Court File No. CV-26-00063916-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

MERIDIAN CREDIT UNION LIMITED

Applicant

- and -

11517945 CANADA 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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SUPPLEMENT TO THE FIRST REPORT OF THE RECEIVER DATED AUGUST 31, 2026

September 1, 2026

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TO: SERVICE LIST

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ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

MERIDIAN CREDIT UNION LIMITED

Applicants

- and -

11517945 CANADA INC.

Respondent

SUPPLEMENT TO THE FIRST REPORT TO THE COURT
SUBMITTED BY BDO CANADA LIMITED,
IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
11517945 CANADA INC.

August 31, 2026

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INTRODUCTION AND PURPOSE OF REPORT

1. This report to the Court is a supplement to the first report (the "**Supplementary Report**") to the Court of BDO Canada Limited, in its capacity as Court-Appointed Receiver of 11517945 Canada Inc. dated August 17, 2026 (the **"First Report"**) and should be read together with the First Report.

2. The purpose of the Supplementary Report is to:

    a. provide an update to the Court on the Receiver's activities following the First Report, including the Purchaser's assignment of the Sale Agreement and the Receiver's proposed distribution protocol for the remaining Unit Buyer deposits in the Receiver's possession; and

    b. support the Receiver's request that this Court make an order(s):

        (i) Approving this Supplementary Report and the activities of the Receiver as set out therein;

        (ii) Providing that upon delivery by the Receiver to Royal Living of a Receiver's Certificate (as defined in the draft Sale Approval and Vesting Order) and confirming completion of the Transaction, the Debtors' right, title and interest in and to the Real Property shall vest in and to RLD Group (Niagara Falls) Inc., free and clear of all encumbrances, except for any permitted encumbrances, easements or restrictive covenants as set out in Schedule "C" of the draft Sale Approval and Vesting Order; and

        (iii) Authorizing such further and other relief as counsel may advise and this Honourable Court may permit.

Scope and Terms of Reference

3. The Supplementary Report has been prepared for the use of this Court and 945Can's stakeholders as general information relating to the 945Can and to assist the Court in making a determination on whether to grant the relief sought herein. Accordingly, the reader is cautioned that this Supplementary Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result

of the circulation, publication, reproduction, or use of this Supplementary Report for a purpose different than set out in this paragraph.

4. Except as otherwise described in this Supplementary Report:

   (a) The Receiver has not audited, reviewed, 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

   (b) The Receiver has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

   Accordingly, the Receiver expresses no opinion or other form of assurance with respect to such information except as expressly stated herein.

5. Unless otherwise stated, all monetary amounts contained in this Supplementary Report are expressed in Canadian dollars.

6. Capitalized terms used herein and not defined in this Supplementary Report shall have the meaning ascribed to them in the First Report and the Appointment Order, as applicable.

RECEIVER'S UPDATES SINCE THE FIRST REPORT

Sale of the Mewburn Property to Royal Living

7. As outlined in the First Report, on July 3, 2026, the Receiver, as vendor, and Royal Living, as purchaser, entered into the Purchase Agreement for the Mewburn Property. The Purchase Agreement was only conditional upon the Court issuing an approval and vesting order.

8. On August 26, 2026, McHugh Ionico Boer LLP (**"McHugh"**), counsel for Royal Living, wrote to Loopstra Nixon, the Receiver's counsel, advising Royal Living wishes to designate RLD Group (Niagara Falls) Inc. (**"RLD Group"**) as the vesting entity into which title to the Mewburn Property will vest.

9. McHugh further confirmed that both Royal Living and RLD Group are wholly owned by the same individual.

10. Section 8.11(b) of the Purchase Agreement provides:

> *"In addition to the foregoing, the Purchaser may, in its sole discretion, by written direction to the Seller delivered **not later than five (5) business days prior** to the issuance of the Approval & Vesting Order, designate an entity (wholly owned by the Purchaser) into which title to the Purchased Assets shall vest pursuant to the Approval & Vesting Order."*

11. Royal Living exercised its right in accordance with the Purchase Agreement. Accordingly, the Receiver requests this Court issue the approval and vesting order in the name of RLD Group (Niagara Falls) Inc. The proposed approval and vesting order has been revised to reflect the foregoing and will be uploaded to CaseCentre.

Agreements of Purchase and Sale

12. As outlined in the First Report, the Debtor holds title to the Real Property and retained Alpha to be its consultant and construction manager for the Mewburn Towns;

13. Alpha also acted as the vendor of the Mewburn Towns and sold 27 units between September 15, 2021 and November 22, 2024, which are subject to agreements of purchase and sale (each, a **"Unit Purchase Agreement"**) between Alpha and the various purchasers (the **"Unit Buyers"**). The Debtor is not a party to those agreements.

14. Aliquot Law (**"Aliquot"**) was the law firm acting for Alpha under the Unit Purchase Agreements and which held the Deposit Funds (defined below).

15. Unit Buyers paid a cumulative deposit under the Unit Purchase Agreements totalling $1,980,487 (**"Deposit Funds"**) of which $1,702,950 had been released towards the ongoing construction costs of Mewburn Towns. A copy of Aliquot's Trust Ledger is attached as **Appendix "I"** (redacted to remove the unit purchaser's full names).

16. In addition, on October 2, 2024 (prior to the Appointment Order), the Unit Buyer for unit #16 received a full refund of their deposit, plus interest totaling $90,820.64 (**"Unit 16 Refund"**).

17. Aliquot confirmed to the Receiver that it *did not* hold the Deposit Funds in an interest-bearing account, despite paying interest as part of the Unit 16 Refund.

18. The Unit 16 Refund was comprised of $83,084 advanced from 945Can and $7,736.64 in interest from the Deposit Funds.

19. Aliquot advised the Receiver they issued the Unit 16 Refund based on instructions of the amount to release from 945Can.

20. Aliquot remitted $269,800.36 to the Receiver, representing the remaining Deposit Funds (**"Residual Deposits"**), accounted for as follows:

Deposit Funds	$ 1,980,487.00
Add: 945Can advance	83,084.00
Less: Used in project	(1,702,950.00)
Less: Unit 16 Refund	(90,820.64)
	$ 269,800.36

Proposed distribution protocol

21. Royal Living has not requested, and the Sale Agreement does not contemplate, an assignment of the Unit Purchase Agreements. Accordingly, the Receiver is seeking an Order declaring the Unit Purchase Agreements terminated, or, in the alternative, a declaration that the Receiver has no interest in the Unit Purchase Agreements. This will facilitate the Unit Buyers' ability to access Tarion insurance coverage. However, Tarion also requires that the Unit Buyers access all available recoveries before seeking payment from Tarion's deposit protection program – in particular, as against the Residual Deposits.

22. Accordingly, the Receiver is proposing to distribute the Residual Deposits on a pro-rata basis to the existing Unit Buyers that provided a deposit and are reported on Aliquot's Trust Ledger, subject to:

    (i) receipt of a signed release from each depositor in a form consistent with industry practice;

    (ii) a signed direction from each depositor directing the manner in which the payment is to be issued; and

    (iii) a release of BDO and the Receiver from any claim or liability in respect of carrying out the foregoing, save and except for wilful misconduct or gross negligence.

The release will be without prejudice to the Unit Buyer's ability to pursue a claim against any other person.

23. A draft accounting based on the information provided to the Receiver suggest each Unit Buyer will receive a distribution equal to approximately 9.88% of its respective deposit, calculated as follows:

Deposits received:	$	1,980,487.00
Deposits released to project:		(1,702,950.00)
Deposit refunded to Unit 16 purchaser:		(90,820.64)
Remaining deposit funds sent to Receiver	$	186,716.36
As a percentage of deposits paid		9.88%

24. The Receiver has communicated its intention with Tarion, who is supportive of the Receiver's proposed distribution protocol.

25. Additionally, the Unit Buyers will benefit from filing a claim with Tarion for their remaining deposits, after termination of the Unit Purchase Agreements and payment by the Receiver of the Residual Deposits.

26. The proposed relief and distribution in respect to the Unit Buyers will be sought at a separate hearing before the Court in the near future.

RECOMMENDATIONS

27. The Receiver recommends and respectfully requests that this Honourable Court make an Order as requested in Paragraph 2(b) above.

All of which is respectfully submitted this 31st day of August 2026.

BDO CANADA LIMITED
in its capacity as Court-Appointed Receiver
of 1157945 Canada Inc. and not in
personal or corporate capacity

Name: Peter Naumis, B. Comm., CIRP, LIT
Title: Vice President

APPENDIX I

ALIQUOT LAW

TRUST LEDGER FOR 11517945 CANADA INC.
DEPOSITS ON 2700 MEWBURN ROAD (MEWBURN TOWNS)
NIAGARA FALLS, ONTARIO

		Deposit		TOTAL
Unit # 1 - [redacted]				
Cheque # 004 - December 23, 2020	$	5,000.00		
Cheque # 005 - January 15, 2021	$	25,000.00		
Cheque # 006 - April 15, 2021	$	30,000.00		
Cheque # 007 - August 15, 2021	$	30,000.00	$	90,000.00
Unit # 2 - [redacted]				
Cheque # 030 - January 19, 2021	$	5,000.00		
Cheque # 031 - February 19, 2021	$	22,225.00		
Cheque # 032 - May 19, 2021	$	27,225.00		
Cheque # 033 - August 19, 2021	$	27,225.00		
Cheque # 034 - January 12, 2022 (upgrades)	$	12,284.50	$	93,959.50
Unit # 3 - [redacted]				
CIBC Bank Draft - April 26, 2021	$	33,250.00	$	33,250.00
Unit # 4 - [redacted]				
TD Bank Draft - November 17, 2020	$	5,000.00		
Cheque # 001 - December 18, 2020	$	24,075.00		
Cheque # 002 - March 18, 2021	$	29,075.00		
Cheque # 003 - July 19, 2021	$	29,075.00		
Cheque # 007 - January 12, 2022 (upgrades)	$	3,684.25	$	90,909.25
Unit # 5 - [redacted]				
BMO Bank Draft - December 17, 2020	$	5,000.00		
CIBC Bank Draft - January 18, 2021	$	22,225.00		
Cheque # 077 - April 15, 2021	$	27,225.00		
Cheque # 078 - August 11, 2022	$	27,225.00	$	81,675.00
Unit # 6 - [redacted]				
ICICI Bank Draft - April 19, 2021	$	5,000.00		
ICICI Bank Draft - April 30, 2021	$	28,250.00		
Cheque # 000027 - January 12, 2022 (upgrades)	$	1,206.50	$	34,456.50
Unit # 7 - [redacted]				
Cheque # 999736 - January 11, 2021	$	5,000.00		
Cheque # 999735 - January 21, 2021	$	22,000.00		
Cheque # 000001 - April 9, 2021	$	27,000.00		
Cheque # 999737 - April 21, 2021	$	27,000.00		

Cheque # 000006 - March 1, 2022 (upgrades)	$	2,985.00	$	83,985.00
Unit #8 - [redacted]				
TD Bank Draft	$	38,250.00		
TD Bank Draft - January 12, 2022 (upgrades)	$	5,280.00	$	43,530.00
Unit # 9 - [redacted]				
TD Bank Draft - December 7, 2020	$	5,000.00		
Cheque # 001 - January 6, 2021	$	25,350.00		
Cheque # 002 - April 6, 2021	$	30,350.00		
Cheqeu # 003 - August 8, 2021	$	30,350.00		
TD Bank Draft - January 12, 2022 (upgrades)	$	3,927.25	$	94,977.25
Unit # 10 - [redacted]				
Cheque # 167 - December 5, 2020	$	5,000.00		
Cheque # 169 - January 5, 2021	$	21,400.00		
Cheque # 168 - April 5, 2021	$	26,400.00		
Cheque # 170 - August 5, 2021	$	26,400.00		
Cheque # 066 - January 12, 2022 (upgrades)	$	2,904.75	$	82,104.75
Unit # 11 - [redacted]				
TD Bank Draft - May 3, 2021	$	5,000.00		
Cheque # 002 - May 18, 2021	$	27,750.00		
Cheque #001 - Feb 17, 2022 (upgrades)	$	4,429.75	$	37,179.75
Unit # 13 - [redacted]				
Cheque # 026 - December 22, 2020	$	5,000.00		
Cheque # 023 - January 20, 2021	$	21,400.00		
Cheque # 024 - April 20, 2021	$	26,400.00		
Cheque # 025 - August 20, 2021	$	26,400.00		
Cheque # 029 - January 12, 2022 (upgrades)	$	3,522.50	$	82,722.50
Unit # 14 - [redacted]				
Cheque # 121 - November 20, 2020	$	5,000.00		
Cheque # 122 - December 21, 2020	$	27,850.00		
Cheque # 123 - March 19, 2021	$	32,850.00		
Cheque # 124 - July 19, 2021	$	32,850.00		
Cheque # 130 - April 30, 2022 (upgrades)	$	2,849.00	$	101,399.00
Unit # 15 - [redacted]				
Cheque # 596 - November 14, 2020	$	5,000.00		
Cheque # 597 - December 14, 2020	$	25,350.00		
Cheque # 598 - March 15, 2021	$	30,350.00		
Cheque # 599 - July 15, 2021	$	30,350.00		

Cheque # 557 - January 12, 2022 (upgrades)	$	4,000.00	$	95,050.00
Unit #16 - [redacted]				
Bank Draft - December 19, 2024	$	5,000.00		$5,000.00
Unit # 16 - [redacted]				
Cheque - December 20, 2020	$	5,000.00		
Cheque - January 20, 2021	$	21,400.00		
Cheque - April 20, 2021	$	26,400.00		
Cheque - August 20, 2021	$	26,400.00		
Cheque - January 12, 2022 (upgrades)	$	2,237.25	$	81,437.25
Unit # 17 - [redacted]				
Cheque # 147 - November 20, 2020	$	5,000.00		
Cheque # 148 - December 21, 2021	$	23,750.00		
Cheque # 149 - March 19, 2021	$	28,750.00		
Cheque # 150 - July 19, 2021	$	28,750.00		
Cheque - July 21, 2022 (upgrades)	$	2,425.00	$	88,675.00
Unit # 18 - [redacted]				
Cheque # 123 - December 28, 2020	$	26,300.00		
Cheque # 124 - March 29, 2021	$	26,300.00		
Cheque # 122 - July 29, 2021	$	26,300.00	$	78,900.00
Unit # 19 - [redacted]				
TD Bank Draft - December 18, 2020	$	5,000.00		
Cheque # 151 - February 25, 2021	$	21,400.00		
Cheque # 155 - April 25, 2021	$	26,400.00		
Cheque # 153 - August 16, 2021	$	26,400.00		
Cheque # 176 - February 2, 2022 (upgrades)	$	299.75	$	79,499.75
Unit # 20 - [redacted]				
Cheque # 143 - November 20, 2020	$	5,000.00		
Cheque # 144 - December 21, 2020	$	28,350.00		
Cheque # 145 - March 19, 2021	$	33,350.00		
Cheque # 146 - July 19, 2021	$	33,350.00		
Cheque - July 21, 2022 (upgrades)	$	2,720.00	$	102,770.00
Unit # 21 - [redacted]				
Cheque # 082 - May 4, 2021	$	41,500.00		
Cheque # 031 - January 20, 2022 (upgrades)	$	4,287.75	$	45,787.75

CANCELLED

Unit # 22 - [redacted]				
Cheque # 003 - April 16, 2021	$	5,000.00		
Cheque # 006 - May 5, 2021	$	31,750.00		
Cheque # 024 - April 21, 2022 (upgrades)	$	1,900.00	$	38,650.00
Unit # 23 - [redacted]				
TD Bank Draft - January 5, 2022	$	20,000.00		
TD Bank Draft - March 30, 2022	$	11,000.00		
Direct Deposit - November 4, 2022	$	9,000.00	$	40,000.00
Unit # 24 - [redacted]				
TD Bank Draft - January 5, 2022	$	21,250.00		
TD Bank Draft - March 30, 2022	$	11,000.00		
Direct Deposit - November 4, 2022	$	10,250.00	$	42,500.00
Unit # 25 - [redacted]				
Cheque # 162 - December 22, 2020	$	5,000.00		
Cheque # 041 - January 21, 2021	$	27,550.00		
Cheque # 042 - April 21, 2021	$	32,550.00		
Cheque # 043 - August 20, 2021	$	32,550.00		
Cheque # 044 - February 2, 2022 (upgrades)	$	3,912.50	$	101,562.50
Unit # 26 - [redacted]				
TD Bank Draft - August 20, 2021	$	35,500.00		
TD Bank Draft - February 10, 2022 (upgrades)	$	5,801.25	$	41,301.25
Unit # 27 - [redacted]				
Cheque # 151 - November 20, 2020	$	5,000.00		
Cheque # 152 - December 21, 2020	$	24,250.00		
Cheque # 153 - March 19, 2021	$	29,250.00		
Cheque # 154 - July 19, 2021	$	29,250.00		
Cheque # 026 - April 30, 2022 (Upgrades)	$	3,805.00	$	91,555.00
Unit # 28 - [redacted]				
TD Bank Draft - December 21, 2020	$	5,000.00		
Cheque # 104 - January 21, 2021	$	27,550.00		
Cheque # 105 - April 21, 2021	$	32,550.00		
Cheque # 106 - August 20, 2021	$	32,550.00	$	97,650.00
	$	1,980,487.00	$	1,980,487.00

		Released		**Balance**
Funds released on October 5, 2021	$	250,000.00	$	1,730,487.00
Funds released on November 19, 2021	$	200,000.00	$	1,530,487.00

Funds released on January 21, 2022	$ 100,000.00	$ 1,430,487.00
Funds released on March 16, 2022	$ 100,000.00	$ 1,330,487.00
Funds released on April 4, 2022	$ 100,000.00	$ 1,230,487.00
Funds released on June 3, 2022	$ 100,000.00	$ 1,130,487.00
Funds released on June 27, 2022	$ 100,000.00	$ 1,030,487.00
Funds released on July 5, 2022	$ 100,000.00	$ 930,487.00
Funds released on July 13, 2022	$ 200,000.00	$ 730,487.00
Funds released on August 16, 2022	$ 150,000.00	$ 580,487.00
Funds released on September 9, 2022	$ 302,950.00	$ 277,537.00
Balance as of December 9, 2022	$ 1,702,950.00	$ 277,537.00
Funds received from 11517945 Canada Inc. - October 2, 2024	$ 83,084.00	
Refund plus interest for Unit 16 - October 2, 2024		90,820.64
Balance as of October 2, 2024		$ 269,800.36

MERIDIAN COURT UNION LIMITED **-and-** **11517945 CANADA INC.**

Applicant Respondent

Court File No. CV-26-00063916-0000

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	SUPPLEMENT TO THE FIRST REPORT OF THE RECEIVER DATED AUGUST 31, 2026
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