Court File No.: CV-25-00002260-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

BJK HOLDINGS LTD.

Applicant

- and –

27 DEVELOPMENT, INC.

Respondent

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

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FACTUM OF THE COURT-APPOINTED RECEIVER, BDO CANADA LIMITED

(returnable July 29, 2026, at 10:00am, via videoconference)

July 22, 2026

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I – NATURE OF MOTION

1. Pursuant to an order of the Ontario Superior Court of Justice (the "**Court**") granted on October 22, 2025 (the "**Appointment Order**"), BDO Canada Limited ("**BDO**") was appointed as receiver and manager (in such capacities, the "**Receiver**") of all of the assets, undertakings and properties of 27 Development, Inc. (the "**Debtor**"), including but not limited to the real property known municipally known as 8440 Highway 27, Vaughan, Ontario (the "**Real Property**").[1]

2. This factum is filed in support of the Receiver's motion for advice and directions from the Court in respect of the following, substantially in the form of the draft orders enclosed in the Receiver's Motion Record:

(a) an approval and vesting order, *inter alia*;

(i) approving the agreement of purchase and sale in respect of the Real Property between the Receiver, as vendor, and 2858929 Ontario Inc., as purchaser (the "**Purchaser**"), dated May 19, 2026 (the "**APS**") and authorizing the Receiver to complete the proposed transaction contemplated by the APS (the "**Transaction**"); and

(ii) vesting title to the Real Property in and to the Purchaser upon closing of the Transaction; and

(b) an administrative order, *inter alia*:

(i) approving the First Report of the Receiver dated June 26, 2026 (the "**First Report**"), and the Supplement to the First Report dated July 22, 2026 (the "**Supplemental Report**"), the activities of the Receiver described therein,

[1] Motion Record of the Receiver dated June 26, 2026 ("**Motion Record**"), Tab 2, First Report of the Receiver dated June 26, 2026 ("**First Report**"), at para 2; Appointment Order, Tab 2A, Appendix "I" to the First Report.

as well as the confidential appendices to the First Report (the "**Confidential Appendices**"), and;

(ii) approving the fees and disbursements of the Receiver, its counsel, Loopstra Nixon LLP ("**Loopstra Nixon**") (collectively, the "**Professional Fees**"), as well as an accrual for the Receiver and Loopstra Nixon to complete the administration of the within receivership (the "**Fee Accrual**"), as set out in the First Report;

(iii) sealing the Confidential Appendices until closing of the Transaction or further Order of this Court;

(iv) approving the distribution of the proceeds of the Transaction (net of applicable commission, transaction costs and ordinary-course adjustments) (the "**Net Proceeds**") as well as all other funds in the Receiver's hands to BJK Holdings Ltd. ("**BJK**"), after payment of the Court-approved Professional Fees, on account of BJK.s first-ranking mortgage on title to the Real Property; and

(v) discharging and releasing the Receiver upon its filing of a certificate confirming that the administration of the receivership has been completed.

II – FACTS

BACKGROUND

3. The Debtor is the registered owner of the real property municipally known as 8440 Highway 27, Vaughan, Ontario. The Real Property is an approximate 8.09-acre parcel of land with a built-out event centre and banquet hall.[2]

[2] Motion Record, Tab 2, First Report at para 2; Supplement to the First Report dated July 21, 2026 (the "**Supplemental Report**") at para 3.

4. Pardeep Singh Jassal and Nachhattar Singh ("**Nash**") are directors and officers of the Debtor. Carlo Parentela ("**Carlo**") was a director and officer prior to Nash. Parentela International Inc. ("**PII**") is the reported sole shareholder of the Debtor. Carlo is an officer of PII.[3]

5. The Real Property is the only known and identified tangible asset of the Debtor and is leased by 1000742633 Ontario Inc. (the "**Tenant**"), which Tenant operates the property as an event space.[4] The Tenant's lease shall be assumed by the Purchaser in the proposed Transaction.[5]

ACTIVITIES OF RECEIVER

6. Since the Appointment Order, the Receiver has conducted the activities as further detailed in the First Report and the Supplemental Report. The First Report and the Supplemental Report fairly and accurately reflects the activities of the Receiver since its appointment.

MARKETING AND SALE PROCESS

(a) Pre-Receivership

7. The Debtor had been attempting to market and sell the Real Property since 2023, without success.[6]

8. The Debtor retained Re/Max Hallmark Alliance Realty to market the Real Property on August 19, 2025, and, subsequently, retained Townville Realty Inc. ("**Townline**") to market the

[3] Motion Record, Tab 2, First Report at paras 2-3.
[4] Motion Record, Tab 2, First Report at para 4; Supplemental Report at para 3.
[5] Motion Record, Tab 2, First Report at paras 71-72.
[6] Motion Record, Tab 2, First Report at para 34.

Real Property through an exclusive listing agreement, which the Receiver disclaimed upon its appointment. The listing attracted no active buyer prospects and no offers were received.[7]

(b) Receiver's Sale Process

9. Upon appointment, the Receiver terminated the Debtor's brokerage agreement with Townline and sought and received listing proposals from five (5) brokerage firms.[8]

10. The Receiver, in consultation with BJK, ultimately entered into a listing agreement with Avison Young Commercial Real Estate Services, LP ("**Avison Young**").[9]

11. Commencing on March 23, 2026, the Real Property was listed by Avison Young for sale and broadly exposed to market. Avison Young marketed the Real Property with the Tenant in place.[10]

12. Avison Young launched the marketing process, which included:

(a) establishing a virtual data room, with the Receiver;

(b) posting the listing with the Toronto Real Estate Board and on the Multiple Listing Service;

(c) engaging in a digital campaign through the use of various social media outlets, email campaigns and website creation;

(d) print media;

(e) cold calling prospective interested parties; and

(f) engaging in discussion with and providing property tours to interested parties.[11]

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[7] Motion Record, Tab 2, First Report at paras 35-41.
[8] Motion Record, Tab 2, First Report at paras 2, 67; Appointment Order, Tab 2A, Appendix "I" to the First Report.
[9] Motion Record, Tab 2, First Report at para 70.
[10] Motion Record, Tab 2, First Report at para 71.
[11] Motion Record, Tab 2, First Report at para 73.

(c) Results of Sale Process

13. Fifty-two (52) enquiries were received with sixteen (16) confidentiality agreements executed. All signatories to confidentiality agreements engaged with the dataroom. The offer deadline was set for May 1, 2026.[12]

14. At the offer deadline, Avison Young received five (5) offers, and the Receiver received an offer directly from the Purchaser. All bidders, except the lowest offer, were invited to resubmit their best and final offers by May 8, 2026.[13]

15. The process resulted in four (4) resubmitted offers and one (1) new offer – received independently by the Receiver from North60 Technologies Inc.. The Receiver reviewed all offers with Avison Young and BJK.[14]

16. Arising out of this process, the Receiver – with the support of BJK – selected the APS, recommended by Avison Young as the superior offer, as it was the highest and best offer in terms of purchase value; it included a significant non-refundable deposit; the Purchaser dropped its financing condition; it will proceed on an "as is, where is" basis, consistent with insolvency practices; and, its only substantive condition was Court approval. [15]

AGREEMENT OF PURCHASE AND SALE

[12] Motion Record, Tab 2, First Report at para 74.
[13] Motion Record, Tab 2, First Report at para 77.
[14] Motion Record, Tab 2, First Report at paras 77-79.
[15] Motion Record, Tab 2, First Report at para 83.

17. After an extensive and competitive process, the Receiver entered into the Agreement of Purchase and Sale for the Real Property with the Purchaser, dated May 19, 2026. The key terms of the APS, a redacted copy of which is appended to the First Report, are as follows:

(a) the purchase price represents the highest bid received by the Receiver for the Real Property;

(b) the Purchaser provided a non-refundable deposit of $1,000,000;

(c) the Real Property is being sold on an "as is, where is" basis;

(d) the Tenant's lease is assumed;

(e) the APS is firm and unconditional, other than the usual closing conditions customary for transactions of this nature.; and

(f) the APS is conditional on the granting of the approval and vesting order.[16]

18. The sale process was reasonable in the circumstances, with sufficient canvassing of the market and an appropriate period of time afforded to interested parties to conduct diligence and to make an offer. The Receiver is of the view that the sale process resulted in the best price in the circumstances, considered the interests of all parties, and was conducted in a commercially reasonable manner.[17]

19. The Transaction will result in a shortfall to BJK, who nonetheless supports the relief sought herein.[18]

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[16] Motion Record, Tab 2, First Report at para 83; Tab 2H, Redacted May 19, 2026, Purchase and Sale Agreement, Appendix "VIII" to the First Report.
[17] Motion Record, Tab 2, First Report at para 84.
[18] Motion Record, Tab 2, First Report at para 83.

20. After acceptance of the APS and service of the within motion materials, the Receiver received an unsolicited offer through counsel to the principals of the Debtor. In such circumstances, the Receiver was not in a position to entertain such offer. The Receiver had executed the APS and this late offer was, among other things, delivered outside the process, was not complete and was conditional on financing. The Receiver shared this later offer with BJK, who agreed with the Receiver's assessment.[19]

21. The Receiver supports the approval of the Transaction and recommends that the Court grant the approval and vesting order.[20]

PROPOSED DISTRIBUTION re: BJK MORTGAGE

22. The Real Property is subject to a first ranking mortgage (the "**BJK Mortgage**") registered on title in favour of BJK. BJK also hold first-ranking general security pursuant to a general security agreement.[21]

23. BJK has provided a payout statement demonstrating indebtedness of $39,138,083.96 outstanding under the BJK Mortgage as at June 30, 2026.[22]

24. The Receiver has obtained any independent legal opinion from its counsel, Loopstra Nixon, that the BJK Mortgage and BJK's general security is valid and enforceable against the Debtor, subject to the usual qualifications and assumptions.[23]

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[19] Supplemental Report at paras 16-25.
[20] Motion Record, Tab 2, First Report at para 84.
[21] Motion Record, Tab 2, First Report at para 5.
[22] Motion Record, Tab 2, First Report, at para 123; Tab 2K, BJK Holdings Ltd. Payout Statement, Appendix "XI" to the First Report.
[23] Motion Record, Tab 2, First Report at para 122.

25. The Net Proceeds of the Transaction will not be sufficient to satisfy the Debtor's obligations to BJK under the BJK Mortgage. There will be no additional funds remaining for any other creditor.[24]

26. Accordingly, assuming the APS is approved and the Transaction closes, the Receiver seeks authorization and direction to distribute to BJK (a) the balance of the Net Proceeds as partial payment of the balance owing by the Debtor under the BJK Mortgage and (b) the balance of any amount received by the Receiver for the Escrow Agent as partial payment of the amounts owing by the Debtor under BJK's general security, after payment the Court-approved Professional Fees, as discussed below.

PROFESSIONAL FEES

27. The Receiver also requests approval of its fees, and those of its counsel. Pursuant to the Appointment Order, the Receiver and its counsel are entitled to their reasonable fees and disbursements and, as security for the same, were granted a first-ranking administration charge on all property of the Debtor.[25] The Appointment Order also requires the Receiver and its counsel to pass its their accounts with the Court.[26]

28. As detailed in the fee affidavits appended to the First Report, the fees and disbursements of the Receiver since the Appointment Order to June 19, 2026, total $129,990.66, inclusive of HST. The fees and disbursements of Loopstra Nixon as counsel to the Receiver total $57,748.43 inclusive of HST, for the period May 22, 2025, to June 23, 2026.[27] The Receiver estimates a further

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[24] Motion Record, Tab 2, First Report at para 124.
[25] Motion Record, Tab 2A, Appointment Order at para 19, Appendix "I" to the First Report.
[26] Motion Record, Tab 2A, Appointment Order at para 20, Appendix "I" to the First Report
[27] Motion Record, Tab 2, First Report at paras 128-129; Tab 2L, Affidavit of Fees of the Receiver, Appendix "XII" to the First Report; and, Tab 2M, Affidavit of Fees of the Receiver's Counsel, Appendix "XIII" to the First Report.

accrual for its fees and disbursements (including counsel's legal fees) to complete its administration of the within receivership (including this motion and completion of the Transaction), of an amount not to exceed $100,000, exclusive of disbursements and applicable HST (the "**Fee Accrual**").[28]

29. The fees and disbursements of the Receiver and its counsel were charged at their respective ordinary rates, and the Receiver submits they are reasonable and necessary in the circumstances, and requests these fees and disbursements be approved.

SEALING OF CONFIDENTIAL APPENDICES

30. The Confidential Appendices have been filed separately with the Court. They include:

(a) a summary of the realtor listing proposals;

(b) a summary of initial offers received;

(c) a summary of the offer resubmissions received;

(d) the unredacted APS, showing the purchase price; and

(e) certain appraisals.

31. The information contained in the Confidential Appendices contains commercially sensitive information that could prejudice the value of the Real Property if disclosed prior to the closing.[29] The Receiver requests that such Confidential Appendices be sealed until the closing of the Transaction or further order of the Court.

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[28] Motion Record, Tab 2, First Report at para 131.
[29] Motion Record, Tab 2, First Report at para 9(b)(iii).

RETURN OF OFFICE DEPOSITS

32. The Debtor had initiated a redevelopment of the Real Property in or around 2018, to include, among other things, condominium office units (the "**Development Project**").[30]

33. Between July 2021 and January 2022, the Debtor entered into agreements of purchase and sale with purchasers comprising the condominium office units' portion of the Development Project (the "**Office Condo APAs**").[31]

34. In connection with the Office Condo APAs, some of the purchasers paid deposit amounts (the "**Office Deposits**") to the Escrow Agent – Schneider Ruggiero Spencer Milburn LLP. The Escrow Agent continues to hold all their deposits.[32]

35. At the date of the Appointment Order, construction had not begun on the Development Project.[33] The Office Condo APAs are not being assumed by the Purchaser under the APS. Accordingly, the Development will not proceed.

36. The Receiver is seeking an order declaring that the Receiver has no interest in the deposits and to establish a mechanism to facilitate the Escrow Agent's release of the deposits, plus statutory interest, to the purchasers under the Office Condo APAs. The balance of any the deposit account shall be released by the Escrow Agent to the Receiver.

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[30] Supplemental Report at para 27.
[31] Motion Record, Tab 2, First Report at paras 18, 94.
[32] Motion Record, Tab 2, First Report at para 19.
[33] Motion Record, Tab 2, First Report at para 20.

37. The Receiver has prepared – and the Escrow Agent and counsel to the purchasers have reviewed – a revised form of order to facilitate the return of the Office Deposits.[34]

DISCHARGE OF RECEIVER

38. The Receiver proposes to attend to the following matters prior to its discharge – in addition to its preparation for and conduct of the within motion (collectively, the "**Outstanding Receiver's Activities**"): [35]

(a) closing the Transaction;

(b) payment of a Fee Accrual of the Receiver and Counsel, together with any final estate expenses;

(c) distributing the funds in the Receiver's hands;

(d) filing necessary statutory returns with CRA for these receivership proceedings;

(e) assisting CRA with its HST trust exam;

(f) issuing the Receiver's final report and statement of receipts and disbursements pursuant to section 246(3) of the BIA;

(g) filing its discharge certificate; and

(h) such further and other administrative and ancillary matters as may be necessary to complete the Transaction and the administration of the Receivership estate.

39. The foregoing activities will no require assistance of the Court. Therefore, the Receiver is of the view that now is the appropriate time to seek an order, that among other things, discharges the Receiver, conditional upon the filing of the Receiver's discharge certificate verifying the completion of Outstanding Receiver's Activities.[36]

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[34] Supplemental Report at para 35; Revised Draft Order, Appendix "V" to Supplemental Report.
[35] Motion Record, Tab 2, First Report at para 133.
[36] Motion Record, Tab 2, First Report at paras 132-135.

III – ISSUES

40. The issues to be determined on this motion are:

(a) *Should the Court grant approval and vesting orders in respect of the Transaction?*

(b) *Should the Court seal the Confidential Appendices?*

(c) *Should the Court approve the First Report, the Supplemental Report and the Receiver's activities set out therein?*

(d) *Should the Court approve the fees and disbursements of the Receiver and its legal counsel?*

(e) *Should the Court approve the proposed application and distributions of sale proceeds?*

(f) *Should the Court approve the release the office deposits?*

(g) *Should the Court discharge the Receiver?*

41. The Receiver respectfully submits that the answer to each question is – *yes*.

IV – LAW AND ARGUMENT

A. The Court should grant approval and vesting orders with respect to the Transaction

42. The Court has jurisdiction to grant a vesting order in proceedings under the *Bankruptcy and Insolvency Act* (the "**BIA**")[37], and pursuant to the *Courts of Justice Act*, R.S.O. c. C.43

[37] *Bankruptcy and Insolvency Act*, RSC, c B-3, s 243.

("**CJA**").[38] The Appointment Order entitles the Receiver to apply for a vesting order or other order necessary to convey the Real Property.[39]

43. In *Royal Bank of Canada v Soundair Corp*, the Court of Appeal outlined the following factors that must be considered when determining approval of a proposed sale in a receivership context (the "***Soundair*** **Principles**"): (a) whether the receiver has made sufficient effort to get the best price and has not acted improvidently; (b) the efficacy and integrity of the process by which offers are obtained; (c) whether there has been unfairness in the working out of the process; and, (d) whether the receiver considered the interests of all parties.[40]

44. The Court should balance all relevant factors when determining whether to approve of a sale. The Court is "not to consider whether a Receiver has failed to get the best price", but rather whether the receiver has acted "in a commercially reasonable manner in the circumstances with a view to obtaining the best price having regard to the competing interests of the interested parties".[41]

45. Absent clear evidence that a proposed sale is improvident or that there was an abuse of process, a Court is to grant deference to the recommendation of a court officer to sell certain assets. Only in exceptional circumstances will a Court intervene and proceed contrary to such recommendation.[42]

46. Each of the *Soundair* Principles support the Court's approval of the Transaction:

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[38] *Courts of Justice Act*, RSO 1990, c C.43, s 100
[39] Motion Record, Tab 2A, Appointment Order at para 3(1), Appendix "I" to the First Report.
[40] *Royal Bank of Canada v Soundair Corp.*, 1991 CanLII 2727 (ONCA) at para 16 ("***Soundair***").
[41] *Pricewaterhousecoopers Inc v 1905393 Alberta Ltd*, 2019 ABCA 433 (CanLII) at para 13, citing *Skyepharma PLC v Hyal Pharmaceutical Corp*, 1999 CanLII 15007 at para 4 (SC Commercial List), per Farley J, aff'd 2000 CanLII 5650 (ONCA).
[42] *Soundair, supra* note 40 at para 21.

(a) *Sufficient effort was employed to get the best price and the Receiver has not acted improvidently* – The marketing process was broad, transparent, and fair, and widely canvassed the market. Among other things, the property was listed publicly on the Multiple Listing Services registry and the listing broker contacted potentially interested parties by engaging in email campaigns. The bidders were invited to resubmit their best and most competitive offers. The APS represents the highest and best offer obtained from the marketing process.[43]

(b) *The process has been effective and run with integrity* – Five (5) offers were received for the Real Property. The Receiver invited the bidders to resubmit revised offers within eight (8) days. Offer resubmissions were received and the APS was selected for being the highest and best offers received within the process.[44]

(c) *There has been no unfairness in the working out of the process* – The properties were publicly listed for sale by experienced real estate brokers, based on their advice, and the market was widely canvassed.[45]

(d) *The interests of all parties* – All interested parties had notice and were aware of the receivership, this approval motion and the marketing and sale process.[46] The Transaction provides for the highest recovery available for the benefit of the stakeholders without compromising the fairness of the process. The senior secured

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[43] Motion Record, Tab 2, First Report at paras 73-77, 83-84.
[44] Motion Record, Tab 2, First Report at paras 74-76, 83-84.
[45] Motion Record, Tab 2, First Report at paras 73-77, 83-84.
[46] Supplemental Report at paras 11, 14.

creditor, BJK, will be paid a significant amount under the BJK Mortgage and supports the Transaction.[47]

47. The Transaction represents the highest value achieved in a broad, fair and transparent sale process.

B. The Confidential Appendices should be sealed

48. The Receiver requests the Confidential Appendices be sealed until the transaction is completed, or until further order of the Court.

49. Pursuant to section 137(2) of the CJA, a court may order a document be treated as confidential.[48] In *Sherman Estate v. Donovan*, the following test was established for the granting of a sealing order:

(a) whether court openness poses a serious risk to an important interest, which includes a commercial interest;

(b) whether the order sought is necessary to prevent the serious risk because reasonable alternative measures will not prevent it; and

(c) whether the benefits of the sealing order would outweigh its negative effects.[49]

50. The sealing of the Confidential Appendices is necessary until the Transaction close. The Confidential Appendices include offer summaries and the unredacted version of the APS. This is sensitive commercial information that would jeopardize the value of the Real Property, should it be released prior to the closing of any transaction.[50]

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[47] Motion Record, Tab 2, First Report at para 83.
[48] *Courts of Justice Act*, RSO 1990, c C.43, s 137(2).
[49] *Sherman Estate v. Donovan*, 2021 SCC 25 (CanLII).
[50] Motion Record, Tab 2, First Report at para 9(b)(iii).

51. The Confidential Appendices are only requested to be sealed temporarily, until further order of this court. Considering the temporary nature of the request, the benefits of such an order outweigh its temporary negative effects.[51]

C. The First Report and the Supplemental Report should be approved

52. Requests to approve a court-appointed officer's reports and activities are typical in insolvency proceedings. In *Target Canada*, Morawetz RSJ (as he then was) noted that the approval of the activities of a court officer (in that case, a CCAA monitor), *inter alia*, allows stakeholders to move forward with confidence in the next steps of the proceedings; provides certainty and finality as the Court and any stakeholder as an opportunity to raise specific objections and concerns; and protects creditors from delay in distributions that would be caused by the re-litigation of steps in the proceedings.[52] The same principles apply in a receivership.[53]

53. The First Report and the Supplemental Report fairly and accurately represent the activities of the Receiver, which were necessary, undertaken in good faith.

D. The fees and disbursements of the Receiver and its legal counsel should be approved

54. Pursuant to paragraph 19 of the Appointment Order, any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver and the fees and disbursements of the Receiver's legal counsel, Loopstra Nixon, constitute part of the "Receiver's Charge".[54]

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[51] *Rose-Isli Corp. v. Frame-Tech Structures Ltd*., 2023 ONSC 832 (CanLII) at para 138.
[52] *Target Canada Co. (Re)*, 2015 ONSC 7574 at paras 2, 12 and 22-23.
[53] *Hanfeng Evergreen Inc. (Re)*, 2017 ONSC 7161, at para 15.
[54] Motion Record, Tab 2A, Appointment Order at para 19, Appendix "I" to the First Report.

55. In *Laurentian*, Morawetz CJ accepted that on a motion for fee approval the "overriding principle" is reasonableness. The Court should not engage in a docket-by-docket or line-by-line assessment of the accounts as minute details of each element of the professional services rendered may not be instructive when viewed in isolation. The focus should be on what was accomplished, and not how much time it took.[55]

56. The services and fees set out in the fee affidavits of the Receiver and Loopstra Nixon are charged at their ordinary rates, are fair and reasonable in the context in which they were rendered, were necessary to the Receiver's administration herein and for the sale of the Real Property, and, in the case of counsel's fees, were authorized and approved by the Receiver.[56]

E. The Proposed Distribution to BJK

57. Assuming the APS is approved and the transaction closes, the proceeds (net of ordinary course transaction costs) should be applied and distributed in accordance with the priority interests thereunder the law, namely: to the allocated costs of the Receiver under the administrative charge established by the Appointment Order; and, then, to BJK on account of the first-ranking BJK Mortgage. There will not be surplus proceeds after payment of the foregoing.[57]

58. Additionally, any funds received by the Receiver through from the Escrow Agent, following the return of the deposits, shall be subject tot BJK's first-ranking general security.

59. In view of the foregoing, after payment of the Court-approved professional fees, the Receiver seeks authorization to distribute the balance of the net proceeds of the proposed

[55] *Laurentian University of Sudbury*, 2022 ONSC 2927 at paras 13-14 ("***Laurentian***").
[56] Motion Record, Tab 2L, Affidavit of Fees of the Receiver, Appendix "XII" to the First Report; and Tab 2M, Affidavit of Fees of the Receiver's Counsel, Appendix "XIII" to the First Report.
[57] Motion Record, Tab 2, First Report at para 125.

Transaction, as well as any amounts received from the Escrow Agenet, to BJK in partial satisfaction of the BJK Mortgage and BJK's general security.

F. The office deposits should be released

60. Where a Receiver recommends a commercial action, courts generally grant deference to such recommendation, as a receiver functions as a fiduciary to multiple parties with disparate interests.[58]

61. Paragraph 28 of the Appointment Order authorizes the Receiver to apply to the Court of advice and directions.[59] The Court should consider the request and/or recommendations in the context of the facts, the duties and obligations of the Receiver. As noted by Justice Kimmel:

> In other contexts where court officers seek court approval of proposed steps (often by a motion for advice and directions arising out of the original appointment order) the court has consistently required that the receiver's powers be exercised with procedural fairness, strict adherence to the appointment order, and deference to the rights of affected stakeholders. [emphasis added] [60]

62. The Receiver worked with the Escrow Agent and the purchasers' counsel to determine the respective deposit amounts and interest under the *Condominium Act* to be returned to the purchasers and has come up with the mechanism for terminating the Office Condo APAs. The Receiver has no interest in these deposits.

63. The Receiver is seeking an order declaring that the Receiver has no interest in the deposits and to establish a mechanism to facilitate the Escrow Agent's release of the deposits, plus statutory interest, to the purchasers under the Office Condo APAs.

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[58] *Jethwani v Damji*, 2017 ONSC 1702 (CanLII), at para 8.
[59] Motion Record, Tab 2A, Appointment Order at para 28, Appendix "I" to the First Report.
[60] *City of Toronto v. Harry Sherman Crowe Housing Co-Operative Inc.*, 2025 ONSC 3908 at paras 28, 55.

G. The Receiver should be Discharged

64. The Receiver has substantially completed its mandate in this proceeding, including realizing upon all available assets of the Debtor. If the Transaction is approved, there are no further assets to administer. Accordingly, the Receiver respectfully submits that it should be discharged and released, upon completion of the Outstanding Receiver's Activities[61], following the filing of its discharge certificate confirming that it has completed its remaining duties in respect of its administration of the receivership.

65. The Receiver is also requesting a release from liability for any acts or omissions while acting in its capacity as Receiver, save and except for gross negligence and willful misconduct, in the form of the release provisions of the model discharge order of the Commercial List Court.

66. In *Pinnacle*, Pattillo J held that the release of a Receiver is a standard term in the Commercial List model order of discharge, and that a Receiver will be granted a release and discharge where there is no evidence of improper or negligent conduct on the part of the Receiver.[62]

67. In the case at bar, there is no evidence of improper or negligent conduct on the part of the Receiver. Accordingly, the Receiver submits that it is fair and reasonable for the Court to discharge and release the Receiver.

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[61] Motion Record, Tab 2, First Report at para 133.
[62] *Pinaccle v Kraus*, 2012 ONSC 6376 (Commercial List) at para 47 ("***Pinaccle***").

V – ORDER SOUGHT

68. For the reasons set forth herein and in the First Report and the Supplemental Report, the Receiver respectfully requests the granting of the orders substantially in the forms attached to the Notice of Motion as Schedule "A" and Schedule "B", as may be amended and presented at the hearing of this Motion.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Date: July 22, 2026

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Lawyers for BDO Canada Limited, in its capacity as Court-appointed Receiver

SCHEDULE "A"

LIST OF AUTHORITIES

1. *Royal Bank of Canada v Soundair Corp*, 1991 CanLII 2727
2. *Pricewaterhousecoopers Inc v 1905393 Alberta Ltd*, 2019 ABCA 433 (CanLII)
3. *Sherman Estate v. Donovan*, 2021 SCC 25 (CanLII)
4. *Rose-Isli Corp. v. Frame-Tech Structures Ltd*., 2023 ONSC 832 (CanLII)
5. *Target Canada Co. (Re)*, 2015 ONSC 7574
6. *Hanfeng Evergreen Inc (Re)*, 2017 ONSC 7161
7. *Laurentian University of Sudbury*, 2022 ONSC 2927
8. *Jethwani v Damji*, 2017 ONSC 1702 (CanLII)
9. *City of Toronto v. Harry Sherman Crowe Housing Co-Operative Inc.*, 2025 ONSC 3908
10. *Pinaccle v Kraus*, 2012 ONSC 6376

SCHEDULE "B"

RELEVANT LEGISLATION

Bankruptcy and Insolvency Act, RSC 1985, c B-3

Court may appoint receiver

243 (1) Subject to subsection (1.1), on application by a secured creditor, a court may appoint a receiver to do any or all of the following if it considers it to be just or convenient to do so:

(a) take possession of all or substantially all of the inventory, accounts receivable or other property of an insolvent person or bankrupt that was acquired for or used in relation to a business carried on by the insolvent person or bankrupt;

(b) exercise any control that the court considers advisable over that property and over the insolvent person's or bankrupt's business; or

(c) take any other action that the court considers advisable.

Courts of Justice Act, RSO 1990, c C.43

Vesting orders

100 A court may by order vest in any person an interest in real or personal property that the court has authority to order be disposed of, encumbered or conveyed. R.S.O. 1990, c. C.43, s. 100.

[…]

Documents public

137 (1) On payment of the prescribed fee, a person is entitled to see any document filed in a civil proceeding in a court, unless an Act or an order of the court provides otherwise.

Sealing documents

(2) A court may order that any document filed in a civil proceeding before it be treated as confidential, sealed and not form part of the public record.