

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

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

**FIERA CANADIAN REAL ESTATE DEBT FUND GP INC. and FIERA FP REAL ESTATE FINANCING  
FUND, L.P.**

Applicants

**-and-**

**2250310 ONTARIO INC., P&H DEVELOPMENT HOLDINGS INC., ZHONG CHEN a.k.a. LAWRENCE  
CHEN, and OXFORD ROAD DEVELOPMENTS 4 INC.**

Respondents

**THIRD REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY AS COURT APPOINTED RECEIVER  
AND MANAGER OF 2250310 ONTARIO INC. AND P&H DEVELOPMENT HOLDINGS INC.**

**November 20, 2025**

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## INTRODUCTION AND PURPOSE OF THIS REPORT

### Introduction

1. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated June 6, 2025 (the “**Receivership Order**”) BDO Canada Limited (“**BDO**”) was appointed as Receiver and Manager (the “**Receiver**”) over of all of the assets, undertakings and property of 2250310 Ontario Inc. (“**225**”) and P&H Development Holdings Inc. (“**P&H**” and together with 225, the “**Debtors**”), including the real properties municipally known as 270 Sheppard Avenue West, Toronto, Ontario (“**270 Sheppard**”) and 5 Addington Avenue, Toronto, Ontario (“**5 Addington**”, and together with 270 Sheppard, the “**Real Property**”). A copy of the Receivership Order is appended hereto as **Appendix “A”**.
2. The Debtors’ senior lender is Fiera Canadian Real Estate Debt Fund GP Inc. (“**Fiera GP**”) and Fiera FP Real Estate Financing Fund L.P. (“**Fiera LP**” and together with Fiera GP, “**Fiera**” or the “**Lender**”) pursuant to the terms of a mortgage commitment letter dated May 27, 2022, the Lender made a loan to the Debtors in the principal amount of \$23,000,000 (the “**Initial Loan**”). On April 3, 2023, the Lender increased the amount of the Initial Loan to \$23,700,000 (the “**Loan**”).
3. The Receivership Order empowered the Receiver to conduct a Court-approved sale process in accordance with the timelines set out in the Receivership Order (the “**Sale Process**”). Such Court-approved Sale Process included marketing any or all of the Real Property, advertising, and soliciting offers in respect of the Real Property or any part thereof, and negotiating such terms and conditions of sale as the Receiver may deem appropriate in its discretion; provided, however, that the Receiver could not publicly market the Real Property or enter into any agreement to sell, convey, transfer, lease, assign or otherwise dispose of the Real Property, or any part thereof, prior to July 15, 2025 (the “**Abeyance Date**”), without further Order of this Court. The foregoing restriction was included in the Receivership Order as it was the intention of the Respondents to bring an application to commence a proceeding under the *Companies’ Creditors Arrangement Act* (“**CCAA**”).
4. The Court set a timetable for the Debtors’ CCAA application at a May 30, 2025 case conference following which the Debtors filed their Initial CCAA Application material on July 3, 2025. The CCAA Application materials lacked a firm Debtor in Possession (“**DIP**”) lender commitment and other required materials. Due to the incomplete CCAA materials, the Court granted the Debtors an extension to August 1, 2025, and a further case conference was scheduled for August 14, 2025, to determine next steps. The foregoing is detailed in the endorsement of Justice Black dated July 17, 2025 (the “**Justice Black Endorsement**”). The Justice Black Endorsement is appended hereto as **Appendix “B”**.

5. On July 15, 2025, after the Abeyance Date, the Receiver began the public portion of the Sale Process and contacted over 300 potential bidders as reported in the Receiver's First Report and Second Report, appended hereto as **Appendices "C"** and **"D"**, respectively.
6. On August 14, 2025, a case conference was held whereby the parties again appeared before the Honourable Justice Black to determine whether the receiverships or CCAA proceedings would be the preferred vehicle for addressing the financial circumstances of the Debtors. In his endorsement dated August 14, 2025 (the **"August 14 Black Endorsement"**), attached hereto as **Appendix "E"**, the Honourable Justice Black's wrote: *"Despite the many dispensations and chances they have had to assemble a CCAA application in a timely fashion, the CCAA Proponents have not done so. They missed the July 15 court-ordered deadline for which they had pushed, and have essentially run roughshod over Fiera's contractual rights"*. This was consistent with Justice Kimmel's Endorsement dated May 30, 2025 (the **"May 30 Kimmel Endorsement"**) where her honour stated that *"The CCAA application is not ready to proceed..."*. Accordingly, the receivership proceedings were confirmed to proceed. The May 30 Kimmel Endorsement are attached hereto as **Appendices "F"**.
7. Counsel for the Debtors advised they intended to appeal the August 14 Black Endorsement. Subsequently, the Debtors abandoned their intention to appeal the August 14 Black Endorsement.
8. This Third Report (defined herein), and all other court materials and orders issued and filed in these receivership proceedings are or will be made available on the Receiver's case website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/p-h-development> and will remain available on the website for a period of six (6) months following the Receiver's discharge.

### **Purpose**

9. The purpose of this Third Report of the Receiver dated November 20, 2025 (the **"Third Report"**) is to provide information to the Court with respect to:
  - (a) background information in respect of the Debtors and the Real Property;
  - (b) the Receiver's activities since its Second Report, for which the Receiver seeks approval;
  - (c) the results of the Sale Process conducted by the Receiver with respect to the Real Property;

- (d) advising the Court of the potential Canada Revenue Agency (“**CRA**”) deemed trust claims in respect of unremitted payroll source deductions of the Debtors that will be included in the purchase price for the Real Property and paid in cash by the Purchaser. The funds will be held in escrow by the Receiver until CRA calculates the amount of the Debtors’ prescribed security interest that will have a priority over CRA’s deemed trust claims.
- (e) the Receiver’s motion requests the following Orders of this Court:
- (i) approving and authorizing the Receiver to enter into the Asset Purchase Agreement (“**APA**”) dated November 19, 2025 among the Receiver as Vendor and 270 SHE LP, by its General Partner 270 SHE GP Inc., (the “**Purchaser**”) and approving the transaction set out therein (the “**Transaction**”);
  - (ii) vesting the Debtors’ right, title and interest, if any, in and to the assets subject to the Transaction, including the Real Property, free and clear of all encumbrances, except any permitted encumbrances, to the Purchaser subject to the terms of the APA;
  - (iii) authorizing the Receiver to terminate the existing Condo Purchase Agreements (as defined herein);
  - (iv) approving the Deposit Return Protocol (the “**DRP**”) and granting the Deposit Return Protocol Order as will be submitted to Court for approval prior to the motion return date in a Supplemental Report to be filed by the Receiver after consultation on the protocol and corresponding form of order with the Deposit Trustee and the Surety (as both are defined below);
  - (v) authorizing and approving, *nunc pro tunc*, entry into agreements with the Addington Occupants (as defined herein) and to make the Vacancy Payments (as defined herein) providing the Addington Occupants vacate the properties by November 30, 2025 (the “**Vacancy Date**”).
  - (vi) granting an Order compelling the Addington Occupants to vacate the properties by no later than December 15, 2025, failing which, the sheriff may be directed to enforce on a writ of possession (the “**Possession Order**”). The Possession Order is to be held in escrow and only released if the Addington Occupants to vacate the property by the Vacancy Date.
  - (vii) approving the activities of the Receiver, as described in this Third Report;

- (viii) approving the Receiver's Interim Statement of Receipts and Disbursements (the "**Interim R&D**");
- (ix) sealing the Confidential Supplement and the Confidential Appendices contained therein; and
- (x) approving the fees and disbursements of the Receiver and its legal counsel Lerners LLP ("**Lerners**") as set out in this Third Report, and authorizing the Receiver to pay all approved and unpaid fees and disbursements that are to be funded by the Purchaser from the cash component of the Transaction.

## **DISCLAIMER**

10. In preparing this Third Report, BDO has relied upon the Initial CCAA Application Record dated July 3, 2025, the CCAA Application Record dated August 1, 2025, and other unaudited information (the "**Information**"). The Receiver has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided, and in consideration of the nature of the evidence provided to this Court, in relation to the relief sought therein. The Receiver has not, however, audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook and as such, the Receiver expresses no opinion or other form of assurance in respect of the Information. An examination of the Debtor's financial forecasts in accordance with the Chartered Professional Accountants of Canada Handbook has not been performed.
11. Capitalized terms not defined in this report are as defined in the Receiver's Pre-Filing Report, the First Report and the Second Report.
12. Unless otherwise stated, all monetary amounts contained in this Third Report are expressed in Canadian dollars.

## **BACKGROUND**

### **Property Description**

13. 225 is the registered owner of the property known municipally as 270 Sheppard. Currently, the PIN for 270 Sheppard consists of a consolidation of the parcels of land with former municipal addresses of 258, 260, 264, 266, 268, and 270 Sheppard Ave. West combined with 1 and 3 Addington Avenue. P&H is the registered owner of the property known municipally as 5 Addington.

14. The Real Property consists of vacant land, a sales centre with adjoining parking lot and four (4) houses. As stated, the Real Property consists of only two property identification numbers: 10146-1159 (LT) and 10146-0378 (LT).
15. The Debtors intended to build a 9-storey mixed used condominium (the “**Project**” or the “**Addington Condo**”) on the Real Property. The Project was intended to be a midrise boutique condominium, situated in the Yonge and Sheppard neighbourhood of Toronto. Copies of the Debtors’ marketing materials containing renderings of the proposed Addington Condo, building floor plans, and unit floor plans are included as Exhibit “10” to the affidavit of Henryk Gelbert sworn May 21, 2025 (the “**First Gelbert Affidavit**”). A copy of the First Gelbert Affidavit is included in the receivership application record.
16. Construction has not commenced, and the Real Property remains predominately vacant except for 4 houses and a sales centre built on the property by the Debtors’ development group. Two of the houses, 3 Addington and 270 Sheppard are vacant. The other two houses (1 Addington and 5 Addington) are occupied by individuals who assert they are former employees of the Debtors (the “**Addington Occupants**”).
17. The Debtors entered into pre-construction sale agreements (the “**Condo Purchase Agreements**”) with individuals for the purchase of units in the Project and have received deposits from 17 prospective unit purchasers (the “**Deposits**”). The Receiver is advised that the Deposits are currently being held in trust by FIJ Law LLP (the “**Deposit Trustee**”). The Receiver is also advised that the deposits held in trust by the Deposit Trustee total \$1,677,968.50 and are separately held in individual 1-year cashable guaranteed investment certificates.

### **Lender’s Security**

18. As set out above, the Initial Loan was advanced to finance the purchase of the Real Property and fund constructions costs. On April 3, 2023 the Initial Loan was increased to \$23,700,000.
19. As security for the Loan, the Debtor provided to the Lender, *inter alia*, the following security:
  - (a) Charge/Mortgage of Land between the Debtors as Mortgagor and the Lender as Mortgagee, registered with the Toronto Land Registry Office (the “**LRO**”) on June 30, 2022, as Instrument No. AT6119379;
  - (b) An Assignment of Rents between the Debtors as Assignor and the Lender as Assignee, registered with the LRO on June 30, 2022, as Instrument No. AT6119380; and
  - (c) A Security Agreement between the Lender and Debtors made June 24, 2022;

collectively (the “**Security**”).

20. As additional security for the Loan, the Debtor and the guarantors, Zhong Chen (a.k.a. Lawrence Chen and Oxford Road Developments 4 Inc., provided the Lender the following additional security:

- (a) An acknowledgment and confirmation regarding the existing security dated April 10, 2023; and
- (b) Joint and several guarantees in respect of the repayment of monies secured by the Security and the Additional Security (as defined herein), up to a limit of \$27,000,000 by way of Guarantee dated April 10, 2023.

(collectively the “**Additional Security**”).

21. The following summarizes the charges registered against the Real Property and the priority rankings:

Creditor	Instrument no.	Amount of charge on property
<b><u>10146-1159 (LT)</u></b>		
General Partner Fiera FP Real Estate Financing Fund Inc. and Fiera FP Real Estate Financing Fund, L.P.	AT6119379	\$30,000,000
The Guarantee Company of North America	AT5626023	\$5,900,000
<b><u>10146-0378 (LT)</u></b>		
General Partner Fiera FP Real Estate Financing Fund Inc. and Fiera FP Real Estate Financing Fund, L.P.	AT6119379	\$30,000,000
His Majesty the King in Right of Canada (Tax Lien)	AT6537476	N/A

22. The PPSA registrations against the Debtor are summarized below.

Creditor	PPSA registration number
<b><u>225</u></b>	
The Toronto Dominion Bank	20231101 1431 1530 9490
Intact Insurance Company	20210114 1450 1862 9115
Intact Insurance Company	20210114 1450 1862 9116
Fiera FP Real Estate Financing Fund, L.P.	20220627 1001 1590 8798
<b><u>P&amp;H</u></b>	
Fiera FP Real Estate Financing Fund, L.P.	20220627 1002 1590 8799

23. The Receiver's counsel, Lerner's has reviewed the Lender's Security and subject to customary qualifications has concluded that Lender's Security is valid and enforceable. The Security Opinion can be made available upon request.

#### SALE PROCESS

24. Pursuant to the Receivership Order, the Receiver was authorized to conduct a Sale Process to market the Real Property and Project in an open and transparent manner designed to maximize realizations. The Sales Process consisted of the following steps which were completed by the Receiver within the timelines set out in the Receivership Order.

Date(s)	Summary of Sale Process Step(s)	Status
Tuesday, June 6, 2025 to Tuesday, July 15, 2025 <b>(5.5 weeks)</b>	Set up encrypted virtual data room and website Complete CIM Prepare marketing materials and teaser letter Assemble target lists	Complete
Tuesday, July 15, 2025 to Tuesday, August 26, 2025 <b>(6 weeks)</b>	Contact interested parties and distribute teaser letter Delivery of executed confidentiality agreements and grant access to encrypted data room Marketing efforts as set out in Paragraph 16 (b) to (g) of the Pre-Filing Report Potential Bidder meetings Co-ordinate site visits	Complete with 300+ parties contacted
Tuesday, August 26, 2025	Non-Binding APA Deadline – 5:00 pm (Eastern Standard Time)	Complete
Wednesday, August 27, 2025 to Friday, September 5, 2025 <b>(1.5 week)</b>	Review and evaluate Non-Binding APAs Negotiate Non-binding APAs Qualify Phase II Qualified Bidders	Complete

Date(s)	Summary of Sale Process Step(s)	Status
Monday, September 8, 2025 to Friday, September 19, 2025 <b>(2 weeks)</b>	Phase II Qualified Bidder due diligence period Co-ordinate any legal and tax issues Assist in any reasonable diligence requests	N/A – no bidders qualified for Phase II
Friday, September 19, 2025	Binding APA Deadline – 5:00 pm (Eastern Standard Time)	N/A
Monday, September 22, 2025 to Friday, September 26, 2025 <b>(1 week)</b>	Selection of Successful APA, and finalization and execution of Successful APA	N/A
Friday October 10, 2025 (or first available date) <b>(2 weeks)</b>	Court approval of Successful APA and transaction	October 30, 2025
Tuesday, October 21, 2025 <b>(11 days)</b>	Closing	TBD

25. As more fully set out in its Second Report, the Receiver conducted a Sale Process to canvass the market which included:
- (a) developing and executing a multi-channel marketing strategy for the sale, including compiling a list of 301 potential industry and financial buyers, preparing and distributing a detailed opportunity summary (the “**Teaser**”), and promoting the Sale Process via direct outreach (email and phone), posting the opportunity on the Receiver’s website, and advertising the opportunity in industry publications including The Globe and Mail, NRU GTA Weekly, Insolvency Insider, and the MLS/ICX website.
  - (b) to ensure transparency and consistency, the Receiver required all interested parties to execute a standard non-disclosure agreement (“**NDA**”) before granting access to a virtual data room containing a confidential information memorandum, relevant project documents, and a template asset purchase agreement for consistent bidding procedures.
  - (c) overall, 301 Teasers were sent to prospective buyers, 13 NDA’s were signed, 10 parties accessed the virtual data room.

- (d) advertisements appeared in four (4) publications: the Globe & Mail, NRU, the Insolvency Insider and the Real Property was listed on MLS. The advertisements appeared eight (8) times in the various publications. The Receiver also included details of the Sales Process on its case website.
  - (e) A virtual data room was established and populated with Project relevant documentation including marketing documents, unit layouts, architectural drawings, site plan approvals, etc.
26. The Receiver's efforts resulted in broad market exposure, streamlined due diligence for bidders, and a fair, competitive environment for submitting offers on the Real Property and Project.
27. On the bid deadline date, two (2) parties submitted letters of intent ("LOI") to the Receiver. A summary of the offers along with the LOI's are included in the Receiver's Confidential Supplement to this Third Report dated November 20, 2025 (the "**Confidential Supplement**") as Confidential Appendix "A". After reviewing all LOI's, the Receiver determined that none of them conformed with the requirements to qualify for Phase II of the Sale Process. Notwithstanding this, the Receiver considered all LOI's received and determined that the offer prices contained in the LOI's and disclosed in Paragraph 27 of the Confidential Supplement were significantly below the appraised value of the property. Therefore, none of the LOI's qualified to move to Phase II of the Sale Process, and the Receiver terminated the Sale Process. Fiera, the first mortgagee and main stakeholder supported the Receiver's decision to terminate the Sale Process.
28. The Receiver is satisfied that the Sale Process was conducted in a commercially reasonable manner, which provided for a sufficient and fair opportunity for interested parties to participate in the process to maximize recovery for the creditors as follows:
- (a) the Real Property, the Project and the investment opportunity were widely exposed to the market through the Sale Process for six (6) weeks and over 300 parties were contacted;
  - (b) the timeline was sufficient to allow interested parties to perform due diligence and submit offers;
  - (c) based upon the stage of development and the current state of the condominium and real estate market in the Greater Toronto Area, the Sale Process produced only two (2) competing offers for the Real Property from the 301 parties contacted. The offer prices in the LOI's were significantly below market expectations, and the Receiver did not have Fiera's support to accept any of the aforementioned offers;

- (d) there is no indication that a longer sales process would result in additional offers being received or offers that would fully repay the Lender; and
- (e) the marketing efforts were sufficient and appropriate to attract interested prospective buyers and investors.

## PROPOSED TRANSACTION AND ASSET PURCHASE AGREEMENT

- 29. Subsequent to the termination of the Sale Process, Fiera advised the Receiver that given the outcome of the Sale Process and the existing market conditions, Fiera would submit a credit bid (the "**Credit Bid**") to the Receiver to purchase the Real Property and develop the Project.
- 30. To purchase the Real Property Fiera has incorporated the Purchaser to purchase the Real Property. The Purchaser will take an assignment of Fiera's debt and has submitted the Credit Bid for the Real Property.
- 31. The salient terms contained in the Purchaser's APA are summarized below with additional details provided in the Confidential Supplement. All capitalized terms in this section not defined herein have the meanings set out in the APA:

- (a) Assets Purchased: the Lands, structures, erections, improvements, appurtenances and fixtures situated on or forming part of the Lands, all chattels and equipment located on the Lands which are owned by the Debtors, if any, all Documents, all Intellectual Property owned by the Debtors including the name "Addington Condos".

The Assets Purchased expressly exclude the Condo Purchase Agreements which will not be assumed by the Purchaser.

- (b) Purchase Price: a Credit Bid in the amount as disclosed in Paragraph 31 of the Confidential Supplement. The Purchase Price shall be allocated at the sole discretion of the Purchaser from time to time between the portion of the lands municipally described as 270 Sheppard and 5 Addington. The Purchaser shall deliver notice to the Receiver prior to Closing of its allocation of the Purchase Price.

- (c) The Purchase Price will be satisfied as follows:

- (i) by paying, by wire transfer at the Time of Closing of Canadian dollar funds to an account specified by the Receiver the amount comprised of the following (collectively, the "**Closing Amount**"):

- a) the Priority Payables; and

- b) without duplication of Section 2.05(1)(a)(i) of the APS, an amount equal to the unfunded fees and expenses (plus applicable HST) of the Receiver and its agents and legal counsel (including, without limiting the generality of the foregoing, reasonable estimates for fees not incurred but anticipated to be incurred prior to the discharge of the Receiver by the Court, as well as all expenses to be paid by the Receiver in connection with the sale such as realty tax arrears);

The actual sum of the Closing Amount and Escrow Amount (in aggregate and without duplication) shall not exceed TWO MILLION DOLLARS (\$2,000,000.00).

- c) the balance of the Purchase Price (the "Bid Amount") shall be satisfied by the Purchaser delivering to the Receiver an acknowledgement from the Purchaser that the amount of the Fiera Charge indebtedness has been indefeasibly satisfied in the amount of the Bid Amount.
- (d) Termination of Condo Purchase Agreements: the Purchaser requires that all Condo Purchase Agreements be terminated at the Time of Closing.
- (e) Vacant Possession: the Purchaser requires vacant possession of the Real Property at the Time of Closing.
- (f) Adjustments to Purchase Price: customary purchase price adjustments for real property transactions such as taxes, utilities, etc.
- (g) Closing Date: the Transaction shall close 10 (ten) days following the date of the Approval and Vesting Order, or such other time as may be agreed to in writing between the parties.
- (h) As Is, Where Is: the Real Property and Project is sold on an "as is, where is" basis. The Purchaser had an opportunity to conduct its own due diligence in respect of the Real Property and Project's condition and will accept them on an "as is, where is" basis.
- (i) Approval and Vesting Order: conveyance of title will occur pursuant to the Approval and Vesting Order, vesting title free and clear of all encumbrances, except Permitted Encumbrances.
- (j) Permitted Encumbrances: Schedule C to the APA lists the permitted encumbrances.

32. The Receiver notes that a portion of the Closing Amount relates to unremitted employee source deductions owing by the Debtors. These amounts may constitute a deemed trust obligation of the Debtors pursuant to section 227(4) of the *Income Tax Act*. To that end, Canada Revenue Agency (“CRA”) has provided a summary of their claims (the “**Deemed Trust Amounts**”) which are summarized at Paragraph 55 below.
33. Fiera asserts that their mortgage constitutes a prescribed security interest pursuant to section 227(4.2) of the *Income Tax Act* and, as such, their security interest has priority over CRA’s deemed trust claim.
34. The priority dispute between CRA and Fiera (the “**Priority Dispute**”) has not been resolved and, as such, the Deemed Trust Amounts will be paid in cash by the Purchaser as part of the Closing Amounts. The Receiver’s counsel will hold the Deemed Trust Amounts in escrow, pending resolution of the Priority Dispute, or alternatively, in accordance with a further order of the Court.
35. The Receiver is of the view that the Credit Bid is fair and reasonable given the circumstances and that the purchase price is higher than the two offers received for the Real Property and Project. A copy of the redacted APA is attached hereto as **Appendix “G”**. A copy of the unredacted APA is attached to the Confidential Supplement as Confidential Appendix “B”.

#### **VACANT POSSESSION OF 1 ADDINGTON AND 5 ADDINGTON**

36. The Purchaser requires vacant possession of the Real Property as a condition of the APA.
37. At the Receivership Date, the Receiver was informed by Jimmy He, that three (3) of the houses located on the Real Property were occupied. Mr. He represented that two (2) houses are occupied by current or former employees and the house located at 270 Sheppard was occupied by a third party. The occupant of 270 Sheppard vacated the premises in late September 2025.
38. While requested, neither the Debtors nor the Addington Occupants have provided any evidence of leases agreements or rent payments. Mr. He and the Addington Occupants advised that use of the houses was an employment benefit however, no employment agreements confirming same have been provided despite the Receiver requesting same. In addition, the occupant of 1 Addington assert his employment was terminated in April 2025 and that he has wage arrears totaling approximately 4 months’ worth of wages. Mr. He asserts that the employment of the occupant of 5 Addington was terminated in June 2025; however no supporting documentation (i.e. record of employment) has been provided.

39. On August 7, 2025, a representative of the Receiver attended all houses located on the premises and served the occupants with a package containing a tenant notice, tenant acknowledgement of receipt of the package, and a copy of the Receivership Order (the "**Notification Letters**"). The Notification Letters requested the occupants provide the Receiver with copies of their lease agreements, proof of payment of their rent obligations and proof of insurance. None of the occupants responded to the Notification Letters.
40. On August 7, 2025, no one was available at 270 Sheppard, 3 Addington and 5 Addington; accordingly, the Receiver left Notification Letters on the front porch of these three (3) houses. Despite meeting with the Receiver at this time, the occupants of 1 Addington refused to acknowledge receipt of the Notification Letter, and the package was left on the porch. The affidavit of service, with supporting exhibits (tenant notice, acknowledgement, Receivership Order, and photographic proof of delivery), are appended as **Appendix "H"**.
41. Subsequently, the occupants of 3 Addington and 270 Sheppard Avenue vacated these premises and the Receiver changed the locks. Despite multiple requests by the Receiver, the Addington Occupants have refused to vacate the houses.
42. The Addington Occupants have not provided the Receiver with signed lease agreements or other written document stipulating their rights to occupy the houses.
43. On October 9, 2025, the Receiver, through its counsel, wrote to the Addington Occupants and made a "without prejudice" offer to the Addington Occupants, providing them with a one-time lump sum payment as disclosed in Paragraph 43 of the Confidential Supplement in exchange for vacating the premises by November 5, 2025 (the "**Vacancy Offers**"). The Vacancy Offers were subject to court approval and required the Addington Occupants to provide the Receiver an executed release and delivery of keys to the houses. The Vacancy Offers were open to acceptance until October 15, 2025. The Vacancy Offers are included in the Confidential Supplement as Confidential Appendix "C".
44. On November 2, 2025, the Addington Occupants agreed to vacate the premises by November 30, 2025 (the "**Vacancy Date**"), in exchange for a one-time lump sum payment as disclosed in Paragraph 44 of the Confidential Supplement (the "**Vacancy Payment**"). The Vacancy Payment is subject to the Addington Occupants signing an acknowledgement and agreement (the "**Agreement**"). The terms of which include:
- (a) ensuring that it and any other individual occupying the premises vacate the premises by the Vacancy Date;
  - (b) granting access to the Receiver on two (2) occasions to view the state of the premises;

- (c) providing the Receiver photo identification confirming they are the occupant and can execute the Agreement;
- (d) upon confirmation that the occupants have vacated the premises on or before the Vacancy Date, the Receiver shall pay the vacancy payment (the "**Vacancy Payment**") via post dated cheque dated December 15, 2025;
- (e) the Addington Occupants release, acquit and forever discharge the Receiver; and
- (f) acknowledging that should the Addington Occupants fail to vacate the premises by the Vacancy Date, the Addington Occupants consent to the Receiver releasing the Possession Order from escrow.

45. Copies of the signed Agreements are attached as Confidential Appendices "D" and "E" to the Confidential Supplement.

#### **TERMINATION OF SALE CONTRACTS AND RETURN OF DEPOSITS**

- 46. The Transaction excludes the Condo Purchase Agreements, accordingly the Receiver is seeking the Court's approval to terminate the 17 Condo Purchase Agreements. Samples of the Condo Purchase Agreements are included in the Confidential Supplement as Confidential Appendix "F".
- 47. The Receiver understands that the deposits made by the condo purchasers under the Condo Purchase Agreements are insured for loss through insurance with Guarantee Company of North America (the "**Surety**"). The deposits are held with the Deposit Trustee as described in Paragraph 17 herein.
- 48. The Receiver has engaged with counsel to the Surety regarding a proposed form of DRP which will be administered jointly by the Deposit Trustee and the Surety. The Receiver is hopeful that the DRP will be finalized prior to the return of this motion and be the subject of a supplemental report.

#### **PRIORITY CLAIMS**

- 49. The interest of Lender is subject to prior charges and security interests or claims in respect of the Real Property as set out below.

#### Receiver's Charge and Borrowings Charge

- 50. Pursuant to the Receivership Order, the Receiver's Charge and the Receiver's Borrowings Charge (each as defined in the Receivership Order) form priority charges on the Real Property and must be satisfied prior to Closing the Transaction with the Purchaser.

51. The fees of the Receiver and its counsel are discussed in detail below. As of the date of this Third Report, the Receiver has outstanding borrowings of \$40,000, as evidenced by the Receiver's Certificates. Given that the Transaction contemplates a Credit Bid from a company incorporated by Fiera that is assuming Fiera's mortgage debt, the Receiver's Borrowings advanced by Fiera will be forgiven and not repaid.
52. The Receiver's professional fees and that of its counsel, including estimates for future professional fees to complete the receivership administration, will be covered by the cash component of the Purchase Price as detailed above.

#### Municipal Taxes

53. As of November 6, 2025, the property tax arrears associated with 270 Sheppard and 5 Addington are \$645,163.07 and \$18,631.27 respectively. The property tax arrears for 270 Sheppard consist of an arrears balance of \$395,071.49 plus \$250,091.58 in property taxes due for 2025. The property tax arrears for 5 Addington consist of an arrears balance of \$10,299.61 plus \$8,331.66 in 2025 property taxes. Penalty and interest continue to accrue on the arrears balances. The APA contemplates the Purchaser paying the accrued and outstanding property taxes as part of the Transaction included in the cash component of the Purchase Price. Copies of the property tax statements are included hereto as **Appendix "I"**.

#### Payroll Source Deductions

54. On July 8, 2025, CRA requested the Receiver provide access to 225's books and records to conduct a payroll trust examination. The Receiver attempted on multiple occasions to obtain the books and records but received little cooperation from the Debtors, including failing to provide records of employment, T4s, payroll records, accounting records, and other customary books and records. As a result, the trust examination was delayed and took place on September 15, 2025 with the limited payroll records that the Receiver was able to obtain at that time. The Receiver and Mr. He met with CRA during the payroll trust examination.

On October 6, 2025, CRA advised the Receiver that it had completed their payroll trust examination for 225. The table below summarizes the results of CRA's calculation of the deemed trust by year based on CRA's audit statement and the Property Proofs of Claim filed by CRA:

Year	Period Covered	225	P&H
2025	Jan 1 to Aug 31	\$95,071.42	
2024	May 1 to Dec 31	153,696.65	
2023	Jan 1 to April 30	29,284.50	
2022	Jan 1 to Dec 31	96,908.16	
2021	Jan 1 to Dec 31	81,410.41	\$ 68,364.46
2020	Jan 1 to Dec 31	16,370.37	41,974.89
Total		\$472,741.51	\$ 110,339.35

55. The Receiver understands that P&H does not have any employees. Accordingly, CRA did not schedule a trust examination of P&H.
56. As stated above, the Purchaser will provide the Receiver the Escrow Amount on Closing to be held in escrow pending determination of the amount of the Crown's claims that have priority over Fiera's first mortgage. CRA has advised the Receiver that it will provide the Receiver with its calculation of Fiera's prescribed security interest in due course. The Escrow Agent will hold the Escrow Funds until determination of priority of Fiera's first mortgage is known and settled with CRA.

#### Wage Earner Protection Program Act

57. The Receiver has administered the *Wage Earner Protection Program Act* claims on behalf of the former employees of 225.
58. Given that the assets being sold by the Receiver do not include any current assets, there is no "super priority" claim payable to Service Canada in respect of employee claims pursuant to Section 81.4(4) of the *Bankruptcy and Insolvency Act* ("BIA") that rank ahead of Fiera's first mortgage.

#### Pension Claim

59. The Receiver is not aware of any amounts owing to employees in respect of pension obligations that would have priority over the Lender pursuant to section 81.6(2) of the BIA.

#### HST

60. The Receiver understands that the Debtors were not HST registrants and did not collect or remit HST. The Receiver is not aware of any HST owing by the Debtors.

#### **RECEIVER'S RECEIPTS AND DISBURSEMENTS**

61. Attached as **Appendix "J"**, is the Receiver's Interim R&D. The Receiver's Interim R&D reports receipts over disbursements of \$26,025.11 for the period. The Receiver seeks approval of the Receiver's Interim R&D.

## SEALING CONFIDENTIAL APPENDICES

62. The Receiver is of the view, and requests, that the Confidential Appendices be sealed until the Transaction has closed, or pursuant to a further order of the Court. The Confidential Appendices contain commercially sensitive information. The disclosure of the information contained in the Confidential Appendices would seriously impair the Receiver's ability to negotiate an agreement to sell the Property with a third party should the Court not approve the Transaction. The Receiver is of the view that this would be harmful to stakeholders as it would undermine a future sales process.
63. In the circumstances, the salutary effects of sealing the Confidential Appendices outweigh the deleterious effects and accordingly the sealing order should be granted.

## PROFESSIONAL FEES AND RECEIVER'S RECEIPTS AND DISBURSEMENTS

64. Pursuant to the Receivership Order, the Receiver has provided services and incurred disbursements that are more particularly described in the Affidavit of Josie Parisi, sworn November 19, 2025 and detailed invoice attached hereto as **Appendix "K"**.
65. The detailed time descriptions contained in the invoice provide a fair and accurate description of the services provided and the amounts charged by BDO as Receiver. Included with the invoice is a summary of the time charges of partners and staff, whose services are reflected in the invoice, including the total fees and hours billed.
66. BDO requests that the Court approve its accounts for the period from May 5, 2025 to November 17, 2025 in the amount of \$212,784.13 for fees and disbursements, plus HST of \$27,661.94, for a total of \$240,446.07.
67. Lerner's fees and disbursements for the period of September 8, 2025 to November 18, 2025 were \$33,823.00 plus disbursements of \$1,446.17 and HST of \$4,533.40 for an aggregate amount of \$39,802.57 as set out in the affidavit of Chelsea McKee sworn November 20, 2025, a copy of which is attached hereto as **Appendix "L"**.
68. The Receiver respectfully submits that the fees and disbursements incurred by the Receiver and its independent legal counsel are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Receivership Order.
69. The Receiver estimates that it and its counsel will incur additional professional fees and disbursements to complete the Receivership Administration. The Receiver estimates that it will incur additional professional fees of \$60,000, plus HST and its counsel will incur additional professional fees of \$50,000, plus HST, to complete the Receivership Administration (the **"Estimated Fees"**).

## **SUMMARY AND RECOMMENDATIONS**

70. In the circumstances, the Receiver is satisfied that the Sale Process represented an efficient and fair process which exposed the Real Property and Project for sale to the marketplace to generate the maximum value for the Real Property and Project.
71. Based on the foregoing, the Receiver respectfully requests that the Court grant the relief described in Paragraph 9(e) of this Third Report.

All of which is submitted respectfully this 20<sup>th</sup> day of November, 2025.

**BDO CANADA LIMITED**  
**in its capacity as the Court-appointed Receiver of**  
**2250310 Ontario Inc. and P&H Development Holdings Inc.**

Per:



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Name: Josie Parisi, CA, CPA, CBV, CIRP, LIT  
Title: Senior Vice President