Update

1. As described further in the Second Report of the Receiver dated April 11, 2025, based on discussions with potential purchasers of the Churchill Project, it became apparent to the Receiver that completion of the project would materially increase the Churchill Project's value in any sales process and expand the pool of potentially interested acquirors. Accordingly, on April 28, 2025, the Receiver sought and obtained certain relief in the form of the A&R Receivership Order to facilitate such construction, including the approval of a construction financing facility from KingSett.
2. It is anticipated that construction of the Remaining WC Buildings will be completed in July 2026 and that the Churchill Project will be marketed in a Court-approved sale process soon thereafter. The Receiver, in consultation with the Marketing Agent (as defined and described below) and KingSett, anticipates that the marketability and potential sale price of the Churchill Project will be increased if the Remaining WC Buildings have committed tenants secured on favourable lease terms at the time of launching such a sale process, as this would give a potential buyer an immediate revenue stream. Based on the Receiver's experience and guidance provided to the Receiver by the Marketing Agent and KingSett's leasing group, securing tenants for large commercial buildings such as the Remaining WC Buildings will generally take several months and, accordingly, result in a delayed revenue stream for any potential acquiror, should leasing occur following completion of the project. Furthermore, securing tenants in advance of the Churchill Project's completion will allow final development aspects of the Remaining WC Buildings to be completed with the tenants and their requirements in mind, which would avoid potential further construction in the future to accommodate tenants that may be secured after completion.
3. In light of the above, the anticipated July 2026 completion date and the marketing process which is intended to follow thereafter, the Receiver is seeking the proposed Lease Relief Order to establish a process for leasing the Remaining WC Buildings, as described herein (the "Leasing Process").
4. The Leasing Process is intended to provide a flexible, efficient and fair process for canvassing the market for potential lessees for the Remaining WC Buildings and maximizing recovery for Winston Churchill's stakeholders in a subsequent sale.

### 4.2 Leasing Process Development and Background

1. The Receiver, in consultation with KingSett and after considering, among other things, proposed fee structures, broker qualifications and experience selling comparable projects, engaged Avison Young (the "**Marketing Agent**") to provide guidance with respect to the leasing of the Remaining WC Buildings and to assist with the marketing of same. Avison Young is a global commercial real estate broker with extensive experience marketing industrial properties for sale and lease in the Greater Toronto Area and broader Canadian and International market. It also has familiarity with the

Projects and these receivership proceedings, as the Marketing Agent also acted as the agent with respect to the Sale Process for the Royal Windsor Project and the Southdown Project.

2. At the Receiver's request, the Marketing Agent prepared a table to support the Leasing Process (the "**Leasing Parameters**"), which is attached as **Confidential Appendix "2"** to this Report. The Leasing Parameters set out minimum acceptable terms for the rental of the Remaining WC Buildings, including minimum pricing and leasing terms (the "**Minimum Terms**"), and were developed in consultation with the Receiver and KingSett.
3. The Leasing Parameters are based on, among other things, the Marketing Agent's experience leasing comparable industrial properties in the Greater Toronto Area and current market conditions.

### 4.3 Lease Conditions

1. The proposed Lease Relief Order provides that the Receiver may, on behalf of Winston Churchill, enter into lease agreements for the Remaining WC Buildings, provided the following conditions are met (collectively, the "**Lease Conditions**", the satisfaction of which will qualify an applicable transaction as a "**Permitted Transaction**"):
  - a. the Receiver is satisfied with the rent and other terms of the applicable transaction;
  - b. the minimum pricing and leasing terms for the applicable Remaining WC Building are not less than the applicable Minimum Terms;
  - c. the lease agreement is based on a form of lease to be prepared by the Receiver, in consultation with KingSett and the Marketing Agent (the "**Form of Lease**");
  - d. the Marketing Agent recommends the transaction; and
  - e. KingSett provides its written consent to the transaction.
2. The Receiver shall have the sole discretion to accept, reject, or negotiate offers for the Remaining WC Buildings from potential lessees ("**Offers**"), provided the Lease Conditions are satisfied. In evaluating Offers, the Receiver will consider such factors as it deems relevant, including, the amount of rent, the leasing term, the identity of the tenant, the deposit amount, conditions to closing and the proposed closing date.

### 4.4 Marketing of the Remaining WC Buildings

1. The Receiver, in consultation with KingSett, and with the assistance of the Marketing Agent, will administer and oversee the marketing of the Remaining WC Buildings for lease.

2. The Remaining WC Buildings are to be marketed using a variety of methods that brokers traditionally use to market industrial buildings for lease, including listing on MLS®, listing on the Marketing Agent’s website, digital and print advertising (including email and social media campaigns to the prospective users and other listing agents), cold calls, site open house and tours and any such marketing strategies that the Receiver, in consultation with the Marketing Agent, may deem appropriate.

#### **4.5 Recommendation Regarding the Lease Relief Order**

1. The Receiver recommends that this Court issue the proposed Lease Relief Order for the following reasons:
  - a. the Leasing Process will broadly market the Remaining WC Buildings with a view to ultimately generating higher proceeds from the sale of the Remaining WC Buildings and, in turn, enhancing recoveries;
  - b. the Leasing Process will be overseen by the Receiver with the assistance of the Marketing Agent, who has extensive experience leasing projects with similar characteristics in the Greater Toronto Area;
  - c. the Minimum Terms were developed by the Marketing Agent, in consultation with the Receiver and KingSett, based on market research and with the benefit of its expertise and knowledge, and will ensure that certain minimum thresholds are satisfied before a lease can be executed;
  - d. by requiring all Offers to conform to a standardized form of lease and satisfy the Lease Conditions, the process ensures that bids are evaluated consistently based on criteria established by the Receiver, in consultation with KingSett and the Marketing Agent; and
  - e. KingSett supports the Leasing Process and the relief contemplated in the Lease Relief Order.

#### **5.0 Sealing**

1. The Receiver recommends that: (a) Confidential Appendix “1”, being a summary of the LOIs and the Royal Windsor Offer, be filed with the Court on a confidential basis and remain sealed until the closing of the Transaction, and (b) Confidential Appendix “2”, being the Leasing Parameters, be filed with the Court on a confidential basis and remain sealed until the commencement of the lease for the last Remaining WC Building, or further Order of the Court.
2. Confidential Appendix “1” contains sensitive pricing information as set forth in the LOIs and the Royal Windsor Offer during the Sale Process. Disclosure of the Confidential Appendix “1” prior to the Closing of the Transaction would undermine the integrity of any subsequent sale process if the Transaction were not to close. Accordingly, the Receiver is seeking to seal this information until the Closing of the Transaction to protect the confidentiality of such sensitive information.

3. Confidential Appendix “2” contains the Leasing Parameters, including the Minimum Terms, along with the analysis thereof. This information, if disclosed, could undermine the integrity of the Leasing Process and negatively impact realizations from the Permitted Transactions to the detriment of Winston Churchill’s stakeholders. In particular, the Minimum Terms contained in Confidential Appendix “2”, if disclosed, would allow a prospective lessee to calculate the potential minimum rent and leasing term that would be accepted with respect to a Remaining WC Building.
4. The salutary effects of sealing such information from the public record outweigh the deleterious effects of doing so under the circumstances. The Receiver is not aware of any party that will be prejudiced if the information in Confidential Appendices “1” and “2” is sealed or any public interest that will be served if such details are disclosed in full. The Receiver is of the view that the sealing of Confidential Appendix “1” and Confidential Appendix “2” is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25.
5. Accordingly, the Receiver believes the proposed sealing of Confidential Appendix “1” and Confidential Appendix “2” is appropriate in these circumstances.

## 6.0 Conclusion

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

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF  
CERTAIN REAL PROPERTY, ASSETS AND UNDERTAKINGS  
OF 759 WINSTON CHURCHILL GP INC., 759 WINSTON CHURCHILL LP,  
688 SOUTHDOWN GP INC., 688 SOUTHDOWN LP,  
2226 ROYAL WINDSOR GP INC. AND 2226 ROYAL WINDSOR LP  
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

## **Appendix “A”**



Court File No.: CV-24-00714543-00CL

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

THE HONOURABLE )  
JUSTICE CONWAY )  
MONDAY, THE 28<sup>TH</sup>  
DAY OF APRIL, 2025

BETWEEN:

**KINGSETT MORTGAGE CORPORATION**

Applicant

- and -

**759 WINSTON CHURCHILL GP INC., 759 WINSTON CHURCHILL L.P., 688  
SOUTHDOWN GP INC., 688 SOUTHDOWN LP, 2226 ROYAL WINDSOR GP INC. and  
2226 ROYAL WINDSOR LP**

Respondents

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

**SECOND AMENDED AND RESTATED ORDER  
(Amending the Order Appointing Receiver dated May 30, 2024 as amended by an Order  
dated November 15, 2024)**

THIS APPLICATION made by KingSett Mortgage Corporation (the “**Applicant**”) for an Order pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacities, the “**Receiver**”) without security, of the real property legally described in Schedule “A” to this Order (the “**Real Property**”) and all present and future assets, undertakings and personal property of 759 Winston Churchill GP Inc. (“**Churchill GP**”), 759 Winston Churchill L.P. (“**Churchill LP**”), 688 Southdown GP Inc. (“**Southdown GP**”), 688 Southdown LP (“**Southdown LP**”), 2226 Royal Windsor GP Inc. (“**Royal Windsor GP**”) and 2226 Royal Windsor LP (“**Royal Windsor LP**”) and together with Churchill GP, Churchill LP, Southdown

GP, Southdown LP and Royal Windsor GP, the “**Debtors**” and each a “**Debtor**”), including all permits and deposits paid or obtained on behalf of a Debtor, located at, related to, used in connection with or arising from or out of the Real Property or which is necessary to the use and operation of the Real Property, including all proceeds therefrom, and excluding all security granted by Churchill GP to The Toronto-Dominion Bank in connection with the four (4) letters of credit issued by The Toronto-Dominion Bank with Churchill GP as Applicant (collectively with the Real Property, the “**Property**”) was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Daniel Pollack sworn February 12, 2024 and the Exhibits thereto (the “**First Pollack Affidavit**”), the affidavit of Daniel Pollack sworn April 23, 2024 and the Exhibits thereto, the Responding Affidavit of Michael Moldenhauer sworn February 15, 2024 and the Exhibits thereto, the Affidavit of Kathryn Furfaro sworn February 26, 2024 and the Exhibits thereto, the First Report of the Receiver dated November 11, 2024 (the “**First Report**”), and the Second Report of the Receiver dated April 11, 2025 (the “**Second Report**”), and on hearing the submissions of counsel for the Applicant, the Debtors, the Receiver and such other parties listed on the Participant Information Form, no one appearing for any other party although duly served as appears from the affidavit of service sworn and filed, and on reading the consent of KSV to act as the Receiver, and on being advised that the Debtors consent to this Order on terms agreed with the Applicant,

## **SERVICE AND DEFINITIONS**

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

## **APPOINTMENT**

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

## **RECEIVER'S POWERS**

4. THIS COURT ORDERS that 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 the Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, or any of them, in connection with the Property, including the powers to enter into any agreements or incur any obligations in the ordinary course of business in connection with the Property, cease to carry on all or any part of the business of the Debtors in connection with the Property, or any of them, or cease to perform or disclaim (unless such contract is a lease of real property or of an immovable if a Debtor is the lessor) any contracts of any of the Debtors in respect of the Property;
- (d) to engage construction managers, project managers, contractors, subcontractors, trades, engineers, quantity surveyors, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and such other Persons (as defined below) from time to

time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to undertake any construction or other work at the Property in connection with the exercise of the Receiver's powers and duties conferred pursuant to this Order, including, without limitation, as contemplated by the Commitment Letter or the Construction Contracts (each as defined below), and/or as necessary to bring the Property into compliance with applicable laws and building codes;
- (f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors, or any of them, in connection with the Property or any part or parts thereof;
- (g) to receive and collect all monies and accounts now owed or hereafter owing to any of the Debtors in connection with the Property (including, without limitation, any rent payments in respect of the Real Property) and to exercise all remedies of any of the Debtors in collecting such monies and accounts, including, without limitation, to enforce any security held by any of the Debtors;
- (h) to settle, extend or compromise any indebtedness owing to any of the Debtors in connection with the Property;
- (i) to deal with any lien claims, trust claims, and trust funds that have been or may be registered (as the case may be) or which arise in respect of the Property, including any part or parts thereof, and, with approval of this Court on notice to the Debtors, to make any required distribution(s) to any contractor or subcontractor of the Debtors or to or on behalf of any beneficiaries of such trust funds pursuant to section 85 of the *Construction Act*, R.S.O. 1990, c. C.30;

- (j) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, including, without limitation, in respect of construction permits and any requirements related thereto, whether in the Receiver's name or in the name and on behalf of any of the Debtors, for any purpose pursuant to this Order;
- (k) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to any of the Debtors (as such proceedings relate to the Property or any portion thereof), the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (l) to undertake environmental or worker's health and safety assessments of the Property and the operations of the Debtors thereon;
- (m) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion, and with the Applicant's consent, may deem appropriate;
- (n) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
  - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (o) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (p) to report to, meet with and discuss with such affected Persons as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (q) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (r) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of any of the Debtors and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);
- (s) to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Debtors;
- (t) to exercise any shareholder, partnership, joint venture or other rights which any of the Debtors may have; and

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

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

### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

5. THIS COURT ORDERS that (i) each of the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, (iii) all construction managers, project managers, contractors, subcontractors, trades, engineers, quantity surveyors, consultants and service providers, and all other persons acting on their instructions or behalf, and (iv) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records, information and cloud-based data of any kind related to the business or affairs of any of the Debtors or the Property, and any computer programs, computer tapes, computer disks, cloud or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software, cloud and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 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.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer, in a cloud or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph 7, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer, cloud or other system and providing the Receiver with any and all access codes, account names, account numbers and account creating credentials that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

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

#### **NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

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

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing

in this paragraph 10 shall: (i) empower the Receiver or any of the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or any of the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH THE RECEIVER**

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 any of the Debtors, 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 any of the Debtors or contractual, statutory or regulatory mandates for the supply of goods and/or services to the Debtors or in respect of the Debtors' Property, construction and development projects, including without limitation, all computer software, communication and other data services, sub-contracts, trade suppliers, accounting services, centralized banking services, payroll services, insurance, transportation services, utility or other services to any of the Debtors, or in respect of the Debtors' Property, construction and development projects, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of any of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of each of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

13. THIS COURT ORDERS that in the event that an account for the supply of goods and/or services is transferred from any of the Debtors to the Receiver, or is otherwise established in the Receiver's name, no Person, including but not limited to a utility service provider, shall assess or

otherwise require the Receiver to post a security deposit as a condition to the transfer/establishment of the account.

### **RECEIVER TO HOLD FUNDS**

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

### **EMPLOYEES**

15. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the applicable Debtor until such time as the Receiver, on the applicable Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

### **PIPEDA**

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information.

The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by each of the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act* or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation (including, without limitation, any personal liability or obligation under or in connection with (i) the Commitment Letter or the Construction Contracts, (ii) the performance, actions, errors, omissions or negligence by or of any construction manager, project manager, developer, contractor, subcontractor or other service provider, and all other persons acting on their behalf, or (iii) as a result of its appointment or the carrying out of the provisions of this Order), save and except for liability arising from any gross negligence or wilful misconduct on its part, as determined pursuant to a final order of this Court that is not subject to appeal or other review and all rights to seek any such appeal or other review shall have expired, or in respect of its obligations under subsections

81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

## **RECEIVER'S ACCOUNTS**

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver's Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

## **FUNDING OF THE RECEIVERSHIP**

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow, pursuant to the commitment letter dated as of April 10, 2025 among the Receiver and KingSett Mortgage Corporation (the “**Lender**”) (with such minor amendments that are not inconsistent with this Order, as the Lender and the Receiver may agree to, the “**Commitment Letter**”), such monies from time to time as it may consider necessary or desirable on the terms contained in the Commitment Letter, provided that draws made under the Commitment Letter do

not exceed the aggregate principal amount of \$90,250,000 (plus the \$2,000,000 letter of credit facility thereunder), plus interest, fees and charges.

23. THIS COURT ORDERS that the Receiver is hereby authorized and empowered to execute and deliver the Commitment Letter and such other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the Commitment Letter or as may be reasonably required by the Lender pursuant to the terms thereof, and the Receiver is hereby authorized and directed to pay and perform all of the indebtedness, interest, fees, liabilities and obligations to the Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, subject to the terms of the Commitment Letter and paragraph 18 herein.

24. THIS COURT ORDERS that that the whole of the Property of Churchill GP and Churchill LP shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s WC Borrowings Charge**”) as security for the payment of the monies borrowed pursuant to the Commitment Letter, together with interest, fees and charges thereon, as set forth in the Commitment Letter and the Definitive Documents, and all other amounts that Churchill GP and Churchill LP are responsible for pursuant to the Commitment Letter or any of the Definitive Documents, in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, except: (i) the Receiver's General Borrowings Charge, with which it shall rank *pari passu*, and (ii) the Receiver’s Charge and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA, to which it shall be subordinate in priority.

25. THIS COURT ORDERS that, that, notwithstanding any other provision of this Order:

- (a) the Receiver and the Lender may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the Receiver's WC Borrowings Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Commitment Letter, any of the Definitive Documents or the Receiver's WC Borrowings Charge, the Lender, subject to paragraph 27 of this Order, may exercise any and all

of its rights and remedies against Churchill GP, Churchill LP, or the Property of Churchill GP and Churchill LP under or pursuant to the Commitment Letter, any of the Definitive Documents and the Receiver's WC Borrowings Charge, including, without limitation, to immediately cease making advances to the Receiver and set off and/or consolidate any amounts owing by the Lender to the Receiver against the obligations of the Receiver to the Lender under the Commitment Letter, any of the Definitive Documents or the Receiver's WC Borrowings Charge, make demand, accelerate payment and give other notices, or to apply to this Court for a bankruptcy order against Churchill GP or Churchill LP and for the appointment of a trustee in bankruptcy of Churchill GP or Churchill LP; and

- (c) the foregoing rights and remedies of the Lender shall be enforceable against any trustee in bankruptcy of Churchill GP, Churchill LP, or the Property of Churchill GP and Churchill LP.

26. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from the Lender 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 \$2,000,000 (which, for clarity, is separate and apart from any and all draws made under, and the letter of credit facility established pursuant to, the Commitment Letter) 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 General Borrowings Charge**” and, together with the Receiver’s WC Borrowings Charge, the “**Receiver’s Borrowings Charges**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, except: (i) the Receiver’s WC Borrowings Charge, which shall rank *pari passu* with the Receiver’s General

Borrowings Charge, and (ii) the Receiver's Charge and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA, to which it shall be subordinate.

27. THIS COURT ORDERS that neither the Receiver's Borrowings Charges nor any other security granted by the Receiver in connection with its borrowings under this Order or the Commitment Letter shall be enforced without leave of this Court; provided, however, that nothing in this paragraph 27 shall prohibit the Lender from ceasing to make advances to the Receiver pursuant to the Commitment Letter upon an event of default thereunder.

28. 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 paragraph 26 this Order.

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

### **SERVICE AND NOTICE**

30. THIS COURT ORDERS that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://ksvadvisory.com/experience/case/winston-churchill>.

31. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true

copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to any of the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

32. THIS COURT ORDERS that the Applicant, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

### **CONSTRUCTION MANAGEMENT CONTRACTS**

33. THIS COURT ORDERS that the CCDC 5A Construction Management Contract – for Services (2010) contract between Churchill LP and Leeswood Design Build (Alberta) Ltd (“**Leeswood**”) dated November 11, 2024, in the form attached as Appendix “B” to the First Report (the “**First Churchill CM Contract**”), be and is hereby approved.

34. THIS COURT ORDERS that the Letter of Intent between Churchill LP and Leeswood dated April 7, 2025, and executed on April 9, 2025, (the “**Churchill Construction LOI**”) and the subsequent execution of a definitive CCDC 5A Construction Management Contract – for Services (2010) (or other customized industry form of construction management contract), together with such supplementary conditions and other documents as may be necessary or desirable, on terms consistent with the Churchill Construction LOI, and on such other definitive terms as the Receiver considers appropriate (the “**Second Churchill CM Contract**”), be and are hereby approved.

35. THIS COURT ORDERS that the parties to the First Churchill CM Contract, the Churchill Construction LOI, and the Second Churchill CM Contract (collectively, the “**Construction Contracts**”) are authorized and directed to comply with the terms of the respective Construction Contracts, and the Receiver is authorized to take such steps and execute such additional documentation as may be necessary or desirable to give effect to the Construction Contracts.

## **CRITICAL PAYMENTS**

36. THIS COURT ORDERS that the Receiver may, with the written consent of the Applicant, make payments owing by any of the Debtors to suppliers, contractors, subcontractors and other creditors in respect of amounts owing prior to the date of this Order that are reasonably required for the preservation of the Property.

## **SEALING PROVISION**

37. THIS COURT ORDERS that the Confidential WC Budgets (as defined in the Second Report and attached as Confidential Appendix 1 thereto) shall be and are hereby sealed, kept confidential and shall not form part of the public record, until the earlier of: (i) the completion of the Churchill Project (as defined in the Second Report); and (ii) further Order of this Court sought on not less than seven (7) days notice to the Receiver.

## **GENERAL**

38. 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.

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

40. 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.

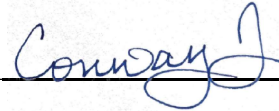
41. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized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

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

43. 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.

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

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

**Schedule "A"**

**REAL PROPERTY**

**Churchill**

**PIN: 13493-0213(LT)**

PART LOT 35, CONCESSION 3, SOUTH OF DUNDAS STREET, PARTS 2 & 3 PLAN 43R39986; CITY OF MISSISSAUGA

**PIN: 13493-0226(LT)**

PART LOT 35, CONCESSION 3, SOUTH OF DUNDAS STREET, PARTS 5 & 6 PLAN 43R39986; TOGETHER WITH AN EASEMENT OVER PART LOT 35, CONCESSION 3 SOUTH OF DUNDAS STREET, PART 3 PLAN 43R38482 AS IN PR782354; TOGETHER WITH AN EASEMENT OVER PART LOT 35, CONCESSION 3 SOUTH OF DUNDAS STREET, PART 4 PLAN 4R43R38482 AS IN PR1663804; TOGETHER WITH AN EASEMENT OVER PART LOT 35, CONCESSION 3 SOUTH OF DUNDAS STREET, PART 5 PLAN 43R38482 AS IN PR1662397; TOGETHER WITH AN EASEMENT OVER PART LOT 35, CONCESSION 2 SOUTH OF DUNDAS STREET, PART 6 PLAN 43R38482 AS IN PR782354; TOGETHER WITH AN EASEMENT OVER PART LOT 35, CONCESSION 2 SOUTH OF DUNDAS STREET, PART 7 PLAN 43R38482 AS IN PR823503; TOGETHER WITH AN EASEMENT OVER PART LOT 34, CONCESSION 3 SOUTH OF DUNDAS STREET, PART 8 PLAN 43R38482 AS IN PR896377; TOGETHER WITH AN EASEMENT OVER PART LOT 34, CONCESSION 3 SOUTH OF DUNDAS STREET, PART 8 PLAN 43R38482 AS IN PR1021917; CITY OF MISSISSAUGA

**PIN: 13493-0225(LT)**

PART LOT 35, CONCESSION 3, SOUTH OF DUNDAS STREET, PART 1 PLAN 43R39884; TOGETHER WITH AN EASEMENT OVER PART LOT 35, CONCESSION 3 SOUTH OF DUNDAS STREET, PART 3 PLAN 43R38482 AS IN PR782354; TOGETHER WITH AN EASEMENT OVER PART LOT 35, CONCESSION 3 SOUTH OF DUNDAS STREET, PART 4 PLAN 4R43R38482 AS IN PR1663804; TOGETHER WITH AN EASEMENT OVER PART LOT 35, CONCESSION 3 SOUTH OF DUNDAS STREET, PART 5 PLAN 43R38482 AS IN PR1662397; TOGETHER WITH AN EASEMENT OVER PART LOT 35, CONCESSION 2 SOUTH OF DUNDAS STREET, PART 6 PLAN 43R38482 AS IN PR782354; TOGETHER WITH AN EASEMENT OVER PART LOT 35, CONCESSION 2 SOUTH OF DUNDAS STREET, PART 7 PLAN 43R38482 AS IN PR823503; TOGETHER WITH AN EASEMENT OVER PART LOT 34, CONCESSION 3 SOUTH OF DUNDAS STREET, PART 8 PLAN 43R38482 AS IN PR896377; TOGETHER WITH AN EASEMENT OVER PART LOT 34, CONCESSION 3 SOUTH OF DUNDAS STREET, PART 8 PLAN 43R38482 AS IN PR1021917; CITY OF MISSISSAUGA

**Southdown**

**PIN: 13493-0044(LT)**

PT LT 31 CON 3 SDS TORONTO; PT LT 32 CON 3 SDS TORONTO PTS 1 TO 6, 8, 43R13084;  
S/T TT129899; S/T TT103210, TT103804, TT153650, VS163947, VS42085, VS58563  
MISSISSAUGA

**Royal Windsor**

**PIN: 13493-0190 (LT)**

PT LT 31, 32 CON 3 SDS DES PTS 1, 2 PL 43R11375 SAVE & EXCEPT PTS 1,2,3 PL  
43R21957, EXCEPT PT 1 43R22260, EXCEPT PT 1 43R25470, EXCEPT PTS 1, 2, 3 PL  
43R25635, EXCEPT PT 1 PL 43R28305 MISSISSAUGA.S/T EASEMENT IN FAVOUR OF  
INTERPROVINCIAL PIPE LINE COMPANY OVER PT LT 32 CON 3 SDS DES PT 2 PL  
43R11375 EXCEPT PT 2 PL 43R21957 AS IN TT102320, TT104152.T/W EASEMENT OVER  
PT LT 32 CON 3 SDS DES PT 3 PL 43R21957 AS IN LT1712946

**SCHEDULE “B”  
RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the “**Receiver**”) without security, of the real property legally described in Schedule “A” (the “**Real Property**”) to the Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 30, 2024 (as amended and restated on November 15, 2024 and on April 28, 2025, the “**Order**”) and all present and future assets, undertakings and personal property of 759 Winston Churchill GP Inc., 759 Winston Churchill L.P., 688 Southdown GP Inc., 688 Southdown LP, 2226 Royal Windsor GP Inc. and 2226 Royal Windsor LP (collectively, the “**Debtors**”), located at, related to, used in connection with or arising from or out the Real Property or which is necessary to the use and operation of the Real Property, including all proceeds therefrom (collectively with the Real Property, the “**Property**”), appointed by the Order made in an application having Court File Number CV-24-00714543-00CL, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

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

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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

Per: \_\_\_\_\_

Name:

Title:

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

**KINGSETT MORTGAGE CORPORATION** and **759 WINSTON CHURCHILL GP INC., 759 WINSTON CHURCHILL L.P., 688 SOUTHDOWN GP INC., 688 SOUTHDOWN LP, 2226 ROYAL WINDSOR GP INC. and 2226 ROYAL WINDSOR LP**

Applicant

Respondents

Court File No.: CV-24-00714543-00CL

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

Proceedings commenced in Toronto

**SECOND AMENDED AND RESTATED ORDER  
(Amending the Order Appointing Receiver dated May  
30, 2024 as amended by an Order dated November 15,  
2024)**

**BENNETT JONES LLP**

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Email: [nelmsa@bennettjones.com](mailto:nelmsa@bennettjones.com)

Lawyers for the Applicant

## **Appendix “B”**



November 6, 2025

**Third Report to Court of  
KSV Restructuring Inc.  
as Receiver and Manager of certain  
real property, assets and undertakings of  
759 Winston Churchill GP Inc.,  
759 Winston Churchill L.P.,  
688 Southdown GP Inc.,  
688 Southdown LP,  
2226 Royal Windsor GP Inc. and  
2226 Royal Windsor LP**

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COURT FILE NUMBER:  
CV-24-00714543-00CL

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

**B E T W E E N:**

**KINGSETT MORTGAGE CORPORATION**

**APPLICANT**

**- AND -**

**759 WINSTON CHURCHILL GP INC., 759 WINSTON CHURCHILL L.P., 688 SOUTHDOWN  
GP INC., 688 SOUTHDOWN LP, 2226 ROYAL WINDSOR GP INC. AND 2226 ROYAL  
WINDSOR LP**

**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**

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

**NOVEMBER 6, 2025**

## **1.0 Introduction**

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on May 30, 2024, (the "**Receivership Order**"), as amended and restated on November 15, 2024 and April 28, 2025 (the "**A&R Receivership Order**") KSV Restructuring Inc. ("**KSV**") was appointed as receiver and manager (in such capacity, the "**Receiver**") of the real property described on Schedule "A" to the Receivership Order (the "**Real Property**") and all present and future assets, undertakings and personal property of 759 Winston Churchill GP Inc. ("**Churchill GP**"), 759 Winston Churchill L.P. ("**Churchill LP**" and, together with Churchill GP, "**Churchill**"), 688 Southdown GP Inc. ("**Southdown GP**"), 688 Southdown LP ("**Southdown LP**" and, together with Southdown GP, "**Southdown**"), 2226 Royal

Windsor GP Inc. (“**Royal Windsor GP**”) and 2226 Royal Windsor LP (“**Royal Windsor LP**”) and, together with Royal Windsor GP, “**Royal Windsor**”) (collectively, the “**Debtors**”), including all permits and deposits paid and obtained on behalf of a Debtor, located at, related to, used in connection with or arising from or out of the Real Property or which is necessary to the use and operation of the Real Property, including all proceeds therefrom, excluding all security granted by Churchill GP to The Toronto-Dominion Bank in connection with certain letters of credit (collectively with the Real Property, the “**Property**”). A copy of the A&R Receivership Order is attached as **Appendix “A”**.

2. This report (the “**Report**”) is filed by KSV in its capacity as Receiver and addresses the Receiver’s recommendations with respect to the Property owned by Southdown and Royal Windsor (together, the “**Sellers**”).

## 1.1 Purposes of this Report

1. The purposes of this Report are to, among other things:
  - a) provide an update on the Debtors and the Property;
  - b) detail the proposed sale process (the “**Sale Process**”) for the property and assets of the Sellers;
  - c) summarize the terms of a Stalking Horse Agreement of Purchase and Sale dated November 6, 2025 (the “**Stalking Horse APS**”) between the Receiver and KingSett Mortgage Corporation (“**KingSett**”), that, subject to Court approval, will be used as a stalking horse in the Sale Process;
  - d) recommend that this Court issue an order (the “**Sale Process Order**”) approving, among other things:
    - i. the Sale Process; and
    - ii. the Stalking Horse APS solely as the stalking horse bid in the Sale Process.

## 1.2 Currency

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

## 1.3 Restrictions

1. In preparing this Report, the Receiver has relied upon: (i) the books and records of the Debtors; (ii) discussions with various suppliers, tradespeople and consultants to the Debtors; (iii) discussions with the management of the South Shore Group (as defined below); and (iv) the receivership application materials (collectively, the “**Information**”).

2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Report by any party.
3. Additional background information regarding the Sellers and the reasons for the appointment of the Receiver are provided in the application materials of KingSett. Copies of the Court materials filed to-date in these proceedings are available on the Receiver’s case website: <https://www.ksvadvisory.com/experience/case/winston-churchill>.

## 2.0 Background and Update

### 2.1 The Debtors

1. The Debtors are privately held real estate development entities and are each part of the larger South Shore Group of companies (the “**South Shore Group**”).
2. Churchill GP, Southdown GP and Royal Windsor GP are the registered owners of the Real Property, and they hold the Real Property for the benefit of Churchill LP, Southdown LP and Royal Windsor LP, respectively.
3. The Debtors intended to develop three real-estate development projects on their respective Real Property (collectively, the “**Projects**” and each a “**Project**”), which are all located in Mississauga, Ontario.
4. The Receiver understands that the Debtors do not have employees.

### 2.2 The Projects

1. The Real Property and the related Projects being developed by the Debtors are comprised of the following:
  - a) a property located at 688 Southdown Road, Mississauga, Ontario (the “**Southdown Lands**” and the Project being developed thereon, the “**Southdown Project**”). The Southdown Lands are approximately 91 acres, of which 80 acres are developable and are currently zoned for industrial use. There is no active construction on the Southdown Lands;
  - b) a property located at 2226 Royal Windsor Drive, Mississauga, Ontario (the “**Royal Windsor Lands**” and the Project being contemplated thereon, the “**Royal Windsor Project**”). The Royal Windsor Lands are comprised of approximately 74.5 acres of industrial zoned land. The Royal Windsor Lands were to be re-zoned for residential use, however, such re-zoning efforts have not yet commenced or have not materially advanced. There is no active construction on the Royal Windsor Lands; and

- c) a property located at 759 Winston Churchill Boulevard, Mississauga, Ontario (the “**Churchill Lands**”, and the Project being developed thereon, the “**Churchill Project**”). The Churchill Lands are approximately 47.15 acres and were intended to be developed into 750,354 square feet of industrial facilities, comprised of three industrial buildings. Currently, one building is complete and fully leased and the other two are being constructed within the Receivership Proceedings pursuant to relief granted in the A&R Receivership Order, including approval of a construction financing facility and the engagement of a construction manager on the terms set forth therein.

## 2.3 Prior Sale Efforts and Events Leading to Execution of Stalking Horse APS

1. Since the commencement of the receivership proceedings, the Receiver has been assessing options for maximizing realizations from the Property.
2. As set out in greater detail in the First Report of the Receiver dated November 11, 2024:
  - a. Given the status of the Projects and the lack of available financing at that time, the Receiver did not view completion of the Projects within the receivership proceedings as a possibility. Accordingly, the Receiver’s efforts were focused on pursuing a sale transaction.
  - b. The Receiver executed confidential, non-binding letters of intent (the “**LOIs**”) for the acquisition of each of the Projects (the “**Transactions**”), which were anticipated to take the form of stalking horse bids that would set the terms for a Court-approved sale and investment solicitation process.
  - c. Given the size and complexity of the Projects, which limits the pool of potential acquirors, the Receiver believes that it will be important to launch a sale process with the certainty of a “floor” transaction.
3. As set out in greater detail in the Second Report of the Receiver dated April 11, 2025 (the “**Second Report**”):
  - a. The LOIs were terminated in accordance with their terms as the counterparties determined it was not feasible to proceed with the transactions contemplated therein.
  - b. It became apparent to the Receiver during discussions with the counterparties to the LOIs (as well as other potential buyers) that:
    - i. in respect of the Churchill Project, completion of the Remaining WC Buildings would materially increase the Churchill Project’s value in any sales process and expand the pool of potentially interested acquirors; and
    - ii. for all Projects, the identification and quantification of Construction Priority Claims (as defined and described further below) may facilitate a sale transaction, as this will allow the Receiver to canvass a broader pool of potential transaction structures, such as an assumption of mortgage debt and/or credit bid, where the payment of Construction Priority Claims may be required in connection therewith.

4. Since the date of the Second Report, the Receiver has continued to pursue potential stalking horse transactions with respect to the Southdown Project and the Royal Windsor Project. Ultimately, these efforts culminated in the execution of the Stalking Horse APS with KingSett, as described further below.

### 3.0 Stalking Horse APS and Sale Process<sup>1</sup>

#### 3.1 The Stalking Horse Agreement

1. The purpose of the Sale Process is to market the Property, while providing the certainty of a “floor” transaction to applicable creditors.
2. The Stalking Horse APS contemplates a transaction whereby KingSett, if selected as the Successful Bidder in the Sale Process, will purchase substantially all of the Property of the Sellers.
3. The following constitutes a summary description of the Stalking Horse APS only. Reference should be made directly to the Stalking Horse APS for all of its terms and conditions. A copy of the Stalking Horse APS is attached as **Appendix “B”**.
4. The key terms and conditions of the Stalking Horse APS are provided below.
  - **Vendor:** the Receiver.
  - **Purchaser:** KingSett.
  - **Purchased Assets:** substantially all of Sellers’ and the Receiver’s right, title and interest in and to the following:
    - a) the Southdown Lands and Royal Windsor Lands, being the real property legally described in Schedule “A” of the Stalking Horse APS;
    - b) the Assumed Contracts, to the extent transferable without consent or subject to any required consent being received by the time all conditions to Closing are satisfied if consent is required;
    - c) all hoarding and preconstruction matters relating to the Lands;
    - d) the Development Approvals, to the extent transferable without consent or subject to any required consent being received by the time all conditions to Closing are satisfied if consent is required;
    - e) all trade names, business names, intellectual property, models including any scale models of prospective development on the Lands, and all advertising literature and materials relating to same within the possession or control of the Sellers or Receiver;

---

<sup>1</sup> Capitalized terms in this section have the meaning provided to them in the Stalking Horse APS or the Sale Process unless otherwise defined herein. The capitalized term “Property” within this section refers solely to the Property of the Sellers and does not include Property of Winston Churchill.

- f) any and all prepaid expenses or deposits with any Person (including, without limitation, the benefit of any prepaid rent), public utility or Governmental Authority relating to the Lands; and
  - g) such other Property of the Sellers as KingSett may advise the Receiver of in writing before Closing, to the extent transferable without consent or subject to any required consent being received by the time all conditions to Closing are satisfied if consent is required as shall be confirmed in a Schedule added to the Purchase Agreement prior to Closing, if applicable; and
  - h) the Books and Records relating to the Purchased Assets.
- **Excluded Assets:** all property and assets of the Sellers other than the Purchased Assets.
  - **Purchase Price:** the Purchase Price is equal to the sum of:
    - a) the amount outstanding under the Receiver's Charge and the Receiver's Borrowing Charge (as such terms are defined in the Receivership Order) on the Closing Date. As at the date of this Report, the Receiver has borrowed approximately \$93,000 under the Receiver's Charge;
    - b) \$100,000, which shall be used by the Receiver to fund costs incurred in connection with necessary post-Closing matters, with any unused portion to be returned to KingSett.
    - c) the amount owing under the First Mortgage Charges (as defined in the Stalking Horse APS), which were granted in favour of KingSett, on the Closing Date, including without limitation principal, interest, interest on interest, protective disbursements, legal expenses, and costs and expenses (the "**KingSett Indebtedness**"); and
    - d) the amount outstanding in respect of any Priority Payables (as defined and described further below) on the Closing Date.
  - **Payment of Purchase Price:**
    - a) **Assumed Mortgages** – on the Closing Date, KingSett shall cause the release of the Sellers from the amounts owing under KingSett Indebtedness; and
    - b) **Cash Component** – the balance of the Purchase Price, being the amounts referenced in Section 4.2(a), (b) and (d) of the Purchase Agreement (being (a), (b) and (d) above), shall be payable in cash on the Closing Date.

- **Assumed Liabilities:** include: (i) Liabilities incurred in respect of the Permitted Encumbrances (as provided in Schedule “D” to the Stalking Horse APS); (ii) all liabilities and obligations arising from the possession, ownership and/or use of the Purchased Assets arising after Closing, including in respect of any Environmental Liabilities.
- **Excluded Liabilities:** means any liabilities, obligations or commitments of the Sellers, the Receiver or any other Person, except the Assumed Liabilities, and including specifically those items listed in Section 3.3 of the Stalking Horse APS.
- **Representations and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties.
- **Material Conditions:** include, among other things:
  - a) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper;
  - b) the Sale Process Order shall have been obtained and the Stalking Horse APS shall be selected by the Receiver as the successful bid in accordance with the Sale Process Order and the Sale Process; and
  - c) the Approval and Vesting Order shall have been granted and it shall not be stayed.
- **Termination:** the Stalking Horse APS can be terminated:
  - a) upon mutual written consent of the Receiver and KingSett; and
  - b) if any of the conditions in favour of the Receiver or KingSett, as applicable, are not satisfied, waived or performed prior to the Closing Date.

### 3.2 Purchase Price Construct

1. The Purchase Price includes amounts equal to the KingSett Indebtedness and Priority Payables.
2. *KingSett Indebtedness:*
  - a. KingSett is the principal secured creditor of the Sellers. As at September 30, 2025, KingSett was owed approximately: (i) \$198 million from Southdown (the “**Southdown Indebtedness**”); and (ii) \$40.6 million from Royal Windsor (the “**Royal Windsor Indebtedness**”), which collectively represent the approximate KingSett Indebtedness at such time. In addition to the Southdown First Mortgage Charge, the Southdown Indebtedness is secured by, among other things, a collateral mortgage (the “**Royal Windsor Collateral Mortgage**”) in respect of the Royal Windsor Lands, up to an amount equal to the lesser of: (i) \$100 million less the value of the Royal Windsor Indebtedness at the applicable time; and (ii)

the amount realized upon enforcing the Royal Windsor First Mortgage Charge. In addition to the Royal Windsor First Mortgage Charge, the Royal Windsor Indebtedness is secured by, among other things, a collateral mortgage (the “**Southdown Collateral Mortgage**” and, together with the Royal Windsor Collateral Mortgage, the “**Collateral Mortgages**”) in respect of the Southdown Lands. The Affidavit of Daniel Pollack sworn February 12, 2024, in support of the receivership application contains additional detailed information regarding the KingSett Indebtedness and, accordingly, that detailed information is not repeated herein. The portion of the Purchase Price comprised of an amount equal to the KingSett Indebtedness will be satisfied by way of “credit bid” under the Stalking Horse APS.

- b. The Receiver requested that Osler, Hoskin & Harcourt LLP (“**Osler**”), as independent legal counsel, conduct a review of the security granted by Southdown and Royal Windsor in respect of the KingSett Indebtedness, including the First Mortgage Charges and the Collateral Mortgages. Osler has confirmed verbally to the Receiver that, subject to standard assumptions and qualifications, pursuant to applicable security documentation the Sellers created valid security interests or charges, as applicable, against the Property to be sold pursuant to the Stalking Horse APS. The Receiver expects to receive a written opinion from counsel confirming the above verbal opinion in the near term.

3. *Priority Payables:*

- a. the Stalking Horse APS provides that “**Priority Payables**” means any payables that have priority over the First Mortgage Charges, including amounts that have priority pursuant to s. 78(2) of the *Construction Act*, RSO 1990, c. C30, as determined by the Receiver in consultation with KingSett, both acting reasonably, or as determined by the Court, after application of any amount of cash on hand of the Sellers, as applicable, immediately prior to Closing, plus the Intercompany Claims.
- b. There are two construction liens currently registered against some or all of the Southdown Lands (the “**Construction Liens**”) in the aggregate amount of \$13,522,685. There are no construction liens registered against the Royal Windsor Lands.
- c. Osler has advised the Receiver that the *Construction Act* (Ontario) provides that (i) in certain circumstances, valid liens arising from an improvement may have certain priority over mortgages, and (ii) various trusts claims may be advanced by potential claimants in relation to development projects (any such claim under (i) or (ii), a “**Construction Priority Claim**”, which may constitute a Priority Payable).
- d. Pursuant to a Priority Claims Procedure Order dated April 28, 2025, the Court authorized the Receiver to conduct a claims process (the “**Claims Process**”) to determine the quantum of the Construction Priority Claims.

- e. The Claims Process, the results of which will inform the Purchase Price, remains ongoing with respect to the two claimants that submitted claims thereunder. The Receiver intends to share the status or finally determined value of such asserted Construction Priority Claims, as applicable, with potential bidders in the Sale Process on a confidential basis.

### 3.3 Sale Process

1. Subject to Court approval, the Receiver will be responsible for the marketing and sale of the Sellers’ Property, with the assistance of Avison Young (the “**Agent**”).
2. The key aspects of the proposed Sale Process (included as Schedule “B” to the Stalking Horse APS) are summarized below; however, interested parties are strongly encouraged to review the full terms of the Sale Process.
3. A summary of Sale Process timeline is as follows:

Milestone	Key Dates
Distribution of marketing materials	As soon as possible
LOI Deadline	December 15, 2025
Qualified Bid Deadline (Binding Offer)	January 15, 2026
Selection of Qualified Bid(s)	January 19, 2026
Auction (if required)	Within 3 business days following determination of whether an Auction is required
Approval and Vesting Order hearing	Within 15 days after the selection of the Successful Bid

4. The Receiver notes that the Sale Process contemplates a phased bid deadline, with an approximately 30-day deadline to submit a letter of intent (“**LOI**”), which, among other things, reflects a reasonable prospect of culminating in a Qualified Bid. This allows interested parties the flexibility of an additional 30 days to prepare a Qualified Bid.
5. The Receiver is of the view that the duration of the Sale Process is sufficient to allow interested parties to perform diligence and submit offers, and is consistent with the timelines and structure for sales processes involving a stalking horse in other insolvency proceedings.<sup>2</sup>

#### 3.3.1 Marketing Process

1. The Receiver and the Agent will prepare and disseminate the marketing materials and solicit interest from parties potentially interested in pursuing a transaction, as identified by the Receiver and the Agent (each, a “**Potential Bidder**”).

<sup>2</sup> The Receiver notes that there is a thirty (30) day period between the LOI Deadline and the Qualified Bid Deadline, which is longer than the corresponding period provided in several other recent stalking horse sale processes in the context of large real property receiverships in which KSV Restructuring Inc. has been involved. However, the Receiver viewed a longer period as appropriate given the upcoming holiday season.

2. Among other things, the Receiver, with the assistance of the Agent, will:
  - a) as soon as reasonably practicable following the granting of the Sale Process Order, prepare and disseminate marketing materials and a process letter to Potential Bidders identified by the Receiver, including a form of non-disclosure agreement (an “**NDA**”);
  - b) provide access to a data room containing diligence information to Potential Bidders, subject to execution of an NDA; and
  - c) request that such parties (other than KingSett) submit: (i) an LOI by the LOI Deadline which: (a) identifies the potential bidder and a general description of the Property that would be the subject of the bid, (b) the proposed consideration, and (c) reflects a reasonable prospect of culminating in a Qualified Bid, as determined by the Receiver; and (ii) a binding offer meeting the criteria of a Qualified Bid as described in Section 9 of the Sale Process, as determined by the Receiver, by the Qualified Bid Deadline.
3. A Potential Bidder that wishes to make a bid must deliver a written copy of its bid and other materials required by the Sale Process by no later than 5:00 p.m. (Eastern Time) on the LOI Deadline and Qualified Bid Deadline, as applicable.

### 3.3.2 Qualified Bids

1. To be a “Qualified Bid”, a bid or group of bids must, among other things, meet the following requirements:
  - a) provide consideration (the “**Consideration Value**”) that, in the opinion of the Receiver, is superior to the consideration provided for in the Stalking Horse APS, which shall be, at a minimum:
    - i. the payment in full in cash on closing of all amounts, if any, outstanding under the Receiver’s Charge and the Receiver’s Borrowing Charge (each as defined in the Receivership Order) from the Sellers; plus
    - ii. the payment in full in cash on closing of an amount equal to the Priority Payables owed by the Sellers, unless otherwise agreed by the holders thereof in their sole discretion; plus
    - iii. the payment in full in cash on closing of the amount outstanding under the First Mortgage Charge including without limitation principal, interest, interest on interest, protective disbursements, legal expenses, and costs and expenses, unless otherwise agreed to by the requisite lenders thereunder in their sole discretion; plus
    - iv. \$350,000;
  - b) provide for a closing of the transaction by not later than the Outside Date;
  - c) include:

- i. the legal name and identity (including jurisdiction of existence) and contact information of the Potential Bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s) and/or sponsors;
  - ii. duly executed and binding transaction documents, as well as a redline of the submitted transaction document against the Stalking Horse APS;
  - iii. evidence of authorization and approval from the Potential Bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the Potential Bidder's equityholder(s) in form and substance reasonably satisfactory to the Receiver;
  - iv. disclosure of any connections or agreements with the Sellers or any of their affiliates, any known, potential, prospective bidder, or any officer, manager, director, member or known equity security holder of the Sellers or any of their affiliates; and
  - v. such other information as may be reasonably requested by the Receiver;
- d) be accompanied by a cash deposit equal to at least 10% of the Consideration Value provided for in the bid, which Deposit shall be retained by the Receiver in a non-interest-bearing trust account in accordance with the terms thereof;
  - e) provide that the bid will serve as a Back-Up Bid if it is not selected as the Successful Bid (as defined below) and if selected as the Back-Up Bid, it will remain irrevocable until the earlier of: (i) closing of the Successful Bid; or (ii) closing of the Back-Up Bid;
  - f) it is not conditional upon approval from the Potential Bidder's board of directors (or comparable governing body) or, if applicable, equityholder(s), the outcome of unperformed due diligence or the Potential Bidder obtaining financing;
  - g) it does not include a provision requesting or entitling the Potential Bidder to any break fee, expense reimbursement or similar type of payment; and
  - h) it provides written evidence of a Potential Bidder's ability to fully fund and consummate the transaction (including financing required, if any, prior to the closing of the transaction to finance the receivership proceedings) and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the Potential Bidder in connection with the Successful Bid.
2. Notwithstanding the qualification requirements in the Sale Process, the transaction contemplated by the Stalking Horse APA (the "**Stalking Horse Bid**") is deemed to be a Qualified Bid.

### **3.3.3 Selection of Successful Bid**

1. If, by the LOI Deadline: (a) no LOI has been received, or (b) no single LOI has been received with consideration at least as much as the Consideration Value, then the Sale Process shall be deemed to be terminated and the Stalking Horse Bid shall be designated as the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse APS.
2. If no Qualified Bids are submitted by the Qualified Bid Deadline, the Purchaser will be the Successful Bidder and the Stalking Horse Bid will be the Successful Bid.
3. If one or more Qualified Bids (other than the Stalking Horse Bid) have been received by the Receiver on or before the Qualified Bid Deadline, the Receiver will proceed with an auction process to determine the successful bid(s), which Auction shall be administered in accordance with Schedule "C" to the Sale Process. Upon determining that an Auction is required, the Receiver shall provide written notice of the Auction to each party that submitted a Qualified Bid (including KingSett), along with copies of all Qualified Bids and a statement by the Receiver specifying which Qualified Bid is the leading bid. The successful bid(s) selected within the Auction shall constitute the "Successful Bid".
4. Following selection of the Successful Bid, the Receiver, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the key milestones under the Sale Process, including seeking an Approval and Vesting Order in connection with the Successful Bid.

### **3.4 The Agent**

1. Avison Young is a global commercial real estate broker with extensive experience marketing industrial properties for sale in the Greater Toronto Area and broader Canadian and International market.
2. The Agent has agreed to a fee structure which only entitles it to a flat work fee of \$50,000 in the event that the Stalking Horse APA is the Successful Bid or a 1.5% commission in the event that a different transaction is the Successful Bid.
3. Based on the Receiver's experience with other real property receiverships, the Receiver is of the view that these fees are below market, particularly given the significant sale price threshold that would need to be achieved in order to trigger any commission.
4. Subject to approval of the Sale Process, the Receiver intends to execute a listing agreement with Avison Young pursuant to which they will market the Sellers' Property and assist with the Sale Process, as contemplated therein for the fees described above.

### 3.5 Sale Process and Stalking Horse APS Recommendation

1. The Receiver requests and recommends that this Court issue the proposed Sale Process Order for the following reasons:
  - a) the Sale Process provides for a wide marketing of the Property, will test the market for the Property for the benefit of all stakeholders and is commercially efficient;
  - b) the bidding procedures contemplated under the Sale Process provide an opportunity to complete a transaction with greater value than the Stalking Horse APS, which benefits all stakeholders, and optimizes the chances of securing the best possible price for the Property;
  - c) given the limited pool of potential acquirors of Projects of this size, the Receiver believes that it will be important to launch a sale process with the certainty of a “floor” transaction;
  - d) the Stalking Horse APS is fair and reasonable, and it is in the best interests of the Sellers’ stakeholders that the Stalking Horse APS be preserved in order to have the opportunity to maximize value and to protect downside risk in the event that a superior transaction is not identified;
  - e) the Stalking Horse APS provides the certainty of a timely transaction in the event that a superior bid is not identified;
  - f) the Receiver is of the view that the duration of the Sale Process is sufficient to allow interested parties to perform diligence and submit offers;
  - g) KingSett, which is the major financial stakeholder of the Sellers, is supportive of the Sale Process;
  - h) the Stalking Horse does not contain a break fee or any other form of bid protections as to not discourage interested parties from submitting offers in the Sale Process; and
  - i) as at the date of this Report, the Receiver is not aware of any objections to the relief sought pursuant to the proposed Sale Process Order.

## 4.0 Conclusion

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

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF  
CERTAIN REAL PROPERTY, ASSETS AND UNDERTAKINGS  
OF 759 WINSTON CHURCHILL GP INC., 759 WINSTON CHURCHILL LP INC.,  
688 SOUTHDOWN GP INC., 688 SOUTHDOWN LP,  
2226 ROYAL WINDSOR GP INC. AND 2226 ROYAL WINDSOR LP  
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

## **Appendix “C”**



Court File No. CV-24-00714543-00CL

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

THE HONOURABLE ) THURSDAY, THE 13TH  
JUSTICE MYERS ) DAY OF NOVEMBER, 2025

BETWEEN

**KINGSETT MORTGAGE CORPORATION**

Applicant

- and -

**759 WINSTON CHURCHILL GP INC., 759 WINSTON CHURCHILL L.P., 688  
SOUTHDOWN GP INC., 688 SOUTHDOWN LP, 2226 ROYAL WINDSOR GP INC. and  
2226 ROYAL WINDSOR LP**

Respondents

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

**ORDER**

**(SALE PROCESS APPROVAL)**

**THIS MOTION**, made by KSV Restructuring Inc. in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of, among other things, the real property legally described in **Schedule “A”** hereto (the “**Real Property**”) and all present and future assets, undertakings and personal property of 688 Southdown GP Inc. (“**Southdown GP**”), 688

Southdown LP (“**Southdown LP**”), 2226 Royal Windsor GP Inc. (“**Royal Windsor GP**”) and 2226 Royal Windsor LP (“**Royal Windsor LP**” and together with Southdown GP, Southdown LP and Royal Windsor GP, the “**Debtors**” and each a “**Debtor**”), including all permits and deposits paid and obtained on behalf of a Debtor, located at, related to, used in connection with or arising from or out of the Real Property, including all proceeds therefrom (collectively with the Real Property, the “**Property**”), for an order, *inter alia*, approving a sale process in respect of the Property, in the form attached hereto as **Schedule “B”** (the “**Sale Process**”) was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

**ON READING** the Third Report of the Receiver dated November 6, 2025 and the Appendices thereto (the “**Third Report**”) and on hearing the submissions of counsel for the Receiver and the Applicant and the other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of Marleigh Dick affirmed November 11, 2025,

### **SERVICE AND DEFINITIONS**

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

### **SALE PROCESS**

3. **THIS COURT ORDERS** that the Sale Process is hereby approved and the Receiver is hereby authorized and directed to implement the Sale Process pursuant to the terms thereof and is

hereby authorized and directed to perform its obligations thereunder and to do all things reasonably necessary to perform its obligations thereunder, subject to prior approval of the Court being obtained before completion of any transaction under the Sale Process.

4. **THIS COURT ORDERS** that the Receiver and its affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the Sale Process, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of the Receiver in performing its obligations under the Sale Process, as determined by this Court in a final order that is not subject to appeal or other review.

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

#### **STALKING HORSE PURCHASE AGREEMENT**

6. **THIS COURT ORDERS** that the Receiver is hereby authorized and empowered, *nunc pro tunc*, to enter into the stalking horse agreement of purchase and sale dated November 6, 2025 (the “**Stalking Horse Purchase Agreement**”) between the Receiver and the Applicant, KingSett Mortgage Corporation (“**KingSett**”) in the form attached as and Appendix “B” to the Third Report with such minor amendments as may be acceptable to each of the parties thereto; provided that nothing herein approves the sale and the vesting of any Property to the KingSett pursuant to the Stalking Horse Purchase Agreement and that the approval of any sale and vesting of any such Property shall be considered by this Court on a subsequent motion made to this Court if the

transaction set out in the Stalking Horse Purchase Agreement is the Successful Bid pursuant to the Sale Process.

## **PIPEDA**

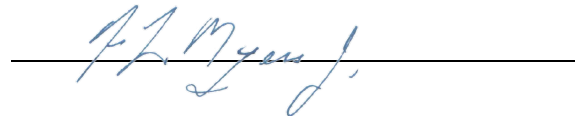
7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the Receiver and its advisors are hereby authorized and permitted to disclose and transfer to prospective Sale Process participants that are party to a non-disclosure agreement with the Receiver (each, a “**Sale Process Participant**”) and their respective advisors personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the Sale Process (a “**Transaction**”). Each Sale Process Participant 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 for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Receiver, or, in the alternative, destroy all such information and provide confirmation of its destruction if requested by the Receiver. The bidder with a Successful Bid shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Debtors’ business and/or property acquired pursuant to the Sale Process in a manner that is in all material respects identical to the prior use of such information by Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Receiver.

**GENERAL**

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

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

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



Justice FL  
Myers

Digitally signed by  
Justice FL Myers  
Date: 2025.11.13  
13:14:42 -05'00'

**SCHEDULE "A"**  
**REAL PROPERTY**

**Southdown**

**PIN: 13493-0044(LT)**

PT LT 31 CON 3 SDS TORONTO; PT LT 32 CON 3 SDS TORONTO PTS 1 TO 6, 8,  
43R13084; S/T TT129899; S/T TT103210, TT103804, TT153650, VS163947, VS42085,  
VS58563 MISSISSAUGA

**Royal Windsor**

**PIN: 13493-0190 (LT)**

PT LT 31, 32 CON 3 SDS DES PTS 1, 2 PL 43R11375 SAVE & EXCEPT PTS 1,2,3 PL  
43R21957, EXCEPT PT 1 43R22260, EXCEPT PT 1 43R25470, EXCEPT PTS 1, 2, 3 PL  
43R25635, EXCEPT PT 1 PL 43R28305 MISSISSAUGA.S/T EASEMENT IN FAVOUR OF  
INTERPROVINCIAL PIPE LINE COMPANY OVER PT LT 32 CON 3 SDS DES PT 2 PL  
43R11375 EXCEPT PT 2 PL 43R21957 AS IN TT102320, TT104152.T/W EASEMENT OVER  
PT LT 32 CON 3 SDS DES PT 3 PL 43R21957 AS IN LT1712946

**SCHEDULE "B"**

**SALE PROCESS**

## Sale Process

1. On May 30, 2024, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order (as amended, restated and/or supplemented from time to time, the “**Receivership Order**”), among other things, appointing KSV Restructuring Inc. as the receiver and manager (in such capacity, the “**Receiver**”) of, among other things, the real property legally described in **Schedule “A”** hereto (the “**Real Property**”) and all present and future assets, undertakings and personal property of 688 Southdown GP Inc. (“**Southdown GP**”), 688 Southdown LP (“**Southdown LP**”), 2226 Royal Windsor GP Inc. (“**Royal Windsor GP**”) and 2226 Royal Windsor LP (“**Royal Windsor LP**” and together with Southdown GP, Southdown LP and Royal Windsor GP, the “**Debtors**”), including all permits and deposits paid and obtained on behalf of a Debtor, located at, related to, used in connection with or arising from or out of the Real Property, including all proceeds therefrom (collectively with the Real Property, the “**Property**”).
2. On November 13, 2025, the Court granted an order (the “**Sale Process Order**”) that, among other things: (a) authorized the Receiver to implement a sale process in accordance with the terms hereof (“**Sale Process**”); and (b) authorized and empowered the Receiver to enter into the Stalking Horse Asset Purchase Agreement between the Receiver and the Applicant, KingSett Mortgage Corporation (“**KingSett**”) dated November 6, 2025 (the “**Stalking Horse Purchase Agreement**”) solely for the purposes of acting as the Stalking Horse Bid (as defined below) in the Sale Process.
3. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the Sale Process Order or the Stalking Horse Purchase Agreement, as the case may be. A copy of the Sale Process Order can be found at:  
<https://www.ksvadvisory.com/experience/case/winston-churchill>.
4. This Sale Process sets out the manner in which: (a) binding bids for executable transaction alternatives that are superior to the sale transaction contemplated by the Stalking Horse Purchase Agreement will be solicited from interested parties; (b) any such bids received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought.
5. This Sale Process shall be conducted by the Receiver, with the assistance of Avison Young (the “**Agent**”) and the Receiver and the Agent shall be entitled to receive all information in relation to the Sale Process.
6. Parties who wish to have their bids considered must participate in this Sale Process as conducted by the Receiver with the assistance of the Agent.
7. This Sale Process will be conducted such that the Receiver and the Agent will:
  - a) disseminate marketing materials and a process letter to potentially interested parties identified by the Receiver and the Agent;
  - b) solicit interest from parties with a view to such interested parties entering into non-disclosure agreements in form and substance satisfactory to the Receiver in its sole discretion (each a “**NDA**”) (parties shall only obtain access to the data room and be

permitted to participate in this Sale Process if they execute an NDA and agree to the additional measures that are required by the Receiver to protect competitively sensitive information);

- c) provide applicable parties with access to a data room containing diligence information; and
  - d) request that such parties (other than KingSett) submit (i) a letter of intent to bid that identifies the potential bidder and a general description of the Property that would be the subject of the bid, the proposed consideration, and that reflects a reasonable prospect of culminating in a Qualified Bid (as defined below), as determined by the Receiver (a “**LOI**”), by the LOI Deadline (as defined below) and, if applicable, (ii) a binding offer meeting at least the requirements set forth in Section 9 below, as determined by the Receiver (a “**Qualified Bid**”), by the Qualified Bid Deadline (as defined below).
8. This Sale Process shall be conducted subject to the terms hereof and the following key milestones, in each case subject to Court availability:
- a) the Receiver to commence the solicitation process – as soon as practicable following the granting of the Sale Process Order;
  - b) the deadline to submit a LOI – 5:00 p.m. Eastern Time on January 15, 2026 (the “**LOI Deadline**”);
  - c) the deadline to submit a Qualified Bid – 5:00 p.m. Eastern Time on February 17, 2026 (the “**Qualified Bid Deadline**”);
  - d) the Receiver to determine whether a bid is a Qualified Bid and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below) – 5:00 p.m. Eastern Time on February 19, 2026;
  - e) the Receiver to hold an Auction (if applicable) – within three (3) business days of the Receiver determining that the Auction will take place;
  - f) Approval and Vesting Order (as defined below) – Receiver to bring a motion by no later than fifteen (15) calendar days following the selection (or deemed selection) of the Successful Bid; and
  - g) the closing of the Successful Bid – as soon as reasonably practicable after the Approval and Vesting Order or such later date as agreed to among the Receiver and KingSett (the “**Outside Date**”), except that the Outside Date for the Stalking Horse Bid shall be, if the Stalking Horse Bid is selected as the Successful Bid, the Closing Date (as defined in the Stalking Horse Purchase Agreement).

9. In order to constitute a Qualified Bid, a bid or group of bids must comply with the following:

- a) it provides consideration (the “**Consideration Value**”) that, in the opinion of the Receiver, provides for a superior economic result for the Debtors’ estates (or, if for one of the Debtor’s assets, such Debtor’s estate) as compared to the Stalking Horse Purchase Agreement;
- b) it provides a detailed schedule that identifies, with specificity, the composition and sources of the Consideration Value and any assumptions that could reduce the net consideration payable including details of any material liabilities that are being assumed or being excluded;
- c) it provides for the closing of the transaction contemplated thereunder by no later than the Outside Date;
- d) it contains:
  - i. the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s) and/or sponsors;
  - ii. a purchase agreement duly executed and binding on the bidder;
  - iii. a redline of the purchase agreement to the Stalking Horse Purchase Agreement;
  - iv. evidence of authorization and approval from the bidder’s board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder’s equityholder(s) in form and substance reasonably satisfactory to the Receiver;
  - v. disclosure of any connections or agreements with the Debtors or any of their affiliates, any known, potential, prospective bidder, or any officer, manager, director, member or known equity security holder of the Debtors or any of their affiliates; and
  - vi. such other information as may be reasonably requested by the Receiver;
- e) it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until closing of the Successful Bid; provided, that if such bid is not selected as the Successful Bid or as the next-highest or otherwise best Qualified Bid as compared to the Successful Bid (such bid, the “**Back-Up Bid**”) it shall only remain irrevocable until selection of the Successful Bid;
- f) it provides that the bid will serve as the Back-Up Bid if it is not selected as the Successful Bid and if selected as the Back-Up Bid it will remain irrevocable until the earlier of: (i) closing of the Successful Bid, or (ii) closing of the Back-Up Bid;

- g) it provides written evidence of a bidder's ability to fully fund and consummate the transaction (including financing required, if any, prior to the closing of the transaction to finance the receivership proceedings) and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the bidder in connection with the Successful Bid;
- h) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- i) it is not conditional upon:
  - i. approval from the bidder's board of directors (or comparable governing body) or, if applicable, equityholder(s);
  - ii. the outcome of any due diligence by the bidder; or
  - iii. the bidder obtaining financing;
- j) it includes an acknowledgment and representation that the bidder:
  - i. has had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review, investigation and inspection in making its bid;
  - ii. is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Receiver and its employees, officers, directors, agents, advisors and other representatives, regarding the proposed transaction, this Sale Process, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents;
  - iii. is making its bid on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or any of its employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed transaction documents;
  - iv. is bound by this Sale Process and the Sale Process Order; and
  - v. is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with this Sale Process or its bid;
- k) it specifies any regulatory or other third-party approvals the party anticipates would be required to complete the proposed transaction (including the anticipated timing necessary to obtain such approvals);

- l) it is accompanied by a cash deposit (the “**Deposit**”) by wire transfer of immediately available funds equal to 10% of the Consideration Value, which Deposit shall be retained by the Receiver in an interest bearing trust account in accordance with the terms hereof;
  - m) it includes a statement that the bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
  - n) it is received by the Receiver by the Qualified Bid Deadline at the email addresses specified on **Schedule “B”** hereto.
10. The Qualified Bid Deadline may be extended by the Receiver, with the prior written consent of KingSett, or by further order of the Court.
11. The Receiver may, in consultation with KingSett, waive compliance with any one or more of the requirements specified in Section 9 above and deem a non-compliant bid to be a Qualified Bid, provided that the Receiver shall not waive compliance with the requirements specified in Subsections 9(a), (b), (c), (d), (e), (g), (j), (k), (l) or (n) without the prior written consent of KingSett, acting reasonably.
12. Notwithstanding the requirements specified in Section 9 above, the transaction contemplated by the Stalking Horse Purchase Agreement (the “**Stalking Horse Bid**”), is deemed to be a Qualified Bid.
13. If one or more Qualified Bids (other than the Stalking Horse Bid) have been received by the Receiver on or before the Qualified Bid Deadline, the Receiver will proceed with an auction process to determine the successful bid(s) (the “**Auction**”), which Auction shall be administered in accordance with **Schedule “C”** hereto. The successful bid(s) selected within the Auction shall constitute the “Successful Bid”. Forthwith upon determining to proceed with an Auction, the Receiver shall provide written notice to each party that submitted a Qualified Bid (including KingSett) in accordance with the terms herein, along with copies of all Qualified Bids and a statement by the Receiver specifying which Qualified Bid is the leading bid.
14. If, by the LOI Deadline, (a) no LOI has been received, or (b) no single LOI has been received with consideration at least as much as the applicable minimum Consideration Value, then the Sale Process shall be deemed to be terminated and the Stalking Horse Bid shall be the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse Purchase Agreement.
15. If, by the Qualified Bid Deadline, no Qualified Bid (other than the Stalking Horse Bid) has been received by the Receiver, then the Stalking Horse Bid shall be deemed the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse Purchase Agreement.
16. Following selection of the Successful Bid, the Receiver, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the

Successful Bid in accordance with the milestones set out in Section 8. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Receiver, the Receiver shall apply to the Court for an order approving such Successful Bid and authorize the Receiver to complete the transactions contemplated thereby, as applicable, and authorizing the Receiver to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the transaction contemplated by such Successful Bid (an “**Approval and Vesting Order**”). If the Successful Bid is not consummated in accordance with its terms, the Receiver shall be authorized, but not required, to elect that the Back-Up Bid (if any) is the Successful Bid.

17. If a Successful Bid is selected and an Approval and Vesting Order authorizing the consummation of the transaction contemplated thereunder is granted by the Court, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a bid, other than the Stalking Horse Bid, that is not selected as a Successful Bid will be returned, with applicable interest thereon, to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to the Approval and Vesting Order or such earlier date as may be determined by the Receiver; provided, however, that the Deposit in respect of the Back-Up Bid shall not be returned to the applicable bidder until the closing of the Successful Bid.
18. The Receiver shall be permitted, in its discretion, to provide general updates and information in respect of this Sale Process to any stakeholder (each a “**Stakeholder**”) on a confidential basis, upon: (a) the irrevocable confirmation in writing from such Stakeholder that it will not submit any bid in this Sale Process; and (b) such Stakeholder executing a confidentiality agreement with the Receiver, in form and substance satisfactory to the Receiver.
19. Any amendments to this Sale Process may only be made by the Receiver, or by further order of the Court, provided that the Receiver shall not extend the Qualified Bid Deadline or amend the requirements specified in 9(a), (b), (c), (d), (e), (g), (j), (k), (l) or (n) without the prior written consent of KingSett, acting reasonably.

**SCHEDULE "A": REAL PROPERTY**

**Southdown**

**PIN: 13493-0044(LT)**

PT LT 31 CON 3 SDS TORONTO; PT LT 32 CON 3 SDS TORONTO PTS 1 TO 6, 8, 43R13084;  
S/T TT129899; S/T TT103210, TT103804, TT153650, VS163947, VS42085, VS58563  
MISSISSAUGA

**Royal Windsor**

**PIN: 13493-0190 (LT)**

PT LT 31, 32 CON 3 SDS DES PTS 1, 2 PL 43R11375 SAVE & EXCEPT PTS 1,2,3 PL  
43R21957, EXCEPT PT 1 43R22260, EXCEPT PT 1 43R25470, EXCEPT PTS 1, 2, 3 PL  
43R25635, EXCEPT PT 1 PL 43R28305 MISSISSAUGA.S/T EASEMENT IN FAVOUR OF  
INTERPROVINCIAL PIPE LINE COMPANY OVER PT LT 32 CON 3 SDS DES PT 2 PL  
43R11375 EXCEPT PT 2 PL 43R21957 AS IN TT102320, TT104152.T/W EASEMENT OVER  
PT LT 32 CON 3 SDS DES PT 3 PL 43R21957 AS IN LT1712946

**SCHEDULE "B": E-MAIL ADDRESSES FOR DELIVERY OF BIDS**

To the Receiver:

[ngoldstein@ksvadvisory.com](mailto:ngoldstein@ksvadvisory.com); [mtallat@ksvadvisory.com](mailto:mtallat@ksvadvisory.com)

With a copy to counsel for the Receiver:

[mwasserman@osler.com](mailto:mwasserman@osler.com); [drosenblat@osler.com](mailto:drosenblat@osler.com)

## SCHEDULE “C”: AUCTION PROCEDURES

1. **Auction.** If the Receiver receives at least one Qualified Bid (other than the Stalking Horse Bid), the Receiver will conduct and administer the Auction in accordance with the terms of the Sale Process. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.

2. **Participation.** Only parties that provided a Qualified Bid by the Qualified Bid Deadline, including the Stalking Horse Bid (collectively, the “**Qualified Parties**” and each a “**Qualified Party**”), shall be eligible to participate in the Auction. No later than 3:00 pm Eastern Time on the day prior to the Auction, each Qualified Party (other than KingSett) must inform the Receiver whether it intends to participate in the Auction. The Receiver will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Bid shall be the Successful Bid.

3. **Auction Procedures.** The Auction shall be governed by the following procedures:

- a. **Attendance.** Only the Receiver, the Qualified Parties, and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction;
- b. **Minimum Overbid.** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Receiver (the “**Initial Bid**”), and any bid made at the Auction by a Qualified Party subsequent to the Receiver’s announcement of the Initial Bid (each, an “**Overbid**”), must proceed in minimum additional cash increments of \$250,000;
- c. **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group video-conference, on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent bid will be fully disclosed to all other Qualified Parties throughout the entire Auction; provided, however, that the Receiver, in its discretion, may establish separate video conference rooms to permit interim discussions between the Receiver and individual Qualified Parties with the understanding that all formal bids will be delivered in one group video conference, on an open basis;
- d. **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit one or more additional bids with full knowledge and written confirmation of the then-existing highest bid(s); and

- e. **No Post-Auction Bids.** No bids will be considered for any purpose after the Auction has concluded.
- f. **Auction Cancellation/Postponement.** The Receiver reserves the right to cancel or postpone the Auction.
- g. **Additional Rules.** Except as otherwise set forth herein, the Receiver may establish additional rules for conducting the Auction, provided that such rules are: (a) disclosed to each participating Qualified Party; (b) designed, in the Receiver's business judgment, to result in the highest and otherwise best offer; and (c) not contrary to any material term set out herein.

4. **Selection.** Before the conclusion of the Auction, the Receiver, will: (a) review each Qualified Bid, considering the factors set out in Section 9 of the Sale Process and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in prong (i) above; (iii) the likelihood of the Qualified Party's ability to close a transaction by the Outside Date and the timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Qualified Bid, and (v) any other factors the Receiver may, consistent with its fiduciary duties, reasonably deem relevant; and (b) identify the highest or otherwise best bid received at the Auction (the "**Successful Bid**" and the Qualified Party making such bid, the "**Successful Party**").

5. **Acknowledgement.** The Successful Party shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one (1) business day of the Successful Bid being selected as such, unless extended by the Receiver, subject to the milestones set forth in Section 8 of the Sale Process.

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

**KINGSETT MORTGAGE CORPORATION**

and

**759 WINSTON CHURCHILL GP INC., 759 WINSTON CHURCHILL L.P., 688 SOUTHDOWN GP INC., 688 SOUTHDOWN LP, 2226 ROYAL WINDSOR GP INC. and 2226 ROYAL WINDSOR LP**

Applicant

Respondents

Court File No.: CV-24-00714543-00CL

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

Proceedings commenced in Toronto

**ORDER  
(Sale Process Approval)**

**OSLER, HOSKIN & HARCOURT LLP**

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Lawyers for KSV Restructuring Inc. in its capacity as court-appointed Receiver

## **Appendix “D”**

**STALKING HORSE AGREEMENT OF PURCHASE AND SALE**

**BETWEEN**

**KSV RESTRUCTURING INC.,**

solely in its capacity as the Court-appointed receiver and manager of the real property described in Schedule "A" hereto and certain other assets, undertakings and properties of, *inter alios*, 688 Southdown GP Inc., 688 Southdown LP, 2226 Royal Windsor GP Inc. and 2226 Royal Windsor LP, and not in its personal capacity or in any other capacity

- and -

**KINGSETT MORTGAGE CORPORATION**

Dated: November 6, 2025

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## STALKING HORSE AGREEMENT OF PURCHASE AND SALE

**THIS AGREEMENT** made this 6th day of November, 2025.

**BETWEEN:**

**KSV RESTRUCTURING INC.,**

solely in its capacity as the Court-appointed receiver and manager of the real property described in Schedule "A" hereto and certain other assets, undertakings and properties of, *inter alios*, 688 Southdown GP Inc., 688 Southdown LP, 2226 Royal Windsor GP Inc. and 2226 Royal Windsor LP, and not in its personal capacity or in any other capacity

(in such capacity, the "**Receiver**")

- and -

**KINGSETT MORTGAGE CORPORATION**

(the "**Purchaser**")

**WHEREAS** pursuant to an amended and restated order of The Honourable Ms. Justice Kimmel of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on November 15, 2024 (the "**Receivership Order**"), KSV Restructuring Inc. ("**KSV**") was appointed as the Receiver, without security, of the Lands and all present and future assets, undertakings and personal property of the Receivership Respondents (as hereinafter defined), located at, related to, used in connection with or arising from or out of the Lands or which is necessary to the use and operation of the Lands, including all proceeds therefrom (together with the Lands, the "**Debtor Property**");

**AND WHEREAS** pursuant to the Receivership Order, the Receiver was authorized to, among other things, market the Purchased Assets (as hereinafter defined) and apply for an order of the Court approving the sale of the Purchased Assets and vesting in and to a purchaser all the Receivership Respondent's right, title and interest in and to the Purchased Assets;

**AND WHEREAS** following execution of this Agreement, the Receiver intends to seek the Sale Process Order (as defined herein), among other things, approving (a) the Sale Process (as defined herein), and (b) this Agreement solely as a "stalking horse bid" pursuant to the Sale Process;

**AND WHEREAS** subject to the terms and conditions contained herein, the Purchaser has agreed to make a "Stalking Horse Bid" to purchase the Purchased Assets (as hereinafter defined), such that in the absence of the Receiver accepting a bid pursuant to the Sale Process that is superior to the bid contained in this Agreement, as determined by the Receiver and in accordance with the Sale Process, the Purchaser has agreed to purchase the Receivership Respondents' right, title and interest in and to the Purchased Assets on the terms set out in this Agreement.

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

## **ARTICLE 1 DEFINED TERMS**

### **1.1 Definitions.**

In this Agreement:

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

**“Agreement”** means this stalking horse 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;

**“Anti-Money Laundering Laws”** means the *Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Criminal Code* (Canada), and any rules or regulations promulgated thereunder or any other legislation of any relevant jurisdiction covering a similar subject matter;

**“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 Transaction and conveying to the Purchaser the Purchased Assets free and clear of all Encumbrances other than the Permitted Encumbrances, which order shall be in form and substance acceptable to the Purchaser and the Receiver, each acting reasonably;

**“Assumed Contracts”** has the meaning given in Section 11.4;

**“Assumed Liabilities”** means the Liabilities which are or are incurred under or in respect of any of the following: (a) Permitted Encumbrances, and (b) all liabilities and obligations arising from the possession, ownership or use of the Purchased Assets arising after Closing, including in respect of any Environmental Liabilities;

**“Bid”** means an offer from a participant in the Sale Process to acquire the Purchased 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;

“**Business**” means the business of the Receivership Respondents;

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

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

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

“**Closing Date**” means the date that is the later of (a) the first Business Day following the date that is 10 days after the date on which the Approval and Vesting Order is issued by the Court, and (b) the first Business Day following the date that is 10 days after the date on which any appeals or motions to set aside or vary the Approval and Vesting Order have been finally determined, and in each case, after the Purchase Price and all other Closing deliverables have been delivered or, if the Parties agree, such other date as agreed in writing by the Parties;

“**Closing Time**” means 5:00 p.m. (Toronto time) on the Closing Date or such other time as agreed in writing by the Parties;

“**Construction Contracts**” means all construction service contracts related to the Purchased Assets, including development management agreements, construction management agreements (including CCDC) and any other service agreement with a third party to provide certain services to construct and develop the projects on the Royal Windsor Lands or the Southdown Lands, as applicable.

“**Contracts**” means all of the contracts (including without limitation any Construction Contracts), licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which one or more Receivership Respondent is a party and which relate to the Business;

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

“**Development Approvals**” means all approvals, permits, agreements, site plans, plans, specifications, working drawings, licenses, approvals, minor variances, exemptions from part lot control, and all other agreements and instruments relating to the servicing, development or construction of the project on either the Royal Windsor Lands or the Southdown Lands, as

applicable, which have been issued to the Royal Windsor Debtor or the Southdown Debtor, as applicable, by a Governmental Authority, and expressly excludes any Construction Contracts;

“**Encumbrances**” means all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, charges, pledges, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise;

“**Environmental Law**” means any Law relating to the natural or indoor environment including those pertaining to (a) reporting, licensing, permitting, approving, registering, investigating, assessing, delineating, remediating, containing, preventing, mitigating, reducing or controlling the presence or Release or threatened Release of Hazardous Substances, or (b) the use, treatment, disposal, recycling, discharge, Release discharge, generation, removal, transportation, storage or handling of or exposure to any Hazardous Substances, including, for greater certainty, any such Law pertaining to the protection and preservation of the environment, health and safety.

“**Environmental Liabilities**” means all Claims or Liabilities (whether accrued, actual, contingent, latent or otherwise), whenever arising, which relate to the Purchased Assets, or arise from or in connection with past, present or future operations in respect thereof or which relate to or are associated with the environment, including, without limitation, Liabilities related to or arising from:

- (a) any non-compliance with, a breach or violation of or any liability under applicable Environmental Laws;
- (b) presence, transportation, storage, use, disposal, or handling of, or exposure to, toxic or Hazardous Substances;
- (c) Release of toxic or Hazardous Substances;
- (d) removal, assessment, monitoring, sampling, containment, mitigation, response, abatement, clean-up, investigation, reporting of pollution or contamination of, or damage or other adverse effects to, the environment; and
- (e) all obligations to dismantle, decommission, abandon, remediate, remove, excavate, treat, restore and reclaim the surface or subsurface of lands associated with the Lands, all as may be required in accordance with all applicable Environmental Laws,

including liabilities to compensate Third Parties for damages and Liabilities resulting from the items described in (a) through (e) above and, for purposes of this Agreement, “the environment” includes, without limitation, the air, the surface and subsurface of the earth, bodies of water (including, without limitation, rivers, streams, lakes, aquifers, creeks and groundwater) and plant and animal life (including humans), or any combination thereof;

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

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

- (a) any of the Receivership Respondents’ cash or cash equivalents;
- (b) any of the Receivership Respondents’ accounts receivable;
- (c) original tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of any of the Receivership Respondents or the Purchased Assets;
- (d) the benefit of any refundable Taxes payable or paid by any of the Receivership Respondents or paid by the Receiver in respect of the Purchased Assets and applicable to the period prior to the Closing Date net of any amounts withheld by any taxing authority, and any claim or right of any of the Receivership Respondents or the Receiver to any refund, rebate, or credit of Taxes for the period prior to the Closing Date; and
- (e) the Contracts save and except for the Assumed Contracts;

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

“**First Mortgage Charges**” means, collectively, the Royal Windsor First Mortgage Charge and the Southdown First Mortgage Charge;

“**Governmental Authorities**” 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, including, without limitation, any municipality in which the Property is located, or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and “**Governmental Authority**” means any one of them;

“**Hazardous Substance**” means any substance, material or emission whose storage, handling, use, generation, disposal, movement, transportation or Release is prohibited, controlled or regulated by any Governmental Authority having jurisdiction pursuant to Environmental Laws, including any contaminant, pollutant or deleterious substance as defined in the *Environmental Protection Act* (Ontario).

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

“**HST Certificate**” has the meaning given in Section 5.1;

“**Intercompany Claims**” means any indebtedness of either of the Receivership Respondents to 759 Winston Churchill GP Inc. and/or 759 Winston Churchill L.P. arising between the commencement of the Receivership Proceedings and Closing;

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

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

“**Land Transfer Tax**” means all the taxes payable under the *Land Transfer Tax Act* (Ontario) and any other applicable provincial or municipal land transfer tax legislation, including all registration fees, license fees, and other like charges payable upon a transfer of real property, together with interest, penalties and additions thereto;

“**Lands**” means, collectively, the Royal Windsor Lands and the Southdown Lands;

“**Letter of Credit**” means letters of credit, letters of guarantee, bonds, deposits or security deposits provided by or on behalf of the Receivership Respondents or any Affiliate of any of the Receivership Respondents to any third party in respect of the Purchased Assets, if any, including those letters of credit listed in Schedule “B” hereto;

“**Liability**” means any debt, loss, damage, adverse claim, fines, penalties, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, disputed or undisputed, liquidated or unliquidated, or due or to become due, and whether in or under statute, contract, tort, strict liability or otherwise), and includes all costs and expenses relating thereto (including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation);

“**Notice**” has the meaning given in Section 14.3;

“**Parties**” means the Receiver and the Purchaser and “**Party**” means either one of them;

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

“**Priority Payables**” means any payables that have priority over the First Mortgage Charges, including amounts that have priority pursuant to s. 78(2) of the *Construction Act*, RSO 1990, c. C30, as determined by the Receiver in consultation with the Purchaser, both acting reasonably, or as determined by the Court, after application of any amount of cash on hand of the Royal Windsor Debtor or the Southdown Debtor, as applicable, immediately prior to Closing, plus the Intercompany Claims.

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

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

- (a) the Lands;

- (b) the Assumed Contracts, to the extent transferable without consent or subject to any required consent being received by the time all conditions to Closing are satisfied if consent is required;
- (c) all hoarding and preconstruction matters relating to the Lands;
- (d) the Development Approvals, to the extent transferable without consent or subject to any required consent being received by the time all conditions to Closing are satisfied if consent is required;
- (e) such other Debtor Property as the Purchaser may advise the Receiver of in writing before Closing, to the extent transferable without consent or subject to any required consent being received by the time all conditions to Closing are satisfied if consent is required, as shall be confirmed in a Schedule added hereto prior to Closing, if applicable;
- (f) all trade names, business names, intellectual property, models including any scale models of prospective development on the Lands, and all advertising literature and materials relating to same within the possession or control of the Receivership Respondents or the Receiver;
- (g) the full benefit of any and all prepaid expenses or deposits with any Person (including, without limitation, the benefit of any prepaid rent), public utility or Governmental Authority relating to the Lands; and
- (h) the Books and Records relating to the Purchased Assets.

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

“**Receiver**” means KSV;

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

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

“**Receivership Respondents**” means, collectively, the Royal Windsor Debtor and the Southdown Debtor;

“**Release**” means any release or discharge of any Hazardous Substance including any discharge, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leach, migration, dispersal, dispensing or disposal;

“**Royal Windsor Debtor**” means 2226 Royal Windsor GP Inc., in its capacity as general partner for and on behalf of 2226 Royal Windsor LP;

“**Royal Windsor First Mortgage Charge**” means the charge by partnership the principal amount of \$43,750,000 granted by the Royal Windsor Debtor and in favour of the Purchaser registered against title to the Royal Windsor Lands on July 8, 2022 as Instrument No. PR4082507;

“**Royal Windsor Lands**” means the real property described in **PART I of Schedule “A”** hereto and all rights and benefits appurtenant thereto;

“**Sales Process**” means a sales process substantially in the form attached as **Schedule “B”**;

“**Sales Process Order**” means an Order of the Court in the Receivership Proceedings approving the Sales Process, which order shall be in form and substance substantively similar to the draft order attached as **Schedule “C”** hereto, with only such amendments as may be acceptable to the Purchaser and the Receiver, each acting reasonably;

“**Sanctioned Person**” means any Person that is the subject or target of any Sanctions, including (a) any Person listed in any Sanctions-related list of designated Persons, or (b) a person with whom it is otherwise prohibited to transact under Sanctions;

“**Sanctions**” means all applicable export control and economic sanctions laws, regulations, and orders of the Government of Canada, including the *Special Economic Measures Act* (Canada), the *Freezing of Assets of Corrupt Foreign Officials Act* (Canada), the *United Nations Act* (Canada), the *Justice for Victims of Corrupt Foreign Officials Act* (Sergei Magnitsky Law) (Canada), the *Criminal Code* (Canada), any rules or regulations promulgated thereunder, or any other relevant economic sanctions laws;

“**Southdown Debtor**” means 688 Southdown GP Inc., in its capacity as general partner for and on behalf of 688 Southdown LP;

“**Southdown First Mortgage Charge**” means the charge/mortgage in the principal amount of \$193,750,000 granted by the Southdown Debtor and in favour of the Purchaser registered against title to the Southdown Lands on September 15, 2021 as Instrument No. PR3909580, as amended by the notice of mortgage amending agreement and confirmation of security registered against title to the Southdown Lands on June 16, 2023 as Instrument No. PR4212934;

“**Southdown Lands**” means the real property described in **PART II of Schedule “A”** hereto and all rights and benefits appurtenant thereto;

“**Stalking Horse Bid**” means the Bid contemplated by this Agreement;

“**Successful Bid**” means the Bid ultimately selected by the Receiver as part of the Sale Process;

“**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; and

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

**ARTICLE 2  
SCHEDULES**

**2.1 Schedules.**

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

<u>Schedule</u>	<u>Description</u>
Schedule A	Legal Description of the Lands
Schedule B	Sales Process
Schedule C	Sales Process Approval Order
Schedule D	Permitted Encumbrances

**ARTICLE 3  
AGREEMENT TO PURCHASE**

**3.1 Purchase and Sale of Purchased Assets.**

- (1) Subject to the terms and conditions of this Agreement, the Receiver hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, the Purchased Assets, free and clear of all Encumbrances other than the Permitted Encumbrances and Assumed Liabilities in exchange for the Purchase Price.
- (2) Subject to the Closing, the Receiver hereby remises, releases and forever discharges to, and in favour of, the Purchaser, all of its rights, Claims, interests and demands, past or present, whether known or unknown, fixed or contingent or otherwise, whatsoever in the Purchased Assets.

**3.2 Excluded Assets.**

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

**3.3 Excluded Liabilities.**

With the sole exception of the Assumed Liabilities, the Purchaser is not assuming, and shall not be deemed to have assumed, any liabilities, obligations or commitments of any of the Receivership Respondents, the Receiver or any other Person, whether known or unknown, fixed or contingent or otherwise, including any debts, obligations, sureties, positive or negative covenants or other liabilities directly or indirectly arising out of or resulting from the conduct or operation of the Business or the Property or the Receivership Respondent'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 Receivership Respondents arising with respect to any period prior to the Closing Date;
- (b) except as otherwise agreed in this Agreement, all Taxes relating to any matters or assets other than the Purchased Assets;
- (c) any liability, obligation or commitment associated with the Accounts Payable or any employees of the Receivership Respondents;
- (d) any liability, obligation or commitment resulting from an Encumbrance that is not a Permitted Encumbrance;
- (e) any liability, obligation or commitment associated with any of the Excluded Assets; and
- (f) except as otherwise agreed in this Agreement, any liability, obligation or commitment in respect to Claims arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Date.

#### **3.4 Assumption of Assumed Liabilities and Release.**

On Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities and the Purchaser shall release the Receiver, the Receivership Respondents and their current and former directors and officers, employees, agents, advisors and representatives (collectively, the “**Releasees**”) from and against all Claims whether known or unknown, it may now or hereafter have against the Releasees for the Assumed Liabilities. For clarity, this release is not intended to release the Receiver from any breach of this Agreement. The Purchaser acknowledges that the Receiver is not making any representations or warranties with respect to the existence or quantum of any Assumed Liabilities or with respect to the status of the Permitted Encumbrances. The Purchaser agrees that the Purchased Assets shall be purchased subject to the Assumed Liabilities.

#### **3.5 Letters of Credit.**

If a Letter of Credit has been deposited by the Receivership Respondents or any Affiliate thereof to or with operators, Governmental Authorities or other Persons prior to Closing to secure obligations or as repayment of costs or liabilities in connection with the Purchased Assets, or has been provided by or on behalf of the Receivership Respondents to any Person pursuant to the provisions of a Permitted Encumbrance or Purchased Asset as security for obligations under such Permitted Encumbrance or Purchased Asset, or as otherwise disclosed in connection with the Purchased Assets, then the Purchaser agrees that it will, on or before Closing provide a replacement Letter of Credit, in form and content satisfactory to the beneficiary under the existing Letter of Credit so that the Letter of Credit provided by or on behalf of applicable Receivership Respondent shall be returned by the beneficiary to such Receivership Respondent. The obligations of the Purchaser to provide any such replacement Letters of Credit shall survive Closing. The Purchaser acknowledges that any or all of the Letters of Credit may be drawn upon prior to Closing.

**ARTICLE 4**  
**PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE**

**4.1 Purchase Price.**

The purchase price for the Purchased Assets shall be equal to the sum of:

- (a) the amount outstanding under the Receiver's Charge and the Receiver's Borrowing Charge (as such terms are defined in the Receivership Order) on the Closing Date, if any;
- (b) \$100,000, which shall be used by the Receiver to fund costs incurred in connection with necessary post-Closing matters, which may include, among other things, bringing a motion for approval of its fees and activities, completion of the Receivership Proceedings and costs to terminate the Receivership Proceedings with respect to the Receivership Respondents, with any unused portion to be returned to the Purchaser;
- (c) the amount owing under the First Mortgage Charges on the Closing Date, including without limitation principal, interest, interest on interest, protective disbursements, legal expenses, and costs and expenses; and
- (d) the amount outstanding in respect of any Priority Payables on the Closing Date,

(collectively, the "**Purchase Price**").

**4.2 Satisfaction of Purchase Price.**

Payment of the Purchase Price shall be satisfied as follows:

- (a) as to the amounts referenced in Sections 4.1(a), (b) and (d), shall be paid in cash by the Purchaser or the Purchaser's solicitors to the Receiver, on Closing by wire transfer; and
- (b) without limiting the obligations under Section 4.2(a), as to the amount referenced in Section 4.1(c), by causing the release of the Receivership Respondents from the amounts owing under the First Mortgage Charges on the Closing Date.

#### **4.3 Allocation of Purchase Price.**

The Parties, acting reasonably and in good faith, covenant to use commercially reasonable efforts to agree to allocate the Purchase Price amongst the Purchased Assets in a mutually agreeable manner on or prior to the Closing Time, provided that failure of the Parties to agree upon an allocation shall not result in the termination of this Agreement but rather shall result in the nullity of the application of this Section 4.3, such that each Party shall be free to make its own reasonable allocation.

#### **4.4 Adjustment of Purchase Price.**

- (1) The Purchase Price shall be adjusted as of 11:59 p.m. on the day prior to the Closing Date, in a manner and amount to be agreed upon by the Parties, acting reasonably, for any and all operating costs, property Taxes (including interest thereon), current and prepaid rents, security deposits and utilities, including any interest thereon in each case, 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, including, without limitation, all receivership costs and all other amounts that have priority to the First Mortgage Charges, which shall form part of the Purchase Price. For greater certainty, and notwithstanding any provision to the contrary in this Agreement, the Purchaser shall be solely responsible for (a) all receivership costs and all construction liens and all other amounts that have priority to the First Mortgage Charges notwithstanding that such amounts arose prior to 11:59 p.m. on the day prior to the Closing Date, and (b) any and all property Taxes that are added to the tax roll on or after the Closing Date, regardless of the period to which such property Taxes apply. The Receiver shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval by no later than three (3) Business Days prior to the Closing Date. If any item that is subject to adjustment cannot be reasonably determined as of the Closing Date, an estimate shall be agreed upon by the Receiver and the Purchaser as of the Closing Date based upon the best information available to the Receiver and the Purchaser at such time, each acting reasonably, and such estimate shall serve as a final determination.
- (2) Notwithstanding any other term in this Agreement, in no event shall the Purchaser be responsible for any charges, fees, levies, Taxes, costs or other adjustments in any way relating to the period prior to the Closing Date or relating to any matters or assets other than the Purchased Assets for the period from and after the Closing Date.
- (3) Other than as provided for in this Section 4.4 or Section 4.5, there shall be no adjustments to the Purchase Price.

#### **4.5 Property Tax Refunds and Rebates**

Any refund or rebate of property Taxes relating to the Lands in respect of the period prior to the Closing Date (each, a “**Property Tax Refund**”) will remain the property of the Receiver. To the extent the Purchaser receives payment or credit on account of any Property Tax Refund, the Purchaser shall hold such amount in trust for the Receiver, endorse such amount (without

recourse) in favour of the Receiver and immediately deliver such amounts to the Receiver. Any refund or rebate of realty tax relating to the Property in respect of the period after the Closing Date will be the property of the Purchaser. To the extent the Receiver receives payment of any such amount, the Receiver shall hold such amount in trust for the Purchaser, endorse such payment (without recourse) in favour of the Purchaser and immediately deliver such payments to the Purchaser.

## **ARTICLE 5 TAXES**

### **5.1 Taxes.**

- (1) The Purchaser is liable for and shall pay on Closing any and all Taxes that are required to be paid or remitted in connection with the consummation of the transactions contemplated in this Agreement, which such amounts shall be in addition to the Purchase Price.
- (2) The Purchaser agrees to self-assess, be liable for and remit to the appropriate Governmental Authority all HST payable in connection with its purchase of the Lands, and to indemnify the Receiver for any amounts for which the Receiver may become liable as a result of any failure by the Purchaser to pay the HST payable in respect of the sale of the Lands under Part IX of the Excise Tax Act. The Purchaser shall deliver, on or prior to Closing, a certificate in form acceptable to the Receiver, certifying that the Purchaser shall be liable for, shall self assess and shall remit to the appropriate Governmental Authority all HST payable in respect of the sale of the Lands, and is purchasing the Lands as principal for its own account and is not being purchased by the Purchaser as an agent, trustee, or otherwise on behalf of or for another Person, and the Purchaser's HST registration number. Such certificate shall also set out the indemnity provided for in the first sentence of this Section 5.1(2).
- (3) If the Purchaser delivers the HST certificate and indemnity as set out in Section 5.1(2), then the Purchaser will not be required to pay to the Receiver, and the Receiver will not be required to collect from the Purchaser, HST in respect of the Purchased Assets. If the Purchaser does not deliver the HST certificate and indemnity as set out in Section 5.1(2), then without limiting the generality of the foregoing in this Section 5.1, the Purchaser shall pay to the Receiver an amount equal to the HST payable on the Purchase Price allocated to the Lands on Closing.
- (4) If requested by the Purchaser, acting reasonably, the Receiver (on behalf of the Receivership Respondents) and the Purchaser shall jointly make the election provided for in paragraph 167(1)(b) of the Excise Tax Act and any equivalent or corresponding provision under any applicable provincial or territorial legislation (including section 75 of an Act respecting Québec sales tax (Québec)), in prescribed form and within the required time period, to have subsection 167(1.1) of the Excise Tax Act and any equivalent or corresponding provision under any applicable provincial or territorial legislation apply in respect of the sale and purchase of the Purchased Assets (other than the Lands) under this Agreement. The Purchaser shall file the completed election form

with the applicable Governmental Authority no later than the due date for the Purchaser's HST returns for the first reporting period in which HST would, in the absence of this election, become payable in connection with the transactions contemplated in this Agreement. Notwithstanding such election and anything to the contrary in this Agreement, in the event it is determined by any relevant Governmental Authority that the Receiver or the Receivership Respondents are liable to collect and remit HST in respect of the transactions contemplated in this Agreement, the Purchaser shall forthwith pay such HST, plus any applicable interest and penalties, to the Receiver for remittance to the applicable Governmental Authority and the Purchaser shall indemnify and save the Receiver and the Receivership Respondents (and any present or former directors and officers of the Receiver or the Receivership Respondents) harmless with respect to any taxes, penalties, interest, and other costs payable resulting from such determination.

- (5) The indemnities in this Section 5.1 shall survive the Closing Date in perpetuity.

## **ARTICLE 6 CLOSING ARRANGEMENTS**

### **6.1 Closing and Closing Procedure.**

Subject to the conditions set out in this Agreement, Closing shall take place at the Closing Time on the Closing Date electronically through the exchange of documents by email between respective counsel to the Purchaser and the Receiver or at such other time or at such other place as the Parties may agree in writing. At the Closing Time, the Purchaser shall take possession of the Purchased Assets where situated.

### **6.2 Tender.**

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

### **6.3 Receiver's Closing Deliverables.**

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

- (a) a copy of the issued Approval and Vesting Order and the attached Receiver's Certificate;
- (b) an assignment and assumption agreement for Assumed Contracts and Permitted Encumbrances pertaining to the Purchased Assets (to the extent assignable) relating to the period from and after the Closing Date;
- (c) a statement of adjustments prepared in accordance with Section 4.4;
- (d) a certificate from the Receiver, dated as of the Closing Date, certifying:

- (i) that all representations, warranties and covenants of the Receiver contained in this Agreement are true in all material respects and have been complied with in all material respects as of the Closing Time, with the same effect as though made on and as of the Closing Time; and
- (ii) that, except as disclosed in the certificate, the Receiver has not been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction; and
- (e) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Purchaser, acting reasonably.

#### **6.4 Purchaser's Closing Deliverables.**

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

- (a) the indefeasible payment and satisfaction in full of the Purchase Price according to Section 4.2;
- (b) an assignment and assumption agreement for Assumed Contracts and Permitted Encumbrances pertaining to the Purchased Assets (to the extent assignable) relating to the period from and after the Closing Date;
- (c) a certificate from the Purchaser, dated as of the Closing Date, certifying that all representations, warranties and covenants of the Purchaser contained in this Agreement are true in all material respects and have been complied with in all material respects as of the Closing Time, with the same effect as though made on and as of the Closing Time;
- (d) payment or evidence of payment of HST applicable to the Purchased Assets or the HST Certificate; and
- (e) such further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Receiver, acting reasonably, Applicable Law or Government Authority.

#### **6.5 Receiver's Certificate.**

Upon confirmation of receipt of the closing deliverables in Sections 6.3 from the Purchaser and Section 6.4 by the Receiver, and receipt of written confirmation from the Purchaser that all of the conditions contained in Section 7.3 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Receiver of all of the conditions contained in Section 7.1, the Receiver shall forthwith deliver to the Purchaser the Receiver's Certificate comprising Schedule "A" of the Approval and Vesting Order, and shall file same with the Court.

**ARTICLE 7**  
**CONDITIONS PRECEDENT TO CLOSING**

**7.1 Conditions in Favour of the Receiver.**

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

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

**7.2 Conditions in Favour of Receiver Not Fulfilled.**

If any of the conditions contained in Section 7.1 is not fulfilled on or prior to the Closing Date, so long as such non-fulfilment was not caused by the Receiver's failure to act in good faith or to use its best efforts to fulfil the aforesaid conditions and cause the Closing to occur, 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 (other than those obligations which are expressly stated to survive termination of this Agreement); or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

**7.3 Conditions in Favour of the Purchaser.**

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

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

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

#### **7.4 Conditions in Favour of Purchaser Not Fulfilled.**

If any of the conditions contained in Section 7.3 are not fulfilled on or prior to the Closing Date, so long as such non-fulfilment was not caused by the Purchaser's failure to act in good faith or to use its best efforts to fulfil the aforesaid conditions and not caused by the Purchaser's failure to cause the Closing to occur, and any 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 (other than those obligations which are expressly stated to survive termination of this Agreement); or
- (b) waive compliance with any such condition without prejudice to the right of termination in respect of the non-fulfillment of any other condition.

#### **7.5 Conditions for the Mutual Benefit of the Receiver and Purchaser.**

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

- (1) The Stalking Horse Bid contemplated by this Agreement shall have been selected by the Receiver as the Successful Bid in accordance with the Sale Process Order and the Sale Process;
- (2) the Court shall have entered and issued the Approval and Vesting Order; and
- (3) the Approval and Vesting Order shall not be stayed.

The Purchaser, at its own expense, shall promptly provide to the Receiver all such information and assistance within the Purchaser's power as the Receiver may reasonably require to obtain the Approval and Vesting Order. The foregoing conditions in this Section 7.5 are true conditions precedent that cannot be waived by either Party.

## **7.6 Conditions in favour of both Parties not Fulfilled.**

If any condition set out in Section 7.5 is not satisfied or performed prior to the time specified therefor, this Agreement shall automatically be terminated, in which case neither Party shall be under any further obligation to the other to complete the Transaction (other than those obligations which are expressly stated to survive termination of this Agreement).

## **ARTICLE 8 REPRESENTATIONS & WARRANTIES OF THE RECEIVER**

### **8.1 Representations and 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) Subject to the granting of the Sale Process Order and the Approval and Vesting Order, the Receiver has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder;
- (b) 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 granting of the Sale Process Order and the Approval and Vesting Order. This Agreement is a valid and binding obligation of the Receiver enforceable in accordance with its terms, subject to the granting of the Sale Process Order and the Approval and Vesting Order;
- (c) the Receiver has done no act to encumber the Purchased Assets (other than the Permitted Encumbrances or pursuant to the Receivership Order) and has not previously sold or agreed to sell to any Person the Purchased Assets; and
- (d) the Receiver is not a non-resident of Canada for the purposes of the ITA

### **8.2 Survival**

The representations and warranties contained in Section 8.1 shall survive for a period of six (6) months following the Closing Date.

## **ARTICLE 9 REPRESENTATIONS & WARRANTIES OF THE PURCHASER**

### **9.1 Representations and 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 limited partnership formed and validly subsisting under the laws of the Province of Manitoba and is in good standing under such laws;
- (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 Government Authority, or any Applicable Law;
- (c) 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;
- (d) subject to the granting of the Sale Process Order and the Approval and Vesting Order, if applicable, this Agreement constitutes a valid and binding obligation of the Purchaser, enforceable against the Purchaser, in accordance with its terms;
- (e) the Purchaser is a registrant under Part IX of the ETA and shall provide its HST registration number to the Receiver at least three days prior to Closing;
- (f) the Purchaser is a "Canadian", as defined in the Investment Canada Act (Canada);
- (g) 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;
- (h) the Purchaser is not a non-resident of Canada within the meaning of Section 116 of the ITA;
- (i) The purchase and assumption of the Purchased Assets by the Purchaser will not violate or be non-compliant with the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (Canada);
- (j) the Purchaser is purchasing and assuming the Purchased Assets for its own account and not on account of any other party, other than an affiliate that is able to satisfy representations and warranties set forth in Subsections 9.1(e), (f), (h), (i) and (k) as of Closing;
- (k) any affiliate for whom it is purchasing the Purchased Assets shall satisfy the representations and warranties set forth in Subsections 9.1(e), (f), (h), (i) and (k) as of Closing;

- (l) the Purchaser is not a Sanctioned Person. The Purchaser has complied at all times with all Sanctions and Anti-Money Laundering Laws; and
- (m) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the Transaction, and the Purchaser is not aware of any existing ground on which any such action, suit or proceeding may be commenced with any reasonable likelihood of success.

## **9.2 Survival.**

The representations and warranties contained in Section 9.1 shall survive for a period of six (6) months following the Closing Date.

## **ARTICLE 10 COVENANTS**

### **10.1 Mutual Covenants.**

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

### **10.2 Receiver Covenants.**

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

### **10.3 Purchaser Covenants.**

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

**ARTICLE 11**  
**POSSESSION ACCESS PRIOR TO CLOSING**

**11.1 Possession of Purchased Assets.**

The Receiver shall remain in possession of the Purchased Assets until the Closing Date, 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 have been satisfied or waived and the Purchaser has satisfied or the Receiver has waived all the delivery requirements outlined in Section 7.1.

**11.2 Examination of Title and Access to the Purchased Assets.**

- (1) The Purchaser acknowledges and agrees that it has had an opportunity to, and has, at its own cost and expense (regardless of results), examined title to the Purchased Assets, and satisfied itself as to the state thereof, satisfied itself as to outstanding work orders affecting the Purchased Assets, satisfied itself as to the use of the Lands being in accordance with applicable zoning requirements and satisfied itself that any and all buildings and structures on the Lands, may be insured to the satisfaction of the Purchaser. The Purchaser further acknowledges that, notwithstanding any statutory provisions to the contrary, the Purchaser has no right to submit requisitions in regard to any outstanding work orders, deficiency notices or orders to comply issued by any Government Authorities. The Purchaser further acknowledges and agrees that it shall not call upon the Receiver to produce any title deed, abstract of title, survey or other evidence of title that is not within the Receiver's possession or control.
- (2) The Purchaser and its agents and representatives may have reasonable access to the Lands during normal business hours in the period prior to the Closing Date for the purpose of enabling the Purchaser, at its sole cost and expense (regardless of results), to conduct such non-destructive, non-invasive inspections of the Lands as it deems appropriate. The Purchaser agrees that such tests and inspections shall not include any tests or inspections by any Governmental Authority and specifically acknowledges and agrees that it shall not request or, through its actions, prompt or cause any tests or inspections to be made by any Governmental Authority. Such inspection may, if the Receiver so desires, be conducted in the presence of a representative of the Receiver.
- (3) Nothing herein shall authorize any subsurface testing, soil boring or drilling of the Lands by the Purchaser or its environmental or structural consultants unless specifically provided for in a scope of work which has been approved by the Receiver in writing, and any such subsurface testing, soil boring or drilling shall be done in the company of a representative of the Receiver, if the Receiver so requires.
- (4) The Purchaser covenants and agrees to repair or pay the costs to repair any damage occasioned during or resulting from the inspection of the Lands conducted by the Purchaser or its authorized representatives, as outlined above, and to return Lands to substantially the condition same was in prior to such inspections. The Purchaser covenants and agrees to indemnify and save the Receiver harmless from and against all

losses, costs, claims, third party claims, damages, expenses (including actual legal costs) which the Receiver may suffer as a result of the inspection of the Lands conducted by the Purchaser or its authorized representatives, as outlined above.

### **11.3 Risk, Damage and Destruction, and Expropriation**

- (1) The Purchased Assets shall be and remain at the risk of the Receiver until Closing and at the risk of the Purchaser from and after Closing.
- (2) Any property, liability and other insurance maintained by the Receiver shall not be transferred as of the Closing Date but shall remain the responsibility of the Receiver until Closing. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Purchased Assets in respect of the period from and after Closing.
- (3) If, prior to Closing, the Purchased Assets are substantially physically damaged or destroyed by fire, casualty or otherwise, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within 15 calendar days after notification to the Purchaser by the Receiver of the occurrence of such physical damage or destruction (or prior to the Closing Date if such occurrence takes place within 15 calendar days prior to the Closing Date), and upon exercise of such option, this Agreement shall be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any physical damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such physical damage or destruction. For the purposes of this Section 11.2, substantial physical damage or destruction shall be deemed to have occurred if the physical loss or damage to the Purchased Assets exceeds 15% of the total Purchase Price. For greater certainty, physical damage or destruction does not include a change in market value of the Purchased Assets caused by any pandemic or endemic (such that, for further greater certainty, the Purchaser is not entitled to terminate this Agreement on the grounds of any future developments, whether favourable or unfavourable, in respect of such pandemic or endemic).
- (4) If, prior to the Closing Date, all or a material part of the Property is expropriated or a notice of expropriation or intent to expropriate all or a material part of the Property is issued by any Governmental Authority, the Receiver shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within three (3) Business Days after the Purchaser receives Notice in writing from the Receiver of such expropriation, elect to either (a) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation shall be payable to the Purchaser and all right, title and interest of the Receiver or the Receivership Respondents to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis, or (b) 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.

#### 11.4 Assumed Contracts

No later than five (5) Business Days prior to the motion for the Approval and Vesting Order, the Purchaser shall advise the Receiver in writing as to which of the Contracts that the Purchaser will assume on Closing (the “Assumed Contracts”). The Receiver shall provide the Purchaser with copies of all Contracts in its possession within three (3) Business Days following the execution of this Agreement.

### ARTICLE 12 AS IS, WHERE IS AND ASSUMPTION OF LIABILITIES

#### 12.1 Condition of the Purchased Assets.

- (1) 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.
- (2) The Purchaser further acknowledges and agrees that it has entered into this Agreement on the basis that neither the Receiver nor any of the Receivership Respondents has guaranteed or will guarantee title to or marketability, use or quality of the Purchased Assets, that the Purchaser has conducted such inspections of the condition and title to the Purchased Assets as it deems appropriate, has satisfied itself with regard to these matters and is relying entirely upon its own investigations and inspections in entering into this Agreement. The Purchaser acknowledges that all documents and information provided or made available to it by the Receiver (including its employees, agents and representatives) are for reference only and that the Purchaser has not relied on any such documents and information in entering into this Agreement and such documents and information are not warranted to be complete or accurate and is not part of this Agreement.
- (3) The Purchaser further acknowledges and agrees that no representation, warranty or condition is expressed or can be implied as: (a) to title, encumbrance, description, fitness for purpose, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets; (b) the environmental state of the Lands, the existence, presence, identity, nature, kind, state, status, extent, or effect of any Hazardous Substances at, on, under, in or about the Lands, the existence, presence, identity, state, status, nature, kind, extent and effect of any administrative order, control order, stop order, compliance order, environmental protection or prevention order or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), or any other statute, regulation, rule or provision of Law, whether federal, provincial or municipal, and the existence, presence, identity, state, status, nature, kind, extent and effect of any liability to

fulfill any obligation to compensate any third party for any costs or expenses incurred in connection with or damages or losses suffered as a result of any Release of any Hazardous Substances whether at, on, under, in, to, from or about the Lands or elsewhere; or (c) 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.

- (4) Except as otherwise expressly provided for in this Agreement, the Receiver will have no obligations or responsibility to the Purchaser after Closing with respect to any matter relating to the Purchased Assets or the condition thereof.
- (5) The provisions of this Section 12.1 shall not merge on but shall survive the completion of the Transaction.

## **12.2 Assumption of Obligations.**

The Purchaser shall assume, fulfill, perform and be responsible for all liabilities and obligations of any kind relating to the Purchased Assets in respect of the period from and after the Closing Date, including without limitation, all liabilities and obligations under the Assumed Contracts that are assumed by the Purchaser under this Agreement, and the Purchaser shall indemnify and save harmless the Receiver and its directors, officers, servants, agents and employees in respect of all Claims which may be brought against or suffered by the Receiver, its directors, officers, servants, agents or employees or which any of them may suffer, sustain, pay or incur as a result of any matter or thing arising out of, or resulting from, attributable to or connected with or relating to the Purchased Assets, including without limitation all Assumed Liabilities and liabilities and obligations under the Assumed Contracts, in respect of the period from and after the Closing Date. The covenants and agreements to indemnify made by the Purchaser in this Section 12.2 shall not merge on but shall survive the completion of the Transaction.

## **ARTICLE 13 TERMINATION**

### **13.1 Termination of this Agreement.**

This Agreement may be validly terminated:

- (1) automatically and without any action or notice by either Party, immediately if this Agreement is not selected as the Successful Bid or a back-up Bid in accordance with the Sale Process;
- (2) automatically and without any action or notice by either Party, immediately if the Receiver completes a sale of the Purchased Assets to another bidder pursuant to and in compliance with the Sale Process;

- (3) upon the mutual written agreement of the Parties;
- (4) pursuant to Section 7.2 by the Receiver;
- (5) pursuant to Section 7.4 by the Purchaser;
- (6) pursuant to Section 7.6 or Section 11.3;
- (7) by either of the Parties, in writing to the other, if the Approval and Vesting Order is not issued by the Court on or before March 31, 2026; or
- (8) automatically, should Closing have not occurred prior to the discharge of the Receiver as the receiver of the Purchased Assets, unless the Receiver's interest in this Agreement has been assigned prior to (or as part of) the Receiver's discharge.

### **13.2 Remedies on Termination 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, including, without limitation, as a result of Section 7.6, then:

- (1) the Purchaser shall return to the Receiver all documents, work papers and other material of the Receiver relating to the Transaction, whether obtained before or after the execution hereof;
- (2) all obligations of each of the Receiver and the Purchaser hereunder shall end completely, except those that survive the termination of this Agreement; and
- (3) neither Party shall have any right to specific performance, to recover damages or expenses or to any other remedy (legal or equitable) or relief.

## **ARTICLE 14 GENERAL CONTRACT PROVISIONS**

### **14.1 Further Assurances.**

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

### **14.2 Survival Following Completion.**

Notwithstanding any other provision of this Agreement, Section 4.4, Section 13.2, Section 14.22 and Section 14.23 shall survive the termination of this Agreement and the completion of the Transaction.

**14.3 Notice.**

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

(a) to the Receiver:

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

Attention: Noah Goldstein / Murtaza Tallat  
Email: [ngoldstein@ksvadvisory.com](mailto:ngoldstein@ksvadvisory.com) / [mtallat@ksvadvisory.com](mailto:mtallat@ksvadvisory.com)>

and a copy to the Receiver’s counsel to:

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

Attention: Marc Wasserman / Dave Rosenblat  
Email: [mwasserman@osler.com](mailto:mwasserman@osler.com) / [drosenblat@osler.com](mailto:drosenblat@osler.com)

(b) to the Purchaser:

c/o KingSett Capital Inc.  
Scotia Plaza  
40 King Street West, Suite 3700  
Toronto, ON M5H 3Y2

Attention: Daniel Pollack  
Email: [DPollack@kingsettcapital.com](mailto:DPollack@kingsettcapital.com)

and a copy to the Purchaser’s counsel to:

Bennett Jones LLP  
3400 One First Canadian Place  
Toronto, ON M5X 1A4

Attention: Sean Zweig / John van Gent  
Email: [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com) / [vangentj@bennettjones.com](mailto:vangentj@bennettjones.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 (3<sup>rd</sup>) 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 (1<sup>st</sup>) 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 (4<sup>th</sup>) Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by email.

#### **14.4 Waiver.**

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

#### **14.5 Consent.**

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

#### **14.6 Governing Law.**

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

#### **14.7 Entire Agreement.**

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

#### **14.8 Time of the Essence.**

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

**14.9 Time Periods.**

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

**14.10 Assignment.**

This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Purchaser may direct that title to the Purchased Assets be taken in the name of another Person provided that (a) such Person shall, in writing, agree, prior to the date of the granting of the Approval and Vesting Order, to assume and be bound by the terms and conditions of this Agreement (the “**Assumption Agreement**”) and a copy of such Assumption Agreement is delivered to the Receiver forthwith after having been entered into, in which case the Purchaser shall nonetheless not be released from any and all further obligations and liabilities hereunder, and (b) if the Purchaser does not, prior to the granting of the Approval and Vesting Order, direct that title to the Purchased Assets be taken in the name of a Person, then the Purchaser shall continue to be liable hereunder and the Approval and Vesting Order shall vest title to the Purchased Assets in the Purchaser.

**14.11 Expenses.**

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

**14.12 Severability.**

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

**14.13 No Strict Construction.**

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

**14.14 Cumulative Remedies.**

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

**14.15 Currency.**

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

**14.16 Receiver's Capacity.**

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

**14.17 Planning Act.**

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

**14.18 No Third Party Beneficiaries.**

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

**14.19 Number and Gender.**

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

**14.20 Publicity**

The Purchaser agrees with the Receiver not to make any public announcement of the Transaction prior to Closing, except for the purpose of obtaining the Sale Process Order or the Approval and Vesting Order or unless the content and timing of such announcement have been agreed upon by both Parties, or unless such announcement is otherwise required by Applicable Law.

**14.21 Confidentiality**

The Purchaser acknowledges that it has signed, and continues to be bound by, a confidentiality agreement with the Receiver with respect to the Property. The Purchaser undertakes and agrees (and agrees to cause its agents, employees and representatives) to keep the existence and terms of this Agreement in strict confidence, except in the course of conveying necessary information to third parties directly involved in the Transaction and except as may be required by law or otherwise mutually agreed upon in writing by the parties.

#### **14.22 Purchaser Indemnity.**

The Purchaser shall indemnify and save harmless the Receiver and its directors, officers, employees, agents and representatives (collectively, the “**Indemnitees**”) from and against any and all Liabilities which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in connection with the operations or activities of the Purchaser on the Lands or any order, notice, directive, or requirement under, or breaches, violations or non-compliance with, any Environmental Laws but only to the extent that either occurs after the Closing Date or as a result of the use, generation, handling, management, control, removal, disposal, transportation, treatment, storage, Release or threat of Release at, on, in, to, from, under or about the Lands of any Hazardous Substances after the Closing Date (the “**Post-Closing Environmental Indemnity**”). Notwithstanding the foregoing, the Post-Closing Environmental Indemnity shall also include any and all matters, events, incidents, Releases, breaches, violations or non-compliances with any Environmental Laws or matters involving any Hazardous Substances, that occurred or may have occurred prior to the Closing Date which are caused by, exacerbated by or contributed to by the Purchaser. The obligation of the Purchaser hereunder shall survive the Closing Date.

#### **14.23 Purchaser Release.**

The Purchaser agrees to release and discharge the Receiver and its directors, officers, employees, agents and representatives from every Claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to any breach, violation or non-compliance with any Environmental Laws or in regard to any Hazardous Substances relating to the Lands. The Purchaser further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Receiver to clean up, remediate, restore, rehabilitate, mitigate, assess or remove or pay for the clean up, remediation, restoration, rehabilitation, mitigation, assessment or removal of any Hazardous Substances, remediate, address, restore or rehabilitate any condition, non-compliance or matter in, on, at, under, to, from or in the vicinity of or relating to the Lands or seek an abatement in the Purchase Price or damages in connection with any Hazardous Substances. This provision shall not expire with, or be terminated or extinguished by or merged in the Closing of the transaction of purchase and sale, contemplated by this Agreement, and shall survive the termination of this Agreement for any reason or cause whatsoever and the closing of the transaction contemplated in this Agreement.

#### **14.24 Non-Registration**

The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document providing evidence of this Agreement against title to the Property. Should the Purchaser be in default of its obligations under this Section 14.22, the Receiver may (as agent and attorney of the Purchaser) cause the removal of such notice of this Agreement, caution, certificate of pending litigation or other document providing evidence of this Agreement or any assignment of this Agreement from the title to the Property. The Purchaser irrevocably nominates, constitutes and appoints the Receiver as its agent and attorney in fact and in law to cause the removal of such notice of this Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Property.

**14.25 Counterparts and Electronic Execution.**

This Agreement may be executed (including by DocuSign or other electronic means) in counterparts and delivered (including by DocuSign or other electronic means) in any number of counterparts, each of which (including any electronic transmission of an executed signature page), is deemed to be an original, and such counterparts together constitute one and the same.

-- signatures follow on next page --

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

**KSV RESTRUCTURING INC.**, solely in its capacity as Receiver and not in its personal capacity or in any other capacity

Per:   
Name: Noah Goldstein  
Title: Managing Director



## SCHEDULE A

### “Legal Description of the Lands”

**PART I: Royal Windsor – 2226 Royal Windsor Drive, Mississauga, Ontario**

PIN: 13493-0190 (LT)

PT LT 31, 32 CON 3 SDS DES PTS 1, 2 PL 43R11375 SAVE & EXCEPT PTS 1,2,3 PL 43R21957, EXCEPT PT 1 43R22260, EXCEPT PT 1 43R25470, EXCEPT PTS 1, 2, 3 PL 43R25635, EXCEPT PT 1 PL 43R28305 MISSISSAUGA.S/T EASEMENT IN FAVOUR OF INTERPROVINCIAL PIPE LINE COMPANY OVER PT LT 32 CON 3 SDS DES PT 2 PL 43R11375 EXCEPT PT 2 PL 43R21957 AS IN TT102320, TT104152.T/W EASEMENT OVER PT LT 32 CON 3 SDS DES PT 3 PL 43R21957 AS IN LT1712946

**PART II: Southdown Lands – 688 Southdown Road, Mississauga, Ontario**

PIN: 13493-0044 (LT)

PT LT 31 CON 3 SDS TORONTO; PT LT 32 CON 3 SDS TORONTO PTS 1 TO 6, 8, 43R13084; S/T TT129899; S/T TT103210, TT103804, TT153650, VS163947, VS42085, VS58563 MISSISSAUGA

## SCHEDULE B

### “Sales Process”

1. On May 30, 2024, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order (as amended, restated and/or supplemented from time to time, the “**Receivership Order**”), among other things, appointing KSV Restructuring Inc. as the receiver and manager (in such capacity, the “**Receiver**”) of, among other things, the real property legally described in **Schedule “A”** hereto (the “**Real Property**”) and all present and future assets, undertakings and personal property of 688 Southdown GP Inc. (“**Southdown GP**”), 688 Southdown LP (“**Southdown LP**”), 2226 Royal Windsor GP Inc. (“**Royal Windsor GP**”) and 2226 Royal Windsor LP (“**Royal Windsor LP**”) and together with Southdown GP, Southdown LP and Royal Windsor GP, the “**Debtors**”), including all permits and deposits paid and obtained on behalf of a Debtor, located at, related to, used in connection with or arising from or out of the Real Property, including all proceeds therefrom (collectively with the Real Property, the “**Property**”).
2. On November 13, 2025, the Court granted an order (the “**Sale Process Order**”) that, among other things: (a) authorized the Receiver to implement a sale process in accordance with the terms hereof (“**Sale Process**”); and (b) authorized and empowered the Receiver to enter into the Stalking Horse Asset Purchase Agreement between the Receiver and the Applicant, KingSett Mortgage Corporation (“**KingSett**”) dated November 6, 2025 (the “**Stalking Horse Purchase Agreement**”) solely for the purposes of acting as the Stalking Horse Bid (as defined below) in the Sale Process.
3. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the Sale Process Order or the Stalking Horse Purchase Agreement, as the case may be. A copy of the Sale Process Order can be found at:  
<https://www.ksvadvisory.com/experience/case/winston-churchill>.
4. This Sale Process sets out the manner in which: (a) binding bids for executable transaction alternatives that are superior to the sale transaction contemplated by the Stalking Horse Purchase Agreement will be solicited from interested parties; (b) any such bids received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought.
5. This Sale Process shall be conducted by the Receiver, with the assistance of Avison Young (the “**Agent**”) and the Receiver and the Agent shall be entitled to receive all information in relation to the Sale Process.
6. Parties who wish to have their bids considered must participate in this Sale Process as conducted by the Receiver with the assistance of the Agent.
7. This Sale Process will be conducted such that the Receiver and the Agent will:

- (a) disseminate marketing materials and a process letter to potentially interested parties identified by the Receiver and the Agent;
  - (b) solicit interest from parties with a view to such interested parties entering into non-disclosure agreements in form and substance satisfactory to the Receiver in its sole discretion (each a “**NDA**”) (parties shall only obtain access to the data room and be permitted to participate in this Sale Process if they execute an NDA and agree to the additional measures that are required by the Receiver to protect competitively sensitive information);
  - (c) provide applicable parties with access to a data room containing diligence information; and
  - (d) request that such parties (other than KingSett) submit (i) a letter of intent to bid that identifies the potential bidder and a general description of the Property that would be the subject of the bid, the proposed consideration, and that reflects a reasonable prospect of culminating in a Qualified Bid (as defined below), as determined by the Receiver (a “**LOI**”), by the LOI Deadline (as defined below) and, if applicable, (ii) a binding offer meeting at least the requirements set forth in Section 9 below, as determined by the Receiver (a “**Qualified Bid**”), by the Qualified Bid Deadline (as defined below).
8. This Sale Process shall be conducted subject to the terms hereof and the following key milestones, in each case subject to Court availability:
- (a) the Receiver to commence the solicitation process – as soon as practicable following the granting of the Sale Process Order;
  - (b) the deadline to submit a LOI – 5:00 p.m. Eastern Time on December 15, 2025 (the “**LOI Deadline**”);
  - (c) the deadline to submit a Qualified Bid – 5:00 p.m. Eastern Time on January 15, 2026 (the “**Qualified Bid Deadline**”);
  - (d) the Receiver to determine whether a bid is a Qualified Bid and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below) – 5:00 p.m. Eastern Time on January 19, 2026;
  - (e) the Receiver to hold an Auction (if applicable) – within three (3) business days of the Receiver determining that the Auction will take place;
  - (f) Approval and Vesting Order (as defined below) – Receiver to bring a motion by no later than fifteen (15) calendar days following the selection (or deemed selection) of the Successful Bid; and
  - (g) the closing of the Successful Bid – as soon as reasonably practicable after the Approval and Vesting Order or such later date as agreed to among the Receiver and

KingSett (the “**Outside Date**”), except that the Outside Date for the Stalking Horse Bid shall be, if the Stalking Horse Bid is selected as the Successful Bid, the Closing Date (as defined in the Stalking Horse Purchase Agreement).

9. In order to constitute a Qualified Bid, a bid or group of bids must comply with the following:
- (a) it provides consideration (the “**Consideration Value**”) that, in the opinion of the Receiver, is superior to the consideration provided for in the Stalking Horse Purchase Agreement, which shall be, at a minimum,:
    - (i) the payment in full in cash on closing of all amounts, if any, outstanding under the Receiver’s Charge and the Receiver’s Borrowing Charge (each as defined in the Receivership Order); plus
    - (ii) the payment in full in cash on closing of the amount outstanding under the First Mortgage Charge including without limitation principal, interest, interest on interest, protective disbursements, legal expenses, and costs and expenses, unless otherwise agreed to by the requisite lenders thereunder in their sole discretion; plus
    - (iii) the payment in full in cash on closing of an amount equal to the Priority Payables, unless otherwise agreed by the holders thereof in their sole discretion; plus  
\$350,000.
  - (b) it provides a detailed schedule that identifies, with specificity, the composition and sources of the Consideration Value and any assumptions that could reduce the net consideration payable including details of any material liabilities that are being assumed or being excluded;
  - (c) it provides for the closing of the transaction contemplated thereunder by no later than the Outside Date;
  - (d) it contains:
    - (i) the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s) and/or sponsors;
    - (ii) a purchase agreement duly executed and binding on the bidder;
    - (iii) a redline of the purchase agreement to the Stalking Horse Purchase Agreement;

- (iv) evidence of authorization and approval from the bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equityholder(s) in form and substance reasonably satisfactory to the Receiver;
  - (v) disclosure of any connections or agreements with the Debtors or any of their affiliates, any known, potential, prospective bidder, or any officer, manager, director, member or known equity security holder of the Debtors or any of their affiliates; and
  - (vi) such other information as may be reasonably requested by the Receiver;
- (e) it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until closing of the Successful Bid; provided, that if such bid is not selected as the Successful Bid or as the next-highest or otherwise best Qualified Bid as compared to the Successful Bid (such bid, the "**Back-Up Bid**") it shall only remain irrevocable until selection of the Successful Bid;
  - (f) it provides that the bid will serve as the Back-Up Bid if it is not selected as the Successful Bid and if selected as the Back-Up Bid it will remain irrevocable until the earlier of: (i) closing of the Successful Bid, or (ii) closing of the Back-Up Bid;
  - (g) it provides written evidence of a bidder's ability to fully fund and consummate the transaction (including financing required, if any, prior to the closing of the transaction to finance the receivership proceedings) and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the bidder in connection with the Successful Bid;
  - (h) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
  - (i) it is not conditional upon:
    - (i) approval from the bidder's board of directors (or comparable governing body) or, if applicable, equityholder(s);
    - (ii) the outcome of any due diligence by the bidder; or
    - (iii) the bidder obtaining financing;
  - (j) it includes an acknowledgment and representation that the bidder:
    - (i) has had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review, investigation and inspection in making its bid;

- (ii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Receiver and its employees, officers, directors, agents, advisors and other representatives, regarding the proposed transaction, this Sale Process, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents;
  - (iii) is making its bid on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or any of its employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed transaction documents;
  - (iv) is bound by this Sale Process and the Sale Process Order; and
  - (v) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with this Sale Process or its bid;
- (k) it specifies any regulatory or other third-party approvals the party anticipates would be required to complete the proposed transaction (including the anticipated timing necessary to obtain such approvals);
  - (l) it is accompanied by a cash deposit (the “Deposit”) by wire transfer of immediately available funds equal to 10% of the Consideration Value, which Deposit shall be retained by the Receiver in a non-interest bearing trust account in accordance with the terms hereof;
  - (m) it includes a statement that the bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
  - (n) it is received by the Receiver by the Qualified Bid Deadline at the email addresses specified on **Schedule “B”** hereto.
10. The Qualified Bid Deadline may be extended by the Receiver, with the prior written consent of KingSett, or by further order of the Court.
  11. The Receiver may, in consultation with KingSett, waive compliance with any one or more of the requirements specified in Section 9 above and deem a non-compliant bid to be a Qualified Bid, provided that the Receiver shall not waive compliance with the requirements specified in Subsections 9((a)), ((b)), ((c)), ((d)), ((e)), ((g)), ((j)), ((k)), ((l) or ((n) without the prior written consent of KingSett, acting reasonably.

12. Notwithstanding the requirements specified in Section 9 above, the transaction contemplated by the Stalking Horse Purchase Agreement (the “**Stalking Horse Bid**”), is deemed to be a Qualified Bid.
13. If one or more Qualified Bids (other than the Stalking Horse Bid) have been received by the Receiver on or before the Qualified Bid Deadline, the Receiver will proceed with an auction process to determine the successful bid(s) (the “**Auction**”), which Auction shall be administered in accordance with **Schedule** “Error! Reference source not found.” hereto. The successful bid(s) selected within the Auction shall constitute the “**Successful Bid**”. Forthwith upon determining to proceed with an Auction, the Receiver shall provide written notice to each party that submitted a Qualified Bid (including KingSett) in accordance with the terms herein, along with copies of all Qualified Bids and a statement by the Receiver specifying which Qualified Bid is the leading bid.
14. If, by the LOI Deadline, (a) no LOI has been received, or (b) no single LOI has been received with consideration at least as much as the minimum Consideration Value, then the Sale Process shall be deemed to be terminated and the Stalking Horse Bid shall be the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse Purchase Agreement.
15. If, by the Qualified Bid Deadline, no Qualified Bid (other than the Stalking Horse Bid) has been received by the Receiver, then the Stalking Horse Bid shall be deemed the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse Purchase Agreement.
16. Following selection of the Successful Bid, the Receiver, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the milestones set out in Section 8. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Receiver, the Receiver shall apply to the Court for an order approving such Successful Bid and authorize the Receiver to complete the transactions contemplated thereby, as applicable, and authorizing the Receiver to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the transaction contemplated by such Successful Bid (an “**Approval and Vesting Order**”). If the Successful Bid is not consummated in accordance with its terms, the Receiver shall be authorized, but not required, to elect that the Back-Up Bid (if any) is the Successful Bid.
17. If a Successful Bid is selected and an Approval and Vesting Order authorizing the consummation of the transaction contemplated thereunder is granted by the Court, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a bid, other than the Stalking Horse Bid, that

is not selected as a Successful Bid will be returned, without interest thereon, to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to the Approval and Vesting Order or such earlier date as may be determined by the Receiver; provided, however, that the Deposit in respect of the Back-Up Bid shall not be returned to the applicable bidder until the closing of the Successful Bid.

18. The Receiver shall be permitted, in its discretion, to provide general updates and information in respect of this Sale Process to any creditor (each a “**Creditor**”) on a confidential basis, upon: (a) the irrevocable confirmation in writing from such Creditor that it will not submit any bid in this Sale Process; and (b) such Creditor executing a confidentiality agreement with the Receiver, in form and substance satisfactory to the Receiver.
19. Any amendments to this Sale Process may only be made by the Receiver, or by further order of the Court, provided that the Receiver shall not extend the Qualified Bid Deadline or amend the requirements specified in 9((a), ((b), ((c), ((d), ((e), ((g), ((j), ((k), ((l) or ((n) without the prior written consent of KingSett, acting reasonably.

**SCHEDULE C**

**“Sale Process Approval Order”**

Court File No. CV-24-00714543-00CL

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

THE HONOURABLE

)

THURSDAY, THE 13TH

JUSTICE MYERS

)

)

DAY OF NOVEMBER, 2025

BETWEEN

**KINGSETT MORTGAGE CORPORATION**

Applicant

- and -

**759 WINSTON CHURCHILL GP INC., 759 WINSTON CHURCHILL L.P., 688  
SOUTHDOWN GP INC., 688 SOUTHDOWN LP, 2226 ROYAL WINDSOR GP INC. and  
2226 ROYAL WINDSOR LP**

Respondents

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

**ORDER**

**(SALE PROCESS APPROVAL)**

**THIS MOTION**, made by KSV Restructuring Inc. in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of, among other things, the real property

legally described in **Schedule “A”** hereto (the “**Real Property**”) and all present and future assets, undertakings and personal property of 688 Southdown GP Inc. (“**Southdown GP**”), 688 Southdown LP (“**Southdown LP**”), 2226 Royal Windsor GP Inc. (“**Royal Windsor GP**”) and 2226 Royal Windsor LP (“**Royal Windsor LP**” and together with Southdown GP, Southdown LP and Royal Windsor GP, the “**Debtors**” and each a “**Debtor**”), including all permits and deposits paid and obtained on behalf of a Debtor, located at, related to, used in connection with or arising from or out of the Real Property, including all proceeds therefrom (collectively with the Real Property, the “**Property**”), for an order, *inter alia*, approving a sale process in respect of the Property, in the form attached hereto as **Schedule “B”** (the “**Sale Process**”) was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

**ON READING** the Third Report of the Receiver dated **November 6, 2025** and the Appendices thereto (the “**Third Report**”) and on hearing the submissions of counsel for the Receiver and the Applicant and the other parties listed on the counsel slip, no one else appearing for any other party although duly served as appears from the affidavit of service of ● affirmed ●, 2025,

### **SERVICE AND DEFINITIONS**

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

21. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Third Report.

### **SALE PROCESS**

22. **THIS COURT ORDERS** that the Sale Process is hereby approved and the Receiver is hereby authorized and directed to implement the Sale Process pursuant to the terms thereof and is hereby authorized and directed to perform its obligations thereunder and to do all things reasonably

necessary to perform its obligations thereunder, subject to prior approval of the Court being obtained before completion of any transaction under the Sale Process.

23. **THIS COURT ORDERS** that the Receiver and its affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the Sale Process, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of the Receiver in performing its obligations under the Sale Process, as determined by this Court in a final order that is not subject to appeal or other review.

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

#### **STALKING HORSE PURCHASE AGREEMENT**

25. **THIS COURT ORDERS** that the Receiver is hereby authorized and empowered, *nunc pro tunc*, to enter into the stalking horse agreement of purchase and sale dated November 6, 2025 (the “**Stalking Horse Purchase Agreement**”) between the Receiver and the Applicant, KingSett Mortgage Corporation (“**KingSett**”) in the form attached as and Appendix “[**B**]” to the Third Report with such minor amendments as may be acceptable to each of the parties thereto; provided that nothing herein approves the sale and the vesting of any Property to the KingSett pursuant to the Stalking Horse Purchase Agreement and that the approval of any sale and vesting of any such Property shall be considered by this Court on a subsequent motion made to this Court if the

transaction set out in the Stalking Horse Purchase Agreement is the Successful Bid pursuant to the Sale Process.

## **PIPEDA**

26. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the Receiver and its advisors are hereby authorized and permitted to disclose and transfer to prospective Sale Process participants that are party to a non-disclosure agreement with the Receiver (each, a “**Sale Process Participant**”) and their respective advisors personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the Sale Process (a “**Transaction**”). Each Sale Process Participant 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 for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Receiver, or, in the alternative, destroy all such information and provide confirmation of its destruction if requested by the Receiver. The bidder with a Successful Bid shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Debtors’ business and/or property acquired pursuant to the Sale Process in a manner that is in all material respects identical to the prior use of such information by Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Receiver.

**GENERAL**

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

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

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

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**SCHEDULE "A"**  
**REAL PROPERTY**

**Southdown**

**PIN: 13493-0044(LT)**

PT LT 31 CON 3 SDS TORONTO; PT LT 32 CON 3 SDS TORONTO PTS 1 TO 6, 8,  
43R13084; S/T TT129899; S/T TT103210, TT103804, TT153650, VS163947, VS42085,  
VS58563 MISSISSAUGA

**Royal Windsor**

**PIN: 13493-0190 (LT)**

PT LT 31, 32 CON 3 SDS DES PTS 1, 2 PL 43R11375 SAVE & EXCEPT PTS 1,2,3 PL  
43R21957, EXCEPT PT 1 43R22260, EXCEPT PT 1 43R25470, EXCEPT PTS 1, 2, 3 PL  
43R25635, EXCEPT PT 1 PL 43R28305 MISSISSAUGA.S/T EASEMENT IN FAVOUR OF  
INTERPROVINCIAL PIPE LINE COMPANY OVER PT LT 32 CON 3 SDS DES PT 2 PL  
43R11375 EXCEPT PT 2 PL 43R21957 AS IN TT102320, TT104152.T/W EASEMENT OVER  
PT LT 32 CON 3 SDS DES PT 3 PL 43R21957 AS IN LT1712946

## SCHEDULE "B" SALE PROCESS

1. On May 30, 2024, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted an order (as amended, restated and/or supplemented from time to time, the "**Receivership Order**"), among other things, appointing KSV Restructuring Inc. as the receiver and manager (in such capacity, the "**Receiver**") of, among other things, the real property legally described in **Schedule "A"** hereto (the "**Real Property**") and all present and future assets, undertakings and personal property of 688 Southdown GP Inc. ("**Southdown GP**"), 688 Southdown LP ("**Southdown LP**"), 2226 Royal Windsor GP Inc. ("**Royal Windsor GP**") and 2226 Royal Windsor LP ("**Royal Windsor LP**" and together with Southdown GP, Southdown LP and Royal Windsor GP, the "**Debtors**"), including all permits and deposits paid and obtained on behalf of a Debtor, located at, related to, used in connection with or arising from or out of the Real Property, including all proceeds therefrom (collectively with the Real Property, the "**Property**").
2. On November 13, 2025, the Court granted an order (the "**Sale Process Order**") that, among other things: (a) authorized the Receiver to implement a sale process in accordance with the terms hereof ("**Sale Process**"); and (b) authorized and empowered the Receiver to enter into the Stalking Horse Asset Purchase Agreement between the Receiver and the Applicant, KingSett Mortgage Corporation ("**KingSett**") dated November 6, 2025 (the "**Stalking Horse Purchase Agreement**") solely for the purposes of acting as the Stalking Horse Bid (as defined below) in the Sale Process.
3. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the Sale Process Order or the Stalking Horse Purchase Agreement, as the case may be. A copy of the Sale Process Order can be found at: <https://www.ksvadvisory.com/experience/case/winston-churchill>.
4. This Sale Process sets out the manner in which: (a) binding bids for executable transaction alternatives that are superior to the sale transaction contemplated by the Stalking Horse Purchase Agreement will be solicited from interested parties; (b) any such bids received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought.
5. This Sale Process shall be conducted by the Receiver, with the assistance of Avison Young (the "**Agent**") and the Receiver and the Agent shall be entitled to receive all information in relation to the Sale Process.
6. Parties who wish to have their bids considered must participate in this Sale Process as conducted by the Receiver with the assistance of the Agent.
7. This Sale Process will be conducted such that the Receiver and the Agent will:
  - (a) disseminate marketing materials and a process letter to potentially interested parties identified by the Receiver and the Agent;
  - (b) solicit interest from parties with a view to such interested parties entering into non-disclosure agreements in form and substance satisfactory to the Receiver in its sole

discretion (each a “**NDA**”) (parties shall only obtain access to the data room and be permitted to participate in this Sale Process if they execute an NDA and agree to the additional measures that are required by the Receiver to protect competitively sensitive information);

- (c) provide applicable parties with access to a data room containing diligence information; and
- (d) request that such parties (other than KingSett) submit (i) a letter of intent to bid that identifies the potential bidder and a general description of the Property that would be the subject of the bid, the proposed consideration, and that reflects a reasonable prospect of culminating in a Qualified Bid (as defined below), as determined by the Receiver (a “**LOI**”), by the LOI Deadline (as defined below) and, if applicable, (ii) a binding offer meeting at least the requirements set forth in Section 9 below, as determined by the Receiver (a “**Qualified Bid**”), by the Qualified Bid Deadline (as defined below).

8. This Sale Process shall be conducted subject to the terms hereof and the following key milestones, in each case subject to Court availability:

- (a) the Receiver to commence the solicitation process – as soon as practicable following the granting of the Sale Process Order;
- (b) the deadline to submit a LOI – 5:00 p.m. Eastern Time on December 15, 2025 (the “**LOI Deadline**”);
- (c) the deadline to submit a Qualified Bid – 5:00 p.m. Eastern Time on January 15, 2026 (the “**Qualified Bid Deadline**”);
- (d) the Receiver to determine whether a bid is a Qualified Bid and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below) – 5:00 p.m. Eastern Time on January 19, 2026;
- (e) the Receiver to hold an Auction (if applicable) – within three (3) business days of the Receiver determining that the Auction will take place;
- (f) Approval and Vesting Order (as defined below) – Receiver to bring a motion by no later than fifteen (15) calendar days following the selection (or deemed selection) of the Successful Bid; and
- (g) the closing of the Successful Bid – as soon as reasonably practicable after the Approval and Vesting Order or such later date as agreed to among the Receiver and KingSett (the “**Outside Date**”), except that the Outside Date for the Stalking Horse Bid shall be, if the Stalking Horse Bid is selected as the Successful Bid, the Closing Date (as defined in the Stalking Horse Purchase Agreement).

9. In order to constitute a Qualified Bid, a bid or group of bids must comply with the following:

- (a) it provides consideration (the “**Consideration Value**”) that, in the opinion of the Receiver, is superior to the consideration provided for in the Stalking Horse Purchase Agreement, which shall be, at a minimum,:
  - (i) the payment in full in cash on closing of all amounts, if any, outstanding under the Receiver’s Charge and the Receiver’s Borrowing Charge (each as defined in the Receivership Order); plus
  - (ii) the payment in full in cash on closing of the amount outstanding under the First Mortgage Charge including without limitation principal, interest, interest on interest, protective disbursements, legal expenses, and costs and expenses, unless otherwise agreed to by the requisite lenders thereunder in their sole discretion; plus
  - (iii) the payment in full in cash on closing of an amount equal to the Priority Payables, unless otherwise agreed by the holders thereof in their sole discretion; plus  
  
\$350,000.
- (b) it provides a detailed schedule that identifies, with specificity, the composition and sources of the Consideration Value and any assumptions that could reduce the net consideration payable including details of any material liabilities that are being assumed or being excluded;
- (c) it provides for the closing of the transaction contemplated thereunder by no later than the Outside Date;
- (d) it contains:
  - (i) the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s) and/or sponsors;
  - (ii) a purchase agreement duly executed and binding on the bidder;
  - (iii) a redline of the purchase agreement to the Stalking Horse Purchase Agreement;
  - (iv) evidence of authorization and approval from the bidder’s board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder’s equityholder(s) in form and substance reasonably satisfactory to the Receiver;
  - (v) disclosure of any connections or agreements with the Debtors or any of their affiliates, any known, potential, prospective bidder, or any officer, manager, director, member or known equity security holder of the Debtors or any of their affiliates; and

- (vi) such other information as may be reasonably requested by the Receiver;
- (e) it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until closing of the Successful Bid; provided, that if such bid is not selected as the Successful Bid or as the next-highest or otherwise best Qualified Bid as compared to the Successful Bid (such bid, the “**Back-Up Bid**”) it shall only remain irrevocable until selection of the Successful Bid;
- (f) it provides that the bid will serve as the Back-Up Bid if it is not selected as the Successful Bid and if selected as the Back-Up Bid it will remain irrevocable until the earlier of: (i) closing of the Successful Bid, or (ii) closing of the Back-Up Bid;
- (g) it provides written evidence of a bidder’s ability to fully fund and consummate the transaction (including financing required, if any, prior to the closing of the transaction to finance the receivership proceedings) and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the bidder in connection with the Successful Bid;
- (h) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- (i) it is not conditional upon:
  - (i) approval from the bidder’s board of directors (or comparable governing body) or, if applicable, equityholder(s);
  - (ii) the outcome of any due diligence by the bidder; or
  - (iii) the bidder obtaining financing;
- (j) it includes an acknowledgment and representation that the bidder:
  - (i) has had an opportunity to conduct any and all required due diligence prior to making its bid, and has relied solely upon its own independent review, investigation and inspection in making its bid;
  - (ii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the Receiver and its employees, officers, directors, agents, advisors and other representatives, regarding the proposed transaction, this Sale Process, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed transaction documents;
  - (iii) is making its bid on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description by the Receiver or any of its employees, officers, directors, agents, advisors and

other representatives, except to the extent set forth in the proposed transaction documents;

- (iv) is bound by this Sale Process and the Sale Process Order; and
  - (v) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with this Sale Process or its bid;
  - (k) it specifies any regulatory or other third-party approvals the party anticipates would be required to complete the proposed transaction (including the anticipated timing necessary to obtain such approvals);
  - (l) it is accompanied by a cash deposit (the "Deposit") by wire transfer of immediately available funds equal to 10% of the Consideration Value, which Deposit shall be retained by the Receiver in a non-interest bearing trust account in accordance with the terms hereof;
  - (m) it includes a statement that the bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
  - (n) it is received by the Receiver by the Qualified Bid Deadline at the email addresses specified on **Schedule "B"** hereto.
10. The Qualified Bid Deadline may be extended by the Receiver, with the prior written consent of KingSett, or by further order of the Court.
  11. The Receiver may, in consultation with KingSett, waive compliance with any one or more of the requirements specified in Section 9 above and deem a non-compliant bid to be a Qualified Bid, provided that the Receiver shall not waive compliance with the requirements specified in Subsections 9((a), ((b), ((c), ((d), ((e), ((g), ((j), ((k), ((l) or ((n) without the prior written consent of KingSett, acting reasonably.
  12. Notwithstanding the requirements specified in Section 9 above, the transaction contemplated by the Stalking Horse Purchase Agreement (the "**Stalking Horse Bid**"), is deemed to be a Qualified Bid.
  13. If one or more Qualified Bids (other than the Stalking Horse Bid) have been received by the Receiver on or before the Qualified Bid Deadline, the Receiver will proceed with an auction process to determine the successful bid(s) (the "**Auction**"), which Auction shall be administered in accordance with **Schedule "Error! Reference source not found."** hereto. The successful bid(s) selected within the Auction shall constitute the "Successful Bid". Forthwith upon determining to proceed with an Auction, the Receiver shall provide written notice to each party that submitted a Qualified Bid (including KingSett) in accordance with the terms herein, along with copies of all Qualified Bids and a statement by the Receiver specifying which Qualified Bid is the leading bid.

14. If, by the LOI Deadline, (a) no LOI has been received, or (b) no single LOI has been received with consideration at least as much as the minimum Consideration Value, then the Sale Process shall be deemed to be terminated and the Stalking Horse Bid shall be the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse Purchase Agreement.
15. If, by the Qualified Bid Deadline, no Qualified Bid (other than the Stalking Horse Bid) has been received by the Receiver, then the Stalking Horse Bid shall be deemed the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse Purchase Agreement.
16. Following selection of the Successful Bid, the Receiver, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the milestones set out in Section 8. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Receiver, the Receiver shall apply to the Court for an order approving such Successful Bid and authorize the Receiver to complete the transactions contemplated thereby, as applicable, and authorizing the Receiver to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the transaction contemplated by such Successful Bid (an “**Approval and Vesting Order**”). If the Successful Bid is not consummated in accordance with its terms, the Receiver shall be authorized, but not required, to elect that the Back-Up Bid (if any) is the Successful Bid.
17. If a Successful Bid is selected and an Approval and Vesting Order authorizing the consummation of the transaction contemplated thereunder is granted by the Court, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a bid, other than the Stalking Horse Bid, that is not selected as a Successful Bid will be returned, without interest thereon, to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to the Approval and Vesting Order or such earlier date as may be determined by the Receiver; provided, however, that the Deposit in respect of the Back-Up Bid shall not be returned to the applicable bidder until the closing of the Successful Bid.
18. The Receiver shall be permitted, in its discretion, to provide general updates and information in respect of this Sale Process to any creditor (each a “**Creditor**”) on a confidential basis, upon: (a) the irrevocable confirmation in writing from such Creditor that it will not submit any bid in this Sale Process; and (b) such Creditor executing a confidentiality agreement with the Receiver, in form and substance satisfactory to the Receiver.
19. Any amendments to this Sale Process may only be made by the Receiver, or by further order of the Court, provided that the Receiver shall not extend the Qualified Bid Deadline

or amend the requirements specified in 9((a), ((b), ((c), ((d), ((e), ((g), ((j), ((k), ((l) or ((n) without the prior written consent of KingSett, acting reasonably.

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

**KINGSETT MORTGAGE CORPORATION** and **759 WINSTON CHURCHILL GP INC., 759 WINSTON CHURCHILL L.P., 688 SOUTHDOWN GP INC., 688 SOUTHDOWN LP, 2226 ROYAL WINDSOR GP INC. and 2226 ROYAL WINDSOR LP**

Applicant

Respondents

Court File No.: CV-24-00714543-00CL

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

Proceedings commenced in Toronto

**ORDER  
(Sale Process Approval)**

**OSLER, HOSKIN & HARCOURT LLP**  
100 King Street West  
1 First Canadian Place  
Suite 6200, P.O. Box 50  
Toronto ON M5X 1B8

**Marc Wasserman (LSO# 44066M)**  
Tel: 416.862.4908  
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Fax: 416.862.6666

Lawyers for KSV Restructuring Inc. in its capacity as  
court-appointed Receiver

## **SCHEDULE D**

### **“Permitted Encumbrances”**

1. The exceptions and qualifications set out in the Section 44(1) of the *Land Titles Act* (Ontario), except any exceptions therefrom as noted on the parcel register for the Lands.
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown.
3. The easements, servitudes, rights-of-way, licences, restrictions listed in paragraph 10, below, registered against the Lands as of the date of this Agreement and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables).
4. Any unregistered easements for sewer drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables.
5. Inchoate liens for taxes, assessments, public utility charges, which are due but the validity of which are being contested in good faith by the Receiver provided that the Receiver has provided security which in the opinion of the Receiver, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto.
6. Any encroachments, title defects or irregularities which are of a minor nature and either individually or in the aggregate do not and will not materially adversely affect the value, use or marketability of the Lands.
7. Zoning (including, without limitation, airport zoning regulations), use and building by-laws, ordinances, federal, provincial or municipal by-laws, and regulations, all outstanding work orders, deficiency notices, outstanding/open/ongoing building permits, orders to comply, inspector's orders, notices of non-compliance, notices of violation or similar directives relating to the Lands.
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements registered against the Lands as of the date of the Agreement with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction.
9. Plans, by-laws and transfers registered on title to the Lands as of the date of this Agreement.

### **Specific – Royal Windsor Lands**

9. Transfer Easement registered on June 25, 1957 in favour of Interprovincial Pipe Line Company as Instrument No. TT104152.
10. Notice (Agreement with Lushes Avenue Developments Inc., as servient landowner, concerning warning clauses in respect of facilities operated by Standard Radio Inc.) registered on March 22, 2006 in favour of Standard Radio Inc. as Instrument No. PR1032278.
11. Notice (Agreement with Casaco Developments Inc., as servient landowner, concerning warning clauses in respect of facilities operated by Standard Radio Inc.) registered on March 22, 2006 in favour of Standard Radio Inc. as Instrument No. PR10323308.
12. Notice of Lease registered November 5, 2007 in favour of 4382072 Canada Inc., Astral Media Radio (Toronto) Inc. and Astral Media Radio G.P. as Instrument No. PR1366922.

### **Specific – Southdown Lands**

13. Grant of Easement registered July 11, 1960 in favour of Canadian National Railway Company as Instrument No. TT129899.
14. Transfer Easement registered May 3, 1957 in favour of Interprovincial Pile Lime Company as Instrument No. TT103210.
15. Transfer Easement registered June 7, 1957 in favour of Interprovincial Pile Lime Company as Instrument No. TT103804.
16. Transfer Easement registered April 25, 1963 in favour of The Corporation of the Township of Toronto as Instrument No. TT153650.
17. Transfer Easement registered June 15, 1967 in favour of The Corporation of the Township of Toronto as Instrument No. VS42085.
18. Transfer Easement registered November 24, 1967 in favour of The Corporation of the Township of Toronto as Instrument No. VS58563.
19. Transfer Easement registered March 4, 1971 in favour of Ontario Water Resources Commission as Instrument No. VS163947.
20. Notice of Claim (under subsection 113(2) of the Registry Act for a Right-of-Way) registered May 12, 1994 in favour of Interprovincial Pipeline Linc. as Instrument No. RO1065043.

## **Appendix “E”**

## AMENDMENT TO STALKING HORSE AGREEMENT OF PURCHASE AND SALE

This Agreement made as of April 17<sup>th</sup>, 2026 between:

**KSV RESTRUCTURING INC.**, solely in its capacity as the Court-appointed receiver and manager of the real property described in Schedule “A” hereto and certain other assets, undertakings and properties of, *inter alios*, 688 Southdown GP Inc., 688 Southdown LP, 2226 Royal Windsor GP Inc. and 2226 Royal Windsor LP, and not in its personal capacity or in any other capacity

(the “**Receiver**”)

and

**KINGSETT MORTGAGE CORPORATION**

(the “**Purchaser**”)

### WHEREAS:

- A. The Purchaser and the Receiver have entered into a stalking horse agreement of purchase and sale dated November 6, 2025 (as amended, the “**Purchase Agreement**”), such that in the absence of the Receiver accepting a Bid pursuant to the Sale Process that is superior to the Bid contained in the Purchase Agreement, as determined by the Receiver and in accordance with the Sale Process, the Purchaser has agreed to purchase the Receivership Respondents’ right, title and interest in and to the Purchased Assets on the terms set out in the Purchase Agreement.
- B. The Purchaser and the Receiver have entered into this amending agreement in order to amend the terms of the Purchase Agreement as set out herein.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth herein, the receipt and sufficiency of which are acknowledged, and for other good and valuable consideration, the Purchaser and the Receiver hereby agree as follows::

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

Capitalized terms not otherwise defined herein have the meaning given to them in the Purchase Agreement.

**ARTICLE 2  
AMENDMENTS TO THE PURCHASE AGREEMENT**

**2.1 Satisfaction of Purchase Price**

Section 4.2 of the Purchase Agreement is hereby deleted and replaced with the following:

“Payment of the Purchase Price shall be satisfied as follows:

(a) as to the amounts referenced in Section 4.1(b) and Section 4.1(d) and the amount outstanding under the Receiver’s Charge (as that term is defined in the Receivership Order) on the Closing Date, shall be paid in cash by the Purchaser or the Purchaser's solicitors to the Receiver, on Closing, by wire transfer;

(b) without limiting the obligations under Section 4.2(a), as to the amount referenced in Section 4.1(c), by causing the release of the Receivership Respondents from the amounts owing under the First Mortgage Charges on the Closing Date; and

(c) without limiting the obligations under Section 4.2(a), as to the amount outstanding under the Receiver’s Borrowings Charge (as such term is defined in the Receivership Order) on the Closing Date, by causing the release of the Receivership Respondents from the amounts owing under the Receiver’s Borrowings Charge on the Closing Date.

**2.2 Permitted Encumbrances**

The Section titled “General”, in Schedule “D” of the Purchase Agreement is hereby amended by:

(a) Deleting #3 and replacing same with the following:

“3. The easements, servitudes, rights-of-way, licences, restrictions registered against the Lands as of the date of this Agreement and which are Permitted Encumbrances and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables).”

(b) adding the following:

“10. All Applicable Laws, including municipal, provincial or federal statutes, by laws, regulations or ordinances;

11. Any rights of expropriation, access, use or any other right conferred or reserved by or in any statute of Canada or a Province of Canada;

12. Any encumbrances filed by or at the request of the Purchaser or which are otherwise expressly approved by the Purchaser in writing; and

13. Reference plans registered on title to the Lands as of the date of the Agreement”

**ARTICLE 3  
MISCELLANEOUS**

**3.1 Purchase Agreement Continues**

The Purchase Agreement shall be amended as set out herein, and except for such amendments herein, all other terms and conditions of the Purchase Agreement shall remain as stated therein.

**3.2 Successors and Assigns**

The Purchaser and the Receiver agree that this amending agreement is binding upon and shall enure to the benefit of each of the undersigned and their respective heirs, executors, administrators, successors and assigns.

**3.3 Receiver's Capacity**

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

**3.4 Governing Law**

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

**3.5 Counterparts and Electronic Execution**

This Agreement may be executed (including by DocuSign or other electronic means) in counterparts and delivered (including by DocuSign or other electronic means) in any number of counterparts, each of which (including any electronic transmission of an executed signature page), is deemed to be an original, and such counterparts together constitute one and the same.

*[Signature page follows]*

**IN WITNESS WHEREOF** the Parties hereto have duly executed this Agreement as of the date first written above.

**KINGSETT MORTGAGE  
CORPORATION**

Per: Scott Coates

Name: Scott Coates

Title: President

I have authority to bind the corporation.

**KSV RESTRUCTURING INC.**, solely in its capacity as Receiver and not in its personal or corporate capacity

Per: \_\_\_\_\_

Name: Noah Goldstein

Title: Managing Director

I have authority to bind the corporation.

**IN WITNESS WHEREOF** the Parties hereto have duly executed this Agreement as of the date first written above.

**KINGSETT MORTGAGE  
CORPORATION**

Per: \_\_\_\_\_

Name: Scott Coates

Title: President

I have authority to bind the corporation.

**KSV RESTRUCTURING INC.**, solely in its capacity as Receiver and not in its personal or corporate capacity

Per: \_\_\_\_\_ 

Name: Noah Goldstein

Title: Managing Director

I have authority to bind the corporation.

**SCHEDULE "A"**

**REAL PROPERTY**

**PART I: Royal Windsor – 2226 Royal Windsor Drive, Mississauga, Ontario**

PIN: 13493-0190 (LT)

PT LT 31, 32 CON 3 SDS DES PTS 1, 2 PL 43R11375 SAVE & EXCEPT PTS 1,2,3 PL 43R21957, EXCEPT PT 1 43R22260, EXCEPT PT 1 43R25470, EXCEPT PTS 1, 2, 3 PL 43R25635, EXCEPT PT 1 PL 43R28305 MISSISSAUGA.S/T EASEMENT IN FAVOUR OF INTERPROVINCIAL PIPE LINE COMPANY OVER PT LT 32 CON 3 SDS DES PT 2 PL 43R11375 EXCEPT PT 2 PL 43R21957 AS IN TT102320, TT104152.T/W EASEMENT OVER PT LT 32 CON 3 SDS DES PT 3 PL 43R21957 AS IN LT1712946

**PART II: Southdown Lands – 688 Southdown Road, Mississauga, Ontario**

PIN: 13493-0044 (LT)

PT LT 31 CON 3 SDS TORONTO; PT LT 32 CON 3 SDS TORONTO PTS 1 TO 6, 8, 43R13084; S/T TT129899; S/T TT103210, TT103804, TT153650, VS163947, VS42085, VS58563 MISSISSAUGA

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

**KINGSETT MORTGAGE  
CORPORATION**

and

**759 WINSTON CHURCHILL GP INC., 759 WINSTON CHURCHILL L.P., 688  
SOUTHDOWN GP INC., 688 SOUTHDOWN LP, 2226 ROYAL WINDSOR GP INC.  
and 2226 ROYAL WINDSOR LP**

Applicant

Respondents

Court File No.: CV-24-00714543-00CL

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

Proceedings commenced at Toronto

**FOURTH REPORT OF THE RECEIVER**

**OSLER, HOSKIN & HARCOURT LLP**

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Lawyers for KSV Restructuring Inc. in its capacity as  
court-appointed Receiver