

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

2439656 ONTARIO INC. and MS CAPITAL CORP.

Applicants

- and -

CHACON HOLDING CORP.

Respondent

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

**MOTION RECORD
(motion returnable on January 7, 2025)**

January 7, 2025

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SERVICE LIST

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Mortgagee and Secured Creditor of the Respondent	
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MOUDGILL FINANCIAL INC. 27 Princess Valley Cres. Brampton, ON L6P 2B8 Mortgagee and Secured Creditor of the Respondent	PRAKASH CHANDRA, TARLOCHAN SINGH & JAGWINDERSINGH c/o 501-7045 Edwards Boulevard Mississauga, ON L5S 1X2 Mortgagee and Secured Creditor of the Respondent
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ONTARIO MINISTRY OF FINANCE Insolvency Unit 33 King Street West, 6 th Floor Oshawa, ON L1H 8H5 Insolvency Unit insolvency.unit@ontario.ca Tel: 1-866-668-8297	CORPORATION OF THE CITY OF BRAMPTON 2 Wellington Street West Brampton, ON L6Y 4R2

12755467 CANADA INC. 9 Abacus Road Brampton, ON L6T 5B7 Jeff Lal jefflal@jencocanada.ca Purchaser	KENT METAL FABRICATION LTD. 321 Deerhurst Drive Brampton, ON L6T 5K3 Rachit Jain rjain@englishprestige.com Mr. Chahal chahal@kentmetal.ca
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ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

2439656 ONTARIO INC. and MS CAPITAL CORP.

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CHACON HOLDING CORP.

Respondent

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

2439656 ONTARIO INC. and MS CAPITAL CORP.

Applicants

-and-

CHACON HOLDING CORP.

Respondent

**NOTICE OF MOTION
(returnable January 7, 2025)**

BDO Canada Limited (“**BDO**”), in its capacity as the Court-appointed Receiver (in such capacity, the “**Receiver**”), without security, of all assets, undertakings and properties (together, the “**Property**”) of Chacon Holding Corp. (the “**Debtor**”) will make a motion to a Judge on Tuesday, January 7, 2025 at 10:00 a.m. or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard by video conference at the following location:

Judicial videoconference link to be provided in CaseLines.

THE MOTION IS FOR an Order substantially in the form set out in Tabs 4 and 5 of the Receiver’s Motion Record, including, amongst other things:

- (a) Approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and 12755467 Canada Inc. (the “**Purchaser**”) dated October 21, 2024, and amended November 28, 2024, and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);
- (b) approving the First Report of the Receiver dated December 9, 2024 (the “**Report**”) and the Confidential Supplemental Report to the First Report of the Receiver dated December 9, 2024 (the “**Confidential Report**”) and the activities described therein;
- (c) Requiring Kent Metal Fabrication Ltd. (“**Kent**”) to pay to the Receiver the sum of \$32,894.14;
- (d) Approving the fees and disbursements of the Receiver and its counsel;
- (e) Approving the Receiver’s statement of receipts and disbursements;
- (f) Approving the distribution of proceeds available in the estate of the Debtor;
- (g) Sealing the Confidential Report; and
- (g) such other relief as the Receiver may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- (a) On August 16, 2024, the Honourable Justice Shaw appointed BDO as the Receiver, without security, of the Property (the “**Appointment Order**”);

- (b) The Property is mainly comprised of a commercial building with two floors with leased office and manufacturing spaces located at 25 Sun Pac Blvd, Brampton, Ontario;
- (c) The Property is subject to, among other encumbrances, a first ranking mortgage in favour of National Bank of Canada (“**National Bank**”) and a second ranking mortgage in favour of the Applicants;
- (d) Upon its appointment the Receiver obtained four listing proposals for the sale of the Property;
- (e) On October 1, 2024, the Receiver entered into a listing agreement with Freeway Real Estate Inc. (“**Freeway**”) for the listing and sale of the Property;
- (f) Freeway marketed the Property extensively;
- (g) Freeway’s marketing efforts resulted in significant interest in the Property;
- (h) The marketing efforts resulted in the Receiver entering into the Sale Agreement with the Purchaser;
- (i) The Receiver recommends that the court approve the Sale Agreement and the Transaction because:
 - i. Freeway undertook a thorough marketing process for the Property;
 - ii. The Purchaser has paid a substantial non-refundable deposit;
 - iii. The offer made by the Purchaser is the highest and best offer received;

- iv. The Transaction is commercially reasonable;
 - v. The completion of the Transaction is in accordance with the Receiver's mandate to realize on the Property; and
 - vi. National Bank and the Applicants were kept apprised of the marketing efforts and are in favour of the Transaction.
-
- (j) The marketing process was conducted in a matter that was fair to all who participated in it, maintained appropriate confidentiality and a level playing field for all potential and actual bidders, and resulted in the best and highest offer for the Property;
 - (k) Kent is a tenant of the Property;
 - (l) Kent is in arrears with respect to the payment of its rent in the amount of \$32,894.16;
 - (m) Despite demands, Kent has failed or refused to pay this amount;
 - (n) The fees and disbursements of the Receiver and its counsel are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Appointment Order;
 - (o) The Receiver is in the process of obtaining security opinions with respect to the security held by National Bank and the Applicants and will report on the result of these opinions once they are obtained; and
 - (p) Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the Report and Confidential Report, inclusive of the appendices; and
- (b) such further and other material as counsel may submit and this Court may permit.

Dated: December 9, 2024

WERIFOULDS LLP

Barristers and Solicitors

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TO: ATTACHED SERVICE LIST

2439656 ONTARIO INC. and MS CAPITAL CORP.

- and -

CHACON HOLDING CORP.

Applicants

Respondent

Court File No.: CV-24-2400-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Brampton

NOTICE OF MOTION

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TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

2439656 ONTARIO INC. and MS CAPITAL CORP

Applicants

- and -

CHACON HOLDING CORP.

Respondents

**FIRST REPORT TO THE COURT
SUBMITTED BY BDO CANADA LIMITED,
IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
CHACON HOLDING CORP.**

December 9, 2024

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INTRODUCTION AND PURPOSE OF REPORT

Introduction

1. By Order of the Honourable Madam Justice Shaw of the Ontario Superior Court of Justice (the “**Court**”) dated August 16, 2024 (the “**Appointment Order**”), BDO Canada Limited (“**BDO**”) was appointed as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of the assets, undertakings and properties of Chacon Holding Corp. (“**Chacon**” or the “**Company**”), pursuant to the application made by 2439656 Ontario Inc. (“**243**”) and MS Capital Corp. (“**MS**”). A copy of the Appointment Order is attached as **Appendix “I”**.
2. Chacon is an Ontario corporation with its registered head office located in Brampton, Ontario and is the registered owner of the real property municipally known as 25 Sun Pac Boulevard, Brampton, Ontario (the “**Real Property**”). The Real Property is a commercial building consisting of two floors with leased office and manufacturing space. Surinder Kaur Chahal (“**Chahal**”) is the director and officer of Chacon.
3. The Real Property is subject to a first ranking mortgage granted in favour of National Bank of Canada (“**National Bank**”) as security for a mortgage loan extended by National Bank to Chacon. As of September 14, 2024, Chacon was indebted to National Bank in the aggregate amount of approximately \$5,945,009.14 plus accruing legal fees, interest and disbursements.
4. The 243 and MS, collectively, have is the second ranking mortgage over the Real Property (the “**243 Mortgage**”). As of June 6, 2024, Chacon was indebted to 243 and MS in the aggregate amount of approximately \$4,155,811.73 plus accruing legal fees, interest and disbursements.
5. There are six additional mortgage registrations against the Real Property, subordinate to the National Bank mortgage and the 243 Mortgage, as follows:

Mortgagee	Principal Amount
Raja Paul	\$500,000
Moudgill Finaincal Inc.	\$460,000
Moudgill Financial Inc., Vikas Narula and Vasant Becharbhai Patel	\$180,000
Kavita Batta and Mahesh Kumar Sharma	\$240,000
Aarzoo Sharma, Kuldeep Jaywar and Sapinder Grewal	\$200,000
Manjinder Grewal, Manoj Khindra, Sandeep Kotra, Inderjit Singh, Sapinder grewal and Moudgill Financial Inc.	\$1,850,000

(collectively, the “**Subsequent Mortgages**”)

6. The Appointment Order empowered and authorized, but did not obligate the Receiver to, among other things:
 - i. Take possession of and exercise control over the Real Property and any and all proceeds, receipts and disbursements arising out of or from the Real Property;
 - ii. Manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
 - iii. Market the Real Property on such terms and conditions of sale as the Receiver deems appropriate;
 - iv. Sell, convey, transfer, lease or assign the Real Property;
 - v. Apply for any vesting order or other orders necessary to convey the Real Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Real Property; and
 - vi. Report to, meet and discuss with such affected Persons (as defined in the Appointment Order), as the Receiver deems appropriate on all matters relating to the Real Property and the receivership proceedings.
7. This first report of the Receiver dated December 9, 2024 (the “**First Report**”), and other court materials and orders issued and filed in these receivership proceedings, are available on the Receiver’s case website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/chacon>.
8. The Receiver has also prepared and filed with the Court, subject to a request for sealing Order, a Confidential Supplemental Report to the First Report dated December 9, 2024 (the “**Confidential Supplemental Report**”), which should be read by the Court in conjunction with this First Report and will assist the Court in considering the relief being sought by the Receiver herein.

Purpose of this Report

9. The purpose of this First Report is to:

- (a) update the Court on the Receiver's activities since the date of its appointment; and
- (b) Request one or more Orders, *inter alia*:
 - (i) Approving the sale transaction contemplated by the Purchase and Sale Agreement for the Real Property between the Receiver as vendor and 12755467 Canada Inc. ("**127 Canada**") as purchaser (the "**Purchaser**"), entered into on October 21, 2024 and amended on November 28, 2024 (subject to Court approval) (the "**Sale Agreement**"), and authorizing the Receiver to complete the transaction contemplated therein (the "**Transaction**");
 - (ii) Approving the Receiver's execution of the Sale Agreement and authorizing the Receiver to execute all other ancillary documents and agreements required to complete the Transaction;
 - (iii) Providing that upon delivery by the Receiver to 127 Canada of a Receiver's Certificate (as defined in the draft Sale Approval and Vesting Order) and thereby completing the Transaction, Chacon's right, title and interest, if any, in and to the Real Property shall vest in and to 127 Canada, 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;
 - (iv) Until the completion of the Transaction or until further Order of this Court, sealing the Confidential Supplemental Report and the appendices thereto, which contain commercially sensitive information, and which are comprised of the following:
 - (i) Summary of realtor listing proposals received;
 - (ii) Summary of offers received; and
 - (iii) The unredacted Sale Agreement.
 - (v) Approving this First Report, the Confidential Supplemental Report and the conduct and actions of the Receiver to date;

- (vi) Requiring Kent Metal Fabrication Ltd. pay the Receiver \$32,894.14 on account of rent arrears to the period ending December 31, 2024;
- (vii) Approving the fees and disbursements of the Receiver and its legal counsel, WeirFoulds LLP (“WeirFoulds”), as outlined herein and detailed in the supporting fee affidavits appended hereto;
- (viii) Approving a distribution from the net proceeds of the Transaction to the Priority Payables (defined below);
- (ix) Approving a distribution of the net proceeds from the Transaction to Chacon’s senior secured creditor National Bank, subject to WeirFoulds confirming the validity and enforceability of National Bank’s security, in full satisfaction of Chacon’s outstanding indebtedness to National Bank;
- (x) Approving a distribution of the net proceeds from the Transaction, after payment of professional fees, priority Payables and National Bank indebtedness, to Chacon’s subordinate secured creditor 243 and MS, subject to WeirFoulds confirming the validity and enforceability of 243 and MS’s security, up to the full satisfaction of Chacon’s outstanding indebtedness to 243 and MS;
- (xi) Approving the interim statement of operational receipts and disbursements of Chacon from the date of the Receiver’s appointment to December 2, 2024 (the “Interim R&D”); and
- (xii) Authorizing such further and other relief as counsel may advise and this Honourable Court may permit.

Scope and Terms of Reference

10. The First Report has been prepared for the use of this Court and the Company’s stakeholders as general information relating to the Company and to assist the Court in making a determination on whether to grant the relief sought herein. Accordingly, the reader is cautioned that this First 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 First Report for a purpose different than set out in this paragraph.

11. Except as otherwise described in this First 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.

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

ACTIVITIES OF THE RECEIVER

13. Since its appointment, the Receiver has, *inter alia*:

- a) served the Appointment Order upon Chahal and demanded that she deliver the books and records of the Company to the Receiver;
- b) attended the Real Property and met with Chahal's son, Parminder Chahal ("Parm"), a Company representative, Christopher Bell ("Bell") and the tenants;
- c) served the Appointment Order on the tenants and advised them to direct future rent payments to the Receiver;
- d) undertaken a cursory review of the tenant leases;
- e) notified the existing insurer, suppliers and utilities and arranged for appropriate coverage to continue;
- f) conducted regular site visits;
- g) prepared and mailed statutory notices pursuant to sections 245 and 246 of the *Bankruptcy and Insolvency Act* ("BIA");

- h) communicated with Bell and Rachit Jain ("**Rachit**"), on numerous occasions, for an update on, among other things, status of the complete books and records and the filing of outstanding Harmonized Sales ("**HST**") Tax and other statutory returns for Chacon;
- i) communicated with Canada Revenue Agency ("**CRA**");
- j) arranged and held discussions with realtors for the proposed marketing and sale of the Real Property;
- k) entered into a 3-month listing agreement with Freeway Real Estates Inc. ("**Freeway**") (as defined herein) to market the Real Property for sale;
- l) reviewed and negotiated offers received on the Real Property and strategized with Freeway; and
- m) communicated and kept the stakeholders apprised of marketing efforts and interest in the Real Property.

THE REAL PROPERTY

14. The Real Property is the only known and identified tangible asset of Chacon.
15. As previously mentioned, the Real Property is a commercial building consisting of approximately 32,336 square feet of leasable office and manufacturing space.
16. At the time of the Appointment Order, the tenants identified by Parm were: i) English Prestige Construction Management ("**EPCM**"), ii) Kent Metal Fabrication Ltd. ("**Kent**"), iii) Jagir Contracting Inc. ("**Jagir**"), iv) Rio Sofa Upholstery Ltd. ("**Rio Sofa**"); and v) ATL Adventure Services Ltd. ("**ATL**").
17. EPCM, Kent and Jagir were identified as related parties to Chacon. EPCM, Kent and Jagir are all owned and operated by Sawaran Chahal ("**Sawaran**"), believed to be the spouse of Chahal.
18. A list of the current tenants of the Real Property, the units they occupy and monthly gross rent amounts, as identified by the Receiver, are as follows:

Tenant	Unit		Gross Rent
EPCM	1	\$	14,492.25
Kent	2	\$	20,686.56
Jagir	3	\$	5,778.23
Rio Sofa	4	\$	6,528.67
ATL	5&6	\$	12,304.29

19. EPCM has not paid rent to the Receiver due to an existing agreement between EPCM and Chacon dated May 3, 2023, wherein EPCM agreed to prepay of portion of its rent to fund certain constructions costs of Chacon (“**EPCM Prepaid Rent Agreement**”). According to EPCM, under the EPCM Prepaid Rent Agreement, EPCM reportedly prepaid rent totaling \$347,814, covering EPCM’s occupancy period from July 1, 2023 to July 31, 2025, to fund Chacon’s construction costs for the second floor buildout of the Real Property (“**Real Property Buildout**”). EPCM allegedly paid contractors and supplier invoices directly for the Real Property Buildout.
20. The Receiver requested EPCM to provide evidence of the invoices and payments made. Invoices totaling \$354,295.68 were provided to the Receiver, along with proof of payment in the form of cheques made out directly to vendors, for the period February 2, 2022 to December 6, 2023 totaling \$321,660.40. However, the Receiver has been unable to convincingly reconcile the payments made by EPCM to the construction costs of Chacon for the Real Property Buildout.
21. Further, the Receiver has not collected rent from Kent due to a similarly existing agreement between Kent and Chacon dated September 14, 2023, wherein Kent agreed to prepay a portion of its rent to fund the Real Property Buildout (“**Kent Prepaid Rent Agreement**”). According to Kent, under the Kent Prepaid Rent Agreement, Kent reportedly prepaid rent totaling \$138,702.12, covering Kent’s occupancy period from October 1, 2023 to December 31, 2024. The total rent payable by Kent for this period and pursuant to its lease totals \$171,596.28. Accordingly, the Receiver demanded Kent to pay the shortfall amount of \$32,894.16. Kent did not respond to the Receiver’s demand.
22. The Receiver requested Kent to provide evidence of the invoices and payments made to support the prepaid rent amount. Construction invoices were provided, along with payments made via cheque, e-transfer and credit card totaling \$181,086.79. However, similar to the EPCM Prepaid Rent Agreement, the Receiver has been unable to convincingly reconcile the payments made by Kent to the construction costs of Chacon for the Real Property Buildout.

23. Additionally, Chacon was unable to provide any form of construction contract, plans, or other information to support the Real Property Buildout.
24. The Receiver has not undertaken a further forensic review of the reporting's of EPCM or Kent.
25. The Receiver was provided post-dated cheques from ATL, Rio Sofa and Jagir for rent and will follow up in the event more rent cheques are required until the Transaction is closed.
26. Jagir's rent for October was returned as NSF, as well as a portion of their September rent. In addition, Jagir failed to pay November rent when due. As of the date of this First Report Jagir had replaced the NSF payments, which as of the date of this First Report have yet to clear the Receiver's bank account and provided November rent cheque post-dated to December 13, 2024 and December rent cheque post-dated to December 27, 2024.
27. Jagir's current lease expires January 30, 2025. A copy of Jagir's lease is attached as **Appendix "II"**. The Purchaser has requested vacant possession on expiry of the tenant leases. Accordingly, the Receiver will not be extending Jagir's lease terms.
28. To date, the Receiver has collected and deposited \$79,806.38 in total rent inclusive of HST.

MARKETING AND SALES PROCESS

29. Upon its appointment, the Receiver requested and obtained four listing proposals from, CBRE Limited Real Estate Brokerage ("**CBRE**"), Cushman & Wakefield ULC Brokerage ("**Cushman**"), Freeway, and Lee and Associates Commercial Real Estate Services ("**Lee**"), for the Real Property. A summary of the listing proposals is attached to the Confidential Supplemental Report.
30. The Receiver engaged in further discussions with all the realtors regarding listing price and broker commissions.
31. On October 1, 2024, the Receiver entered into a listing agreement with Freeway. Freeway is familiar and experienced with commercial properties in the area, as well as having experience with Court-Appointed receivership sales. The Real Property was listed at \$12,999,000.
32. Freeway immediately began marketing the Real Property, which marketing activities included the following:

- i. Posting the listing with the Toronto Real Estate Board and on the Multiple Listing Service;
 - ii. Engaging in a digital campaign through the use of various social media outlets, email campaigns and website creation;
 - iii. Posting and promoting the Real Property to industry contacts;
 - iv. Print media;
 - v. Posting external “For Sale” signage on the Real Property;
 - vi. Cold calling; and
 - vii. Engaging in discussion with and providing property tours to interested parties.
33. Freeway reported initial interest in the Real Property to be strong, with ten non-disclosure agreements being executed by different parties. The detailed activity reports of Freeway are attached to the Confidential Supplemental Report.
34. Freeway presented the Receiver with a total of three formal offers for the Real Property:

Company	Date Offer Received
1628487 Ontario Inc. In Trust	October 7, 2024
12755467 Canada Inc.	October 10, 2024
Prabjeet Singh Chhabra for a Company to be Incorporated	October 16, 2024

- A summary of the offers is attached to the Confidential Supplemental Report.
35. The Receiver had instructed Freeway to advise 1628487 Ontario Inc., In Trust (“**162 Ontario**”) and Prabjeet Singh Chhabra for a Company to be Incorporated (“**Chhabra**”), that their offers were too low and to resubmit their offers as their final and best offer. Neither 162 Ontario nor Chhabra responded.
36. Additionally, Freeway contacted Ritz Furniture Planet Ltd. (“**Ritz**”) who submitted an expression of interest on the eve of the Appointment Order. On October 17, 2024, Ritz’s agent advised he will try to get his client to submit a formal offer on the Receiver’s form of agreement. Ritz did not submit an offer and did not communicate further with Freeway.

37. On October 10, 2024, 127 Canada submitted its Letter of Intent (“LOI”) to the Receiver for the acquisition of the Real Property. The LOI reported the salient terms and conditions upon which 127 Canada would be willing to purchase the Real Property. The Receiver reviewed and negotiated certain terms in which it was willing to proceed forward with 127 Canada’s interest, subject to an offer on the Receiver’s form of Purchase and Sale Agreement.
38. Accordingly, on October 21, 2024, 127 Canada submitted its conditional Purchase and Sale Agreement (“PSA”) to the Receiver, which the Receiver accepted. The PSA was amended on November 29, 2024 by 127 Canada, in consideration of its findings as part of its due diligence under the conditional period (the “Sale Agreement”). A redacted copy of the Sale Agreement is attached as **Appendix “III”**. An unredacted copy of the Sale Agreement is attached to the Confidential Supplemental Report. Significant terms of the Sale Agreement and amendment include:
- i. the Real Property is being sold “as is, where is” with no representations or warranties provided by the Receiver;
 - ii. a non-refundable collective deposit of \$500,000, consisting of \$250,000 paid within three days of acceptance of the offer, currently being held by WeirFoulds, and \$250,000 payable on or before January 8, 2025;
 - iii. the sale is subject to Court approval and issuance of a vesting order; and
 - iv. the closing date is 30 days following the issuance of the approval and vesting order.
39. The Receiver recommends that this Court approve the Transaction for the following reasons:
- i. Freeway undertook a thorough marketing process for the Real Property, including receiving twenty-two (22) enquiries, ten (10) executed non-disclosure agreements, conducted five (5) tours with interested parties and received three (3) formal offers;
 - ii. 127 Canada has provided a substantial non-refundable deposit;
 - iii. The accepted offer from 127 Canada represents the highest and best offer received;
 - iv. The Transaction is commercially reasonable;

- v. Completion of the Transaction is in accordance with the mandate of the Receiver to realize on the Real Property of Chacon; and
 - vi. National Bank, as the first mortgage holder, and 243 and MS, as the second mortgage holder, were kept apprised by the Receiver of the marketing and sale efforts and are in favour of proceeding with the Transaction.
40. The Receiver is of the view that the marketing and sales process was conducted in a manner that: (i) was fair to all who participated in it; (ii) maintained appropriate confidentiality and a level playing field for all potential and actual bidders; and (iii) resulted in the best and highest offer for the Real Property.
41. No information has come to the Receiver's attention which indicates that a better result could have been achieved.
42. On November 19, 2024, and during 127 Canada conditional period, Freeway informed the Receiver that Sawaran was interfering with the marketing of the Real Property by:
- attempting to remove the "For Sale" signage displayed on the Real Property;
 - advising Freeway that Chacon no longer "wanted" to sell the Real Property; and
 - Advising Freeway that Chacon had or is paying off all its creditors.
43. The signage on the Real Property is large, supported by heavy frames. If mishandled, the signage could cause injury or property damage, resulting in possible liability issues. Additionally, as the Sale Agreement was still conditional, Freeway expressed concern about the impact of Chacon and Sawaran's actions and misinformation that may have circulated within the Brampton business community which could affect sale negotiations.

PRIORITY PAYABLES

44. Upon taking possession, the Receiver identified that the Company's last quarterly Harmonized Sales Tax ("HST") filing was for the period ending April 30, 2024. The reported HST liability at the time was \$17,940.32.
45. The Receiver communicated its appointment with Canada Revenue Agency ("CRA") and requested, among other things, confirmation of the HST arrears, outstanding HST returns that

are required to be filed and requested further a trust exam to establish the quantum of Chacon's HST liability.

46. The CRA officer assigned to the Company reported two outstanding HST returns due, which the Receiver agreed to file, however, due to the lack of confidence in and limited financial information available, the Receiver would file nil returns.
47. Additionally, the CRA officer informed the Receiver they will not be completing a trust exam.
48. As at November 20, 2024, CRA submitted its claim for HST to the Receiver in the amount of \$18,688.99 (the "**HST Arrears**").
49. Chacon did not have employees or maintain a source deduction account with CRA. The Receiver has confirmed this with CRA.
50. Finally, the Receiver is in receipt of a municipal property tax account statement for the Real Property, dated October 1, 2024, which reports the municipal property tax owing by Chacon at the time totalling \$85,720.35. Accordingly, the total estimated municipal property tax arrears are \$85,720.35, plus accruing interest (the "**Property Tax Arrears**" and with the HST Arrears, the "**Priority Payables**").

SECURED CREDITORS, SECURITY OPINION(S) AND PROPOSED DISTRIBUTIONS

51. The Company's first ranking secured creditor is National Bank.
52. The Receiver engaged its legal counsel, WeirFoulds, to undertake a security review of National Bank's security and to provide a legal opinion on the validity and enforceability of the security held by National Bank. At the time of this First Report, WeirFoulds was in the process of reviewing National Bank's security.
53. As reported above, the obligations of Chacon to National Bank, including costs, fees, and interest charges to September 14, 2024, total approximately \$5,945,009.14 (with a reported collective per diem rate of \$571.21) (the "**National Bank Indebtedness**"), and are reflected in a statement provided to the Receiver attached as **Appendix "IV"**.
54. Additionally, the Receiver engaged WeirFoulds to undertake a security review of 243 and MS' security and to provide a legal opinion on the validity and enforceability of the security held

by 243 and MS. At the time of this First Report, WeirFoulds was in the process of reviewing the 243 and MS security.

55. The obligations of Chacon to 243 and MS, including costs and interest charges to October 10, 2024, total approximately \$4,404,933.69 (with a reported per diem rate of \$1,716.39) (the “**243 and MS Indebtedness**”), and are reflected in a statement provided to the Receiver attached as **Appendix “V”**.
56. The Receiver has not requested a legal opinion on the remaining subsequent secured creditors security. If there are surplus funds left over from the Transaction after distributions are made for the Priority Payables, the two senior secured creditors, National Bank and 243 and MS, and the Receiver’s and its legal counsel’s fees, the Receiver will determine the priority and validity of the Subsequent Mortgages.
57. Subject to WeirFoulds confirming the validity and enforceability of National Bank’s security, the Receiver requests permission of the Court to distribute to National Bank out of the net sale proceeds following closing of the Transaction, the amount required to satisfy the National Bank Indebtedness in full, including interest and costs to the date of closing of the Transaction, after payment of the Priority Payables, Receiver’s fees and those of its counsel.
58. Additionally, subject to WeirFoulds confirming the validity and enforceability of 243 and MS’ security, the Receiver also requests permission of the Court to distribute to 243 and MS payment in respect of the 243 and MS Indebtedness, after payment by the Receiver of Priority Payables, payment of the National Bank Indebtedness, outstanding operating costs incurred during the Receiver’s appointment and after payment of the Receiver’s fees and disbursements and the legal fees and disbursements of the Receiver’s legal counsel.
59. The Receiver intends to file a supplemental report to this Court prior to its motion and report on WeirFoulds review of National Bank’s and 243 and MS’s respective securities.

INTERIM STATEMENT OF OPERATIONAL RECEIPTS AND DISBURSEMENTS

60. Attached as **Appendix “VI”** is a summary of the interim operational receipts and disbursements associated with the rental and management of the Real Property during the receivership proceedings (“**Interim R&D**”). As the Transaction has not closed, the Interim R&D report is limited to the receipts and disbursements from the date of the Receiver’s appointment to December 2, 2024.

61. The Receiver is seeking the Court's approval of the Interim R&D.

PROFESSIONAL FEES

62. 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, WeirFoulds, constitute part of the "Receiver's Charge". The fees and disbursements of the Receiver for the period April 19, 2024 to December 6, 2024 are detailed in the affidavit of Peter Naumis sworn December 9, 2024, a copy of which is attached hereto as **Appendix "VII"**. The fees and disbursements of WeirFoulds for the period of April 19, 2024 to November 30, 2024 are detailed in the affidavit of Phil Cho sworn December 6, 2024, a copy of which is attached as **Appendix "VIII"**.

63. The detailed narratives contained in the invoices provide a fair and accurate description of the services provided and the amounts charged by BDO as Receiver. Included with the invoices is a summary of the time charges of partners and staff, whose services are reflected in the invoices, including the total fees and hours billed.

64. The Receiver's fees for the period April 19, 2024 to December 6, 2024 encompass 121.25 hours at an average hourly rate of approximately \$529.08 for a total of \$64,151.25 prior to disbursements of \$518.62 and applicable taxes. The Receiver is therefore requesting that this Honourable Court approve total fees and disbursements inclusive of applicable taxes in the amount of \$73,076.95.

65. WeirFoulds fees for the period April 19, 2024 to November 30, 2024 encompass 68.4 hours at an average hourly rate of approximately \$629.36 for a total of \$43,048.00 prior to disbursements of \$168.75 and applicable taxes. The Receiver is therefore requesting that this Honourable Court approve WeirFoulds total fees and disbursements inclusive of applicable taxes in the amount of \$48,904.88.

66. The Receiver respectfully submits that the Receiver's fees and disbursements, and WeirFoulds fees and disbursements, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Appointment Order.

RECOMMENDATIONS

67. The Receiver recommends and respectfully requests that this Honourable Court make an Order as requested in paragraph 9(b) above.

All of which is respectfully submitted this 9th day of December, 2024

BDO CANADA LIMITED
in its capacity as Court-Appointed Receiver
of Chacon Holding Corp.
and without personal or corporate liability

A handwritten signature in dark ink, appearing to read 'P. Naumis', is written over a light blue rectangular background.

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

APPENDIX I

Court File No. CV-24-2400-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE MADAM

)

FRIDAY, THE 16th

JUSTICE SHAW

)

DAY OF AUGUST, 2024

)



2439656 ONTARIO INC. and MS CAPITAL CORP

Applicants

- and -

CHACON HOLDING CORP.

Respondent

Application under Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

ORDER
(appointing Receiver)

THIS MOTION made by the Applicants for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing BDO Canada Limited as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Chacon Holdings Corp. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 7755 Hurontario St., Brampton, Ontario.

ON READING the affidavit of Manpreet Minhas sworn June 6, 2024 and the Exhibits thereto and the affidavit of Manpreet Minhas sworn August 6, 2024, and on hearing the submissions of counsel for the parties listed on the counsel slip, and being advised that Nation Bank of Canada does not oppose the relief being sought, no other parties attending although duly

served as appears from the affidavits of service of Amandeep Sidhu sworn June 18, 2024, June 25, 2024 and July 15, 2024, and on reading the consent of BDO Canada Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, including, without limitation, the Debtor's bank accounts wherever located;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any contracts or agreements, in connection therewith (including any amendments and modifications thereto), repudiate or disclaim any contracts or agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage contractors, tradespersons, consultants, appraisers, agents, experts, auditors, accountants, managers, including property managers, counsel, real estate agents/brokers, and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor, including, without limitation, any rents owed by tenants, and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby

conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (r) to file an assignment in bankruptcy on behalf of the Debtor pursuant to the *Bankruptcy and Insolvency Act* provided that before filing such an assignment, the Receiver shall give notice to the Applicants and to National Bank of Canada, and, if the Applicants or National Bank of Canada object to the Receiver filing such an assignment within 15 business days of receiving notice from the Receiver of its intention to file such an assignment, the Receiver shall seek directions from the court, on notice to the Applicants and to National Bank of Canada and to any other parties the Receiver deems necessary, prior to filing such an assignment,
- (s) to act as the Trustee in Bankruptcy in relation to the bankruptcy of the Debtor, and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business

which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit

of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA AND CASL

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

16. THIS COURT ORDERS that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this

proceeding and their counsel and advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation and notice requirements which the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 18000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, including, without limitation, any illness or bodily harm resulting from an individual or individuals contracting COVID-19, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise,

in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

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

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/chacon>.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile

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

GENERAL

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

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

31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

33. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Justice Shaw

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 20__ (the "Order") made in an action having Court file number ____-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED _.

[RECEIVER'S NAME], solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

APPENDIX II

EXTENSION OF LEASE

THIS EXTENSION OF LEASE made this 1st day of January 2022

BETWEEN:

CHACON HOLDINGS CORP.
(hereinafter called the "Landlord")
OF THE FIRST PART;

-AND-

JAGIR CONTRACTING INC.
(hereinafter called the "Tenant")
OF THE SECOND PART;

WHEREAS by a lease dated January 15th 2017 (the "Lease") wherein Christopher Belaoussoff of Jagir Contracting Inc. as Tenant, leased the property municipally known as Unit 3 at 25 Sun Pac Blvd. in the City of Brampton, in the province of Ontario (hereinafter referred to as the "Leased Premises") from the Landlord.

AND WHEREAS the Landlord and the tenant agree to a NEW 36-month extension of the lease and its contents whereas the term of the Lease commences on the 1st day of February 2022, and expires on the 30th day of January 2025.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises, the sum of TWO DOLLARS (\$2.00) which has been paid by each of the parties hereto to each other and of other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto covenant and agree to a 36-month extension of the lease with a rent rate of \$12 p.s.f. and TMI rate of \$5.75 p.s.f. (TMI can be subject to change as per Landlord's requirements) plus HST. 12 Post-dated cheques in the amount of \$5,778.23 must be delivered to our office immediately. All other terms and conditions of the original binding lease to remain in effect.

The foregoing is agreed and accepted this 1 of February, 2022

CHACON HOLDINGS CORP.

JAGIR CONTRACTING INC.

Per: _____



Title: Manager

I have authority to bind the corporation.

Per: _____



Title: President

I have authority to bind the corporation.

APPENDIX III

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT dated as of the 21st day of October, 2024.

BETWEEN:

**BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS
THE COURT-APPOINTED RECEIVER AND MANAGER
OF CHACON HOLDING CORP. AND NOT IN ANY
PERSONAL, CORPORATE OR OTHER CAPACITY**

(in such capacity, the "Receiver")

- and -

12755467 Canada Inc.

(the "Purchaser")

WHEREAS the Receiver was appointed as the Receiver and Manager of Chacon Holding Corp. (as defined below) pursuant to the order of the Honourable Justice Shaw dated August 16, 2024 (the "Order") for the purpose of, amongst other things, authorizing the Receiver to sell the Purchased Assets upon the terms and subject to the conditions set out herein;

AND WHEREAS the Purchaser offers to purchase the Purchased Assets from the Receiver upon the terms and subject to the conditions hereof, subject to, the terms of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties), the Parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement, including the recitals and Schedules to this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) **"Adjustments"** means the adjustments to the Purchase Price provided for and determined pursuant to Section 2.4.
- (b) **"Agreement"** means this agreement and all amendments made to this agreement by written agreement between the Parties.

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- (c) **"Approval and Vesting Order"** means an Order of the Court, approving the transaction contemplated hereby and vesting the Purchased Assets in the Purchaser on Closing, substantially in the form of the draft order attached as Schedule "B" hereto.
- (d) **"Assumed Contracts"** has the meaning set out in Section 3.2.
- (e) **"Building"** means the building currently situate on the Lands and all other structures and fixed improvements owned by the Owner located thereon.
- (f) **"Business Day"** means a day other than a Saturday, Sunday or statutory holiday in the Province of Ontario.
- (g) **"Chattels"** means any equipment, furniture, machinery, plant, apparatus and fittings, inventory, supplies and other chattels located on the Lands, if any, which are owned by the Owner and, in each case, are used exclusively in the maintenance, repair, management and operation of the Lands, as well as buildings situate on the Lands.
- (h) **"Closing"** means the completion of the purchase and sale of the Purchased Assets contemplated by ARTICLE 2 of this Agreement.
- (i) **"Closing Date"** means the tenth (10th) day following the issuance of the Approval and Vesting Order by the Court or such other date as may be agreed to in writing by the Purchaser and the Receiver.
- (j) **"Closing Time"** means 2:00 p.m. (Toronto time) on the Closing Date or such other time as agreed in writing by the Parties.
- (k) **"Conditional Date"** means the date that is Twenty One (21) calendar days after the Execution Date, , with the option for the Purchaser to extend this date by an additional Twenty One (21) calendar days if there are delays in receiving or examining the due diligence materials.
- (l) **"Contracts"** means all contracts, licenses, permits, approvals, leases, other than the Leases, and agreements which were entered into by or on behalf of the Owner with third parties for the development, maintenance, management, operation, cleaning, security, fire protection or servicing of the Lands (including, without limitation, any contracts regarding the supply of utilities to the Lands) and all contracts for the lease of equipment and all contracts for the supply or sale of any service or product and also includes any chose in action.
- (m) **"Court"** means the Ontario Superior Court of Justice.
- (n) **"Data Room"** means the virtual data room named established by the Receiver's agent, Freeway Real Estates Inc., or such other agent from time to time, in connection with the Purchased Assets.

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- (o) **"Deposit"** has the meaning set out in Section 2.3.
- (p) **"Encumbrance"** means any encumbrance, lien, charge, hypothec, mortgage, pledge, title retention agreement, security interest, reservation of title, easement, right of occupation, option to buy, pre-emptive right to buy, right of first refusal or first offer, transfer restriction or any agreement to create any of the foregoing.
- (q) **"Excluded Assets"** means the following assets, property, rights and interests of the Owner relating to the Business:
 - (i) the Rejected Contracts;
 - (ii) the Owner's cash or cash equivalents;
 - (iii) the Owner's accounts receivable;
 - (iv) original tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of the Owner or the Purchased Assets; and
 - (v) the benefit of any refundable Taxes payable or paid by the Owner or paid by the Receiver in respect of the Purchased Assets and applicable to the period prior to the Closing Date net of any amounts withheld by any taxing authority, and any claim or right of the Owner or the Receiver to any refund, rebate, or credit of Taxes for the period prior to the Closing Date.
- (r) **"Execution Date"** means the date upon which this Agreement has been executed and accepted by the Receiver.
- (s) **"Existing Contracts"** means all contracts, agreements, orders, commitments, supply contracts and other engagements by or with third parties existing on the Execution Date which relate to the Purchased Property, excluding the Leases.
- (t) **"Government Authority"** means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal government having or claiming to have jurisdiction over part or all of the Lands, the transaction contemplated in this Agreement and/or one or both of the parties hereto and shall include a board or association of insurance underwriters;
- (u) **"HST"** means goods and service tax and/or harmonized sales tax payable pursuant to the *Excise Tax Act (Canada)*.
- (v) **"HST Legislation"** has the meaning set out in Section 2.5.
- (w) **"HST Undertaking and Indemnity"** has the meaning set out in Section 2.5.

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- (x) **"Interim Period"** means the period of time commencing on the date the Purchaser delivers an executed copy of this Agreement to the Receiver, up to and including the Closing Date.
- (y) **"Lands"** means the lands and Building municipally located at 23 Sun Pac Boulevard, Brampton, Ontario and legally described in Schedule "C" hereto.
- (z) **"Leases"** means, collectively, all offers to lease, agreements to lease, leases, lease amendments, renewal or extension agreements, subleases and other rights or licenses granted by or on behalf of the Owner or the Receiver or their respective predecessors in title to possess or occupy the Lands or any part or parts thereof as of the date hereof, together with all security, guarantees and indemnities of the tenants' obligations thereunder, in each case as amended, renewed or otherwise varied, particulars of which are set forth in Schedule "A" hereto, and "Lease" may mean any of the Leases.
- (aa) **"Owner"** means Chacon Holding Corp. as applicable.
- (bb) **"Parties"** means the Purchaser and the Receiver.
- (cc) **"Person"** means and includes any individual, corporation, partnership, firm, joint venture, syndicate, association, trust, government, governmental agency or board or commission or authority, and any other form of entity or organization.
- (dd) **"Permitted Encumbrances"** means the encumbrances listed in Schedule "D".
- (ee) **"Purchased Assets"** means, the Owner's right, title and interests, if any, in and to (a) the Purchased Property; (b) the Leases (if any); (c) the Chattels; and (d) the Assumed Contracts (if any), but for greater certainty does not include the Excluded Assets.
- (ff) **"Purchase Documents"** means, collectively, this Agreement and all other agreements and documents executed and delivered by one or both of the Parties at the Closing.
- (gg) **"Purchase Price"** has the meaning set out in Section 2.2.
- (hh) **"Purchased Property"** means the Lands and Building which are more particularly described in Schedule "C" hereto.
- (ii) **"Rejected Contracts"** means those Existing Contracts which the Purchaser does not wish to assume on Closing.
- (jj) **"Sales Taxes"** has the meaning set out in Section 2.5.
- (kk) **"Sunset Date"** means the date that is 120 days ~~NTD: to be confirmed~~ after the expiry of the Conditional Date, and if such date is not a Business Day then the date

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that is the next following Business Day. The Sunset Date may be extended from time to time upon mutual agreement by the Receiver and Purchaser.

- (ii) “**Tenants**” means all Persons having a right to occupy any rentable area of the Lands pursuant to a Lease; and “**Tenant**” means any one of such Tenants.

1.2 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms “**herein**”, “**hereof**”, “**hereunder**”, “**hereto**” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references in this Agreement to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

In this Agreement, words importing the singular number only will include the plural and vice versa, words importing the masculine gender will include the feminine and neuter genders and vice versa, and words importing persons will include individuals, partnerships, limited partnerships, associations, trusts, unincorporated organizations, governments, governmental authorities, companies and corporations. The term “**including**” means “including, without limiting the generality of the foregoing,” and the term “**include**” has a corresponding meaning.

1.4 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.5 Receiver’s Capacity

The Receiver is acting solely in its capacity as the Receiver and Manager of the assets, undertakings and properties of the Owner and shall have no personal or corporate liability under this Agreement. Any claim against the Receiver shall be limited to, and only enforceable against the Purchased Assets and shall not apply to the Receiver’s personal property and assets held by it in any other capacity. The Receiver shall have no personal or corporate liability of any kind, whether in equity, contract, tort or otherwise.

1.6 Schedules

The following schedules are attached to this Agreement and incorporated by reference and deemed to be part of this Agreement:

Schedule “A” – Leases

Schedule “B” – Form of Approval and Vesting Order

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Schedule "C" – Legal Description of Purchased Property

Schedule "D" – Permitted Encumbrances

ARTICLE 2 PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Purchase and Sale of Purchased Assets

Upon and subject to the provisions hereof, the Receiver agrees to sell the Purchased Assets to the Purchaser, and the Purchaser agrees to purchase the Purchased Assets from the Receiver, at the Closing Time.

2.2 Purchase Price for Purchased Assets

The purchase price payable by the Purchaser to the Receiver for the Purchased Assets shall be the sum of [REDACTED] (the "Purchase Price").

2.3 Payment of Purchase Price

The Purchase Price shall be paid by the Purchaser to the Receiver as follows:

- (a) The Purchaser agrees to submit a collective deposit (the "Deposit") consisting of a first deposit of [REDACTED] (the "First Deposit") within three (3) Business Days following the mutual acceptance of this Agreement, and a second deposit of [REDACTED] CAD [REDACTED] (the "Second Deposit") within three (3) Business Days upon the fulfillment of the conditions specified in Section 4.2 of the Agreement. Both the First Deposit and the Second Deposit shall be made by way of bank draft or wire transfer to the Receiver's solicitors, WeirFoulds LLP, in Trust; and
- (b) the balance of the Purchase Price by wire transfer to the Receiver's solicitors, WeirFoulds LLP, in Trust, at or before the Closing Time.

For clarity, the Deposit payable by the Purchaser shall be retained by the Receiver whether or not the transaction contemplated by this Agreement is completed or this Agreement is terminated by either party, regardless of the reasons for such failure to complete the transaction or the termination of this Agreement, save and except for (i) the non-fulfillment of the conditions contained in Section 4.1; or (ii) the Purchaser electing to terminate this Agreement under Section 4.2.

2.4 Adjustments

Adjustments shall be made as of the Closing Date on an accrual basis. The Receiver shall be responsible for all expenses and entitled to all revenue accrued from the Purchased Assets for that period ending on the Closing Date and thereafter the Purchaser shall be responsible for all expenses and shall be entitled to all revenue accruing from the Purchased Assets.

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Adjustments shall include all realty taxes, current rents including additional rent, prepaid rents (except for the prepaid rents identified in Section 2.9), or prepaid revenue and interest thereon (if any), and interest thereon (if any), and common area cost recoveries from Tenants, and other adjustments established by the usual practice in the Province of Ontario for the purchase and sale of commercial property.

The provisions of this Section 2.4 shall survive Closing.

2.5 Harmonized Sales Tax and Other Costs

- (a) The Purchase Price excludes HST, value-added, land transfer, or similar taxes, duties, or charges (collectively, "Sales Taxes"). The Purchaser agrees and confirms that the Purchaser will be, at the time of Closing, a registrant under Part 9 of the *Excise Tax Act (Canada)* (the "HST Legislation"). The Receiver and Purchaser acknowledge that the purchase by the Purchaser of the Purchased Property is governed by the provisions of Section 221(2)(b) and 228(4)(a) of the HST Legislation. The Purchaser covenants to deliver on the Closing Date a certificate (the "HST Undertaking and Indemnity") with respect to the Purchased Assets:
 - (i) in form and substance satisfactory to the Receiver's Solicitors, acting reasonably;
 - (ii) including an indemnity on the same terms as contained in Section 2.5(c) below;
 - (iii) confirming the Purchaser's and all other beneficially interested Parties' HST registration numbers; and
 - (iv) containing an undertaking from the Purchaser and all other beneficially interested parties to self-assess and to file returns and remit such HST, to the applicable Governmental Authority when and to the extent required by the applicable act,

and for so doing, Receiver shall not collect HST from the Purchaser on the Closing Date, failing which the Purchaser shall be required to deliver to the Receiver on the Closing the amount of the HST payable on the Purchase Price.

- (b) The Purchaser shall be responsible for and shall pay, in addition to the Purchase Price, any land transfer taxes payable on the transfer of the Purchased Assets, all registration fees payable in respect of registration by it of any documents on Closing (other than discharges of Encumbrances which are not Permitted Encumbrances), all federal and provincial taxes and other taxes, if any payable by a purchaser upon or in connection with the conveyance or transfer of the Purchased Assets, including Sales Taxes.
- (c) The Purchaser shall indemnify and save harmless the Receiver and its shareholders, directors, officers, employees, advisors and agents from all losses, costs, damages and claims incurred, suffered or sustained as a result of a failure by the Purchaser:

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- (i) pay any federal, provincial or other taxes payable by the Purchaser in connection with the conveyance or transfer of the Property whether arising from a reassessment or otherwise, including provincial retail sales tax and goods and services tax, if applicable; and/or
- (ii) to file any returns, certificates, filings, elections, notices or other documents required to be filed by the Purchaser with any federal, provincial or other taxing authorities in connection with the conveyance or transfer of the Property.

(d) The provisions of this Section 2.5 shall survive and not merge on Closing.

2.6 Land Transfer Tax

The Purchaser shall pay all applicable land transfer tax upon the registration of the Approval and Vesting Order in respect of the Purchased Property. Accordingly, the Receiver has and shall have no obligation or liability in respect of land transfer tax. The Purchaser will indemnify and save harmless the Receiver in respect of any amounts, demands or claims owing or which may become owing in respect of any land transfer tax exigible, assessed, in respect of, or arising out of the completion of this transaction.

The provisions of this Section 2.6 shall survive Closing.

2.7 Searches and Examinations

The Receiver agrees to allow the Purchaser and the Purchaser's authorized representatives, subject to obtaining any requisite prior approvals from any Tenant(s) as applicable, prior to the Conditional Date reasonable access to the Property during normal business hours from time to time to be mutually agreed upon by the Receiver and Purchaser upon reasonable notice being provided to the Receiver by the Purchaser in order for the Purchaser to carry out, at its sole cost and expense (regardless of results), such reasonable tests and inspections thereof as the Purchaser or its authorized representatives may deem necessary, provided that such inspections shall not unduly interfere (and the Purchaser undertakes to use its best efforts, which the Purchaser represents and warrants shall not be less than reasonable commercial efforts, not to so interfere) with the use, operation and enjoyment of the Lands by the Receiver and any Tenants. The Purchaser agrees that such tests and inspections shall not include any tests or inspections by any Government Authority and specifically acknowledges and agrees that it shall not request or, through its actions, prompt or cause any tests or inspections to be made by any Government Authority.

All such inspections will be carried out on notice in writing to the Receiver and in the presence of a representative of the Receiver (if the Receiver so desires). Where possible, all tests of building systems will be conducted during normal business hours. The Purchaser agrees to provide the Receiver with a copy of any reports and draft reports obtained prior to Closing as a result of its investigation and testing upon receipt. The Purchaser covenants and agrees to repair or pay the cost of repair of any damage occasioned during and resulting from the inspection of the Property conducted by the Purchaser or its authorized representatives, as outlined above and to return the Property to the condition same was in prior to such inspections. The Purchaser covenants and agrees to indemnify and save the Receiver harmless from and against all losses, costs, claims, third

party claims, damages, expenses (including legal costs as between a solicitor and its own client) which the Receiver may suffer as a result of the inspection of the Property conducted by the Purchaser or its authorized representatives, as outlined above. The provisions of this Section ~~X~~ 2.7 shall survive Closing or other termination of this Agreement, notwithstanding any other provisions hereof. The Purchaser agrees that the Receiver shall be entitled to deduct from the Deposit the amount of any losses, costs, claims, third party costs, damages, expenses (including legal costs as between a solicitor and its own client) which the Receiver may suffer as a result of this Section ~~X~~ 2.7 by the Purchaser.

2.8 Assumed Obligations

At the Closing Time, the Purchaser shall also assume and be liable for the following (collectively, the "Assumed Obligations"):

- (a) the Owner's Liabilities under the Assumed Contracts;
- (b) all Leases affecting the Lands including those listed in Schedule "A";
- (c) all Liabilities and claims arising or accruing from the use of the Purchased Assets from and after the Closing;
- (d) all Taxes arising or accruing from and after the Closing from the use of the Purchased Assets, including, without limitation, HST to be collected and remitted to Canada Revenue Agency when due.

2.9 Review of Data Room

The Purchaser acknowledges that they have been provided with and have access to the Data Room and have reviewed the documents and Leases in the Data Room. The Purchaser further acknowledges that the Leases outlined in Schedule "A", and available in the Data Room, have been reviewed and understands that:

- (a) Kent Metal Fabrication Ltd., as tenant, and the Owner, as landlord, have a Prepaid Rent Agreement dated September 14, 2023, whereby Kent Metal Fabrication Ltd. prepaid rent to the Owner in the amount of \$138,702.12, to pay the rent and additional rent for the period from October 1, 2023 to December 31, 2024 (the "Kent Metal Prepaid Rent");
- (b) English Prestige Construction Management, as tenant, and the Owner, as landlord, have a Prepaid Rent Agreement dated January 15, 2017, whereby English Prestige Construction Management prepaid rent to the Owner in the amount of \$347,814.62, to pay the rent and additional rent for the period from July 1, 2023 to July 31, 2025 (the "EPCM Prepaid Rent");

(the Kent Metal Prepaid Rent and the EPCM Prepaid Rent are collectively referred to as the "Prepaid Rent").

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The Purchaser acknowledges that no adjustment will be made on Closing for the Prepaid Rent and that the Prepaid Rent will not appear as an adjustment in favour of the Purchaser on the statement of adjustments.

ARTICLE 3

ADDITIONAL BUSINESS TERMS

3.1 Insurance

The Purchaser shall arrange its own insurance in respect of the Purchased Assets on Closing and the Receiver shall not assign any insurance policies to the Purchaser.

3.2 Assumed Contracts

At least five (5) Business Days prior to the Conditional Date, the Purchaser shall provide written notice to the Receiver setting out those Existing Contracts, if any, which the Purchaser has elected to assume on Closing (the "Assumed Contracts"), and such notice shall be deemed to be a provision contained in this Agreement. The Receiver shall terminate all Rejected Contracts on or before Closing.

On Closing, the Purchaser shall assume all Assumed Contracts and all obligations thereunder. The Assumed Contracts shall be assigned to the Purchaser on Closing pursuant to an assignment of contracts.

Nothing in this Agreement shall be construed as an agreement to assign any Contract that requires the consent, approval or waiver of any third party, unless the consent, approval or waiver required to assign such Contract has been given. In the event an assignment of Contract(s) requires third party consent, approval or waiver, the Receiver shall use commercially reasonable efforts to obtain such consent prior to Closing, but the failure to obtain any such consent shall not be a reason to delay Closing, but shall rather result in such Contract becoming a Rejected Contract.

3.3 Receiver's Representations

The Receiver represents to and in favour of the Purchaser that, subject to the issuance by the Court of the Approval and Vesting Order, each of the following statements is on the date of this Agreement, and will at the Closing Time be, true and correct:

- (a) the Receiver has good and sufficient power, authority and right to enter into this Agreement and each of the other Purchase Documents to be entered into by it and to complete the transactions to be completed by it hereunder and thereunder;
- (b) the Receiver has been duly appointed by the Court and has the right to sell the Purchased Assets in accordance with the provisions of this Agreement and has not sold or otherwise disposed or agreed to sell or otherwise dispose of any of the Purchased Assets and has not mortgaged, charged or encumbered any of the Purchased Assets; and
- (c) the Receiver is not now and will not on Closing be non-residents of Canada within the meaning of Section 116 of the *Income Tax Act*.



3.4 Purchaser's Representations

The Purchaser represents to and in favour of the Receiver that each of the following is on the date of this Agreement, and will at the Closing Time be, true and correct:

- (a) the Purchaser is a corporation duly incorporated and subsisting under the law of Ontario;
- (b) the Purchaser has good and sufficient corporate power and corporate authority to enter into this Agreement and each of the other Purchase Documents to be entered into by it and to complete the transactions to be completed by it hereunder and thereunder;
- (c) the Purchaser is registered for purposes of Part IX of the ETA and the Purchaser's registration number is _____; and
- (d) the Purchaser is not, and will not be at Closing, be a non-Canadian person within the meaning of the *Investment Canada Act (Canada)* and is not a non-resident of Canada for the purposes of the ITA.

3.5 Electronic Registration

The Parties acknowledge that the Teraview Electronic Registration System is operative and mandatory in the applicable Land Titles Offices relating to the Purchased Property. The Parties shall each authorize their respective legal counsel to enter into a document registration agreement in the form adopted by the joint LSO-CBAO Committee on Electronic Registration of Title Documents. The delivery and exchange of documents and closing funds and the release thereof to Receiver and Purchaser, as the case may be: (a) shall not occur contemporaneously with the registration of the applicable application for registration of the Approval and Vesting Order (and other registrable documentation); and (b) shall be governed by the document registration agreement pursuant to which legal counsel receiving any documents or funds will be required to hold same in escrow and will not be entitled to release except in strict accordance with the provisions of the document registration agreement.

3.6 Closing

- (a) The Closing will be completed on the Closing Date at the offices of the Receiver's Solicitors or such other date, place and time as the Parties may agree in writing (including virtually by way the electronic transfer of documents). Without limiting the provisions of Section 5.1, the Purchaser acknowledges and agrees that notwithstanding the delivery of the Approval and Vesting Order, on Closing the Purchased Property will be subject to the Permitted Encumbrances.
- (b) Any tender of documents or money under this Agreement may be made upon the Parties or their respective lawyers.
- (c) The Receiver covenants to execute, *where applicable*, and deliver the following to the Purchaser at or before the Closing Time:

⑤ f-N

- 12 -

- (i) a copy of the issued and entered Approval and Vesting Order;
 - (ii) a statement of adjustments in accordance with Section 2.4 hereof;
 - (iii) a certificate from the Receiver, dated as of the Closing Date, certifying:
 - (A) that, except as disclosed in the certificate, the Receiver has not been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the transaction contemplated by this Agreement;
 - (B) that all representations, warranties and covenants of the Receiver contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time;
 - (iv) an undertaking to readjust for the adjustments set out in Section 2.4 hereof;
 - (v) an assignment and assumption of all Assumed Contracts (to the extent assignable) effective from and after the Closing Date;
 - (vi) an assignment and assumption of all Leases effective from and after the Closing Date;
 - (vii) an acknowledgement, dated as of the Closing Date, that each of the conditions to Closing in favour of the Receiver has been fulfilled, performed or waived as of the Closing Time; and
 - (viii) such further documentation relating to the completion of the transaction contemplated hereby as is otherwise referred to herein or as may be required by the Purchaser (acting reasonably), any applicable law or governmental authority.
- (d) The Purchaser covenants to execute, where applicable, and deliver the following to the Receiver at or before the Closing Time:
- (i) indefeasible payment and satisfaction in full of the Purchase Price in accordance with Section 2.3 hereof;
 - (ii) the HST Undertaking and Indemnity;
 - (iii) an undertaking to readjust for the adjustments set out in Section 2.4 hereof;
 - (iv) an assignment and assumption of all Assumed Contracts (to the extent assignable) effective from and after the Closing Date;

 /-A

- 13 -

- (v) an assignment and assumption of all Leases relating to the period from and after the Closing Date;
 - (vi) a certificate, dated as of the Closing Date, certifying that all representations, warranties and covenants of the Purchaser contained in this Agreement are true as of the Closing Time, with the same effect as though made on and as of the Closing Time; and
 - (vii) an acknowledgement, dated as of the Closing Date, that each of the conditions to Closing in favour of the Purchaser has been fulfilled, performed or waived as of the Closing Time; and
- (e) such further documentation relating to the completion of the transaction contemplated hereby as is otherwise referred to herein or as may be required by the Purchaser (acting reasonably), any applicable law or governmental authority.

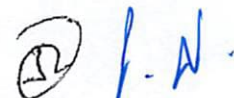
3.7 Survival of Representations

The representations and warranties contained in this Agreement, shall not merge and shall survive closing for a period of 6 months. In the event that either party shall become aware of any material breach of a representation or warranty prior to the Closing, it shall forthwith advise the other party in writing and the sole right and remedy of the other party with respect thereto shall be the termination of this Agreement pursuant to the representations in favour of the other party contained in Section 3.3 or 3.4, as applicable. Notwithstanding any of the provisions contained in this Agreement to the contrary, the Receiver's liability with respect to any breach of a representation, warranty or covenant contained in this Agreement shall be limited to the return of the Deposit and the Receiver shall not be liable for any loss of profits, loss of revenue, loss of contract, loss of business opportunity or any consequential loss or indirect loss or damages of any nature or kind.

ARTICLE 4 CONDITIONS AND TERMINATION RIGHTS

4.1 Receiver's Approval and Vesting Order Condition

- (a) This Agreement is conditional on the issuance by the Court of the Approval and Vesting Order on or before the Sunset Date. In the event the Approval and Vesting Order has not been issued by the Court on or before the Sunset Date, this agreement shall be null and void and the Purchaser shall be entitled to the return of the Deposit and neither the Purchaser nor the Receiver shall have any obligations under this Agreement (other than those obligations which are expressly stated to survive termination of this Agreement).
- (b) In the event the Approval and Vesting Order is issued by the Court, but stayed by the Court prior to the completion of the transaction contemplated by this Agreement, the Receiver shall be entitled, at the Receivers' option, on written notice to the Purchaser to extend the Closing Date for such period or periods as it determines by written notice thereof to the Purchaser, provided that such extensions



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do not exceed an aggregate of ninety (90) days, in order to provide the Receiver with additional time to effect the lifting of such stay.

4.2 Conditions for the Purchaser

The obligation of the Purchaser to complete the agreement of purchase and sale constituted on the execution and delivery of this Agreement will be subject to the following conditions:

- (a) on or before the Conditional Date, the Purchaser shall have given Notice to the Receiver that the Purchaser is satisfied in its sole, subjective and unreviewable discretion with the physical and environmental condition of the Property, title to the Property and the Permitted Encumbrances.

The condition set forth in this Section ~~Error! Reference source not found.~~ ^{4.2 P.N. - JL} is for the sole benefit of the Purchaser and may be waived in whole or in part by the Purchaser by Notice to the Receiver prior to the applicable date set forth above.

^{JL} In the event the condition in this 4.2 is not satisfied or waived by the Purchaser as therein provided on or before the Conditional Date then this Agreement shall be terminated, and the Deposit together with all interest earned thereon, less any deductions contemplated by Section ~~Error! Reference source not found.~~ ^{2.7 P.N.}, shall forthwith be refunded to the Purchaser and the Parties shall be released from all of their liabilities and obligations under this Agreement (other than those obligations which are expressly stated to survive termination of this Agreement).

4.3 Receiver's Certificate

Upon receipt of written Notice from the Purchaser that all of the conditions contained in section 4.2 have been satisfied or waived by the Purchaser, and upon satisfaction or waiver by the Receiver of all of the conditions contained in section 4.1, the Receiver shall forthwith deliver to the Purchaser the Receiver's Certificate comprising Schedule "A" of the Approval and Vesting Order, and shall file same with the Court.

4.4 Effects of Termination

If this Agreement is terminated pursuant to Section 4.1 or 4.2 the Purchaser shall return to the Receiver all documents, work papers and other material of the Receiver relating to the Transaction, whether obtained before or after the execution hereof as well as copies of all reports, including draft reports, obtained by the Purchaser with respect to the Purchased Assets as a result of its inspections in accordance with Section ~~0.~~ ^{2.7. P.N. JL}

ARTICLE 5 GENERAL

5.1 No Representations, Warranties or Conditions by Receiver

The Purchaser acknowledges and agrees that the Receiver is selling and the Purchaser is purchasing the Purchased Property and the Purchased Assets on an "as is, where is" and "without recourse" basis as the Purchased Property and the Purchased Assets shall exist on the Closing

② P.N.

Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist at Closing, whether patent or latent. Notwithstanding any other provision of this Agreement (except as set out in Section 3.3) or any of the other document or communication exchanged by the Parties, no representations, warranties or conditions, express, implied, imposed by statute or otherwise, are made by the Receiver or Owner with respect to the title, physical characteristics, use, zoning, existence of latent defects, maintenance, repair or condition (including environmental) of the Purchased Property or any of the other Purchased Assets or any other matter. The Purchaser acknowledges and agrees that (i) the description of the Purchased Property and the Purchased Assets contained in this Agreement, and in any other document or communication exchanged by the Parties is for the purpose of identification only and no representation, warranty or condition has or will be given by the Receiver concerning the accuracy of such description; and, that (ii) the Purchaser has conducted such inspections of the description of, condition of and title to the Purchased Property and the Purchased Assets as it deemed appropriate and has satisfied itself with regard to all such matters. The Parties further acknowledge and agree that it is the express intention of the Receiver and the Purchaser that the Purchased Property and the Purchased Assets shall be transferred to the Purchaser in their condition at Closing Time and state of repair "as is" and "where is", with all faults, and that the Receiver shall have no obligation to deliver possession of the Purchased Property and the Purchased Assets in any manner and that, at the Closing Time, the Purchaser shall take possession of the Purchased Property and the Purchased Assets wherever situated. Without limitation to the foregoing, the Parties acknowledge and agree that any and all representations, warranties and conditions, express or implied, pursuant to the *Sale of Goods Act* (Ontario) do not apply the transactions contemplated hereby and/or have been waived by the Purchaser.

The Purchaser acknowledges that it shall, at its own expense, examine title to the Lands and satisfy itself as to the state thereof, satisfy itself as to outstanding work orders, notices, building permits and other similar matters affecting the Lands, satisfy itself as to the use of the Lands being in accordance with applicable zoning requirements and satisfy itself that the Building may be insured to the satisfaction of the Purchaser. The Purchaser further acknowledges that, notwithstanding any statutory provisions to the contrary, the Purchaser has no right to submit requisitions on title or in regard to any outstanding work orders, building permits, deficiency notices or orders to comply or other similar matters issued by any Government Authorities and the Purchaser shall accept the title to the Lands subject to any liens, security interests, encumbrances, encroachments, easements, rights-of-way, restrictions, leases, agreements with Government Authorities, agreements with adjoining property owners, and other interests whatsoever, except as otherwise provided in this Agreement, and shall satisfy itself as to compliance therewith.

5.2 Further Assurances

Each of the Parties will from time to time execute and deliver all such further documents and instruments and do all such acts and things as the other party may, either before or after the Closing Date, reasonably required to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.



5.3 Time of the Essence

Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties or by their respective solicitors who may be specifically authorized in that regard.

5.4 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding on the respective successors (including any successor by amalgamation or operation of law) and permitted assigns of the Parties.

5.5 Entire Agreement

This Agreement, together with the other Purchase Documents, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede any prior understandings and agreements between the Parties with respect thereto. There are no terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties other than as expressly set out in this Agreement and the other Purchase Documents.

5.6 Amendments and Waiver

No modification of or amendment to this Agreement will be valid or binding unless in writing and duly executed by both of the Parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

5.7 Assignment

The Purchaser shall not, without the prior written consent of the Receiver, which consent may be withheld by the Receiver in its sole discretion, assign all or any portion of its rights and/or obligations under this Agreement or direct that title be vested on Closing in any Person other than the Purchaser.

5.8 Fees

Each of the Parties will pay its own legal, accounting and other fees and expenses incurred in connection with the preparation, execution and delivery of this Agreement and the other Purchase Documents and the completion of the transaction contemplated hereby or thereby, as well as any other costs and expenses whatsoever and howsoever incurred.

Each of the Parties will pay its own agent fees or commissions, if any, in respect of the Transaction contemplated hereby.

5.9 Non-Business Day

If any amount required to be paid under this Agreement is due on a day which is not a Business Day, such amount will be paid on the next following Business Day.

A handwritten signature in blue ink, consisting of a circled 'R' followed by the letters 'f-d'.

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5.10 Notices

Any demand, notice, objection or other communication to be given in connection with this Agreement or any of the Purchase Documents shall be given in writing by personal delivery, registered mail, courier or email addressed to the recipient as follows:

To the Purchaser: 12755467 Canada Inc.
Attention: Jeff Lal
E-Mail: jefflal@jencocanada.ca

with a copy to:


Attention: 
E-Mail: 

To the Receiver: **BDO Canada Limited**
360 Oakville Place Drive – Suite 500
Oakville, ON L6H 6K8
Attention: Peter Naumis
E-Mail: pnaumis@bdo.ca

with a copy to:

WeirFoulds LLP
4100 – 66 Wellington Street West,
Toronto, ON M5K 1B7
Attention: Wojtek Jaskiewicz / Patrick Nugent
E-mail: wjaskiewicz@weirfoulds.com
pnugent@weirfoulds.com

or to such other address, facsimile number, e-mail or individual as may be designated by notice by either party to the other party. Any demand, notice, objection or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fifth (5th) Business Day following the deposit thereof in the mail and, if given by courier, on the second (2nd) Business Day following the sending thereof and, if given by facsimile or e-mail, on the date of the sending thereof if sent prior to 5:00pm (Eastern) and on the next Business Day date of the sending thereof if sent after 5:00pm (Eastern). If the party giving any demand, notice, objection or other communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, such demand, notice, objection or other communication shall not be mailed but shall be given by personal delivery, courier or facsimile.

5.11 Currency

All dollar amounts referred to in this Agreement are denominated in Canadian currency.



5.12 Governing Law

This Agreement and the other Purchase Documents shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5.13 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

5.14 Electronic Execution

Delivery of this Agreement may be effected by a party by facsimile or other electronic transmission of the execution page hereof to the other party. A party so delivering this Agreement shall thereafter forthwith deliver to the other party an original execution page hereof with its original signature thereon, provided that any failure by a party to so deliver such original execution page shall not affect the validity or enforceability of this Agreement against that party.

5.15 Tender

Any tender of notices, documents or monies hereunder may be made on the Receiver or the Purchaser or their respective solicitors. Any monies may be tendered by a negotiable cheque certified by a Canadian chartered bank or by a bank draft drawn on one of Canada's five largest chartered banks.

5.16 Counterparts

This Agreement may be executed in counterparts. Each executed counterpart shall be deemed to be an original. Both executed counterparts taken together shall constitute one agreement.

5.17 Irrevocable Offer

The Purchaser covenants and agrees that the offer to purchase constituted by the delivery of a copy of this Agreement executed by the Purchaser shall be irrevocable and open for acceptance by the Receiver until October 25, 2024.

[EXECUTIONS ON SEPARATE PAGE.]



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THIS AGREEMENT may be accepted by giving a copy thereof to the Purchaser with the Receiver's acceptance endorsed thereon. If so accepted prior to the expiration hereof, this Agreement shall constitute a binding contract between the Parties to purchase and sell the Purchased Assets on the terms and conditions herein set forth.

DATED the 21st day of October, 2024.

12755467 Canada Inc.

per: _____

Name: **Jeff Lal**

Title:

*I have authority to bind the
Purchaser.*

ACCEPTANCE

The Receiver hereby accepts this Agreement and covenants and agrees to sell the Purchased Assets to the Purchaser subject to and in accordance with the provisions and conditions hereof.

DATED the 21st day of October, 2024.

BDO CANADA LIMITED, solely in its capacity as Receiver and Manager of Chacon Holding Corp. and not in any personal, corporate or other capacity

per: _____

Name: **Peter Naumis**

Title: **Vice President**

*I have authority to bind the
Receiver.*

② L.M.

SCHEDULE "A"

LEASES

1. Lease between ATL Adventure Services Ltd., as tenant, and Chacon Holding Corp., as landlord, dated September 19, 2016, and Extension of Lease dated March 29, 2022.
2. Lease between Kent Metal Fabrication Ltd., as tenant, and Chacon Holding Corp., as landlord, dated January 1, 2017, Extension of Lease dated January 1, 2022, and Prepaid Rent Agreement dated September 14, 2023.
3. Lease between English Prestige Construction Management, as tenant, and Chacon Holding Corp., as landlord, dated January 15, 2017, Extension of Lease dated February 1, 2022, Amendment to Extension of Lease dated July 1, 2023, and Prepaid Rent Agreement dated May 3, 2023.
4. Lease between Jagir Contracting Inc., as tenant, and Chacon Holding Corp., as landlord, dated January 15, 2017, and Extension of Lease dated January 1, 2022.
5. Lease between Rio Sofa & Upholstery Ltd., as tenant, and Chacon Holding Corp., as landlord, dated October 10, 2020, and Extension of Lease dated October 18, 2023.
6. All other leases all offers to lease, agreements to lease, leases, lease amendments, renewal or extension agreements, subleases and other rights or licenses granted by or on behalf of the Owner or the Receiver or their respective predecessors in title to possess or occupy the Lands or any part or parts thereof as of the Purchase and Sale Agreement, together with all security, guarantees and indemnities of the tenants' obligations thereunder, in each case as amended, renewed or otherwise varied.

SV J-N

SCHEDULE "B"

FORM OF APPROVAL AND VESTING ORDER

See attached.

② f.w.

SCHEDULE "C"

LEGAL DESCRIPTION OF PURCHASED PROPERTY

Municipal Address: 25 Sun Pac Boulevard, Brampton, Ontario

Legal Description: PCL BLOCK 2-2, SEC 43M561; PT BLK 2, PL 43M561, PT 2, 43R13563;
BRAMPTON

PIN: 142090135

⑤ f.n.

SCHEDULE "D"

PERMITTED ENCUMBRANCES

General

1. **Easements:** All easements, servitudes and rights-of-way which are registered against the Property and which do not, and could not reasonably be expected to, materially adversely affect the value, use or operation of the Property as it is currently being used and operated, provided same are in compliance on Closing;
2. **Crown Grant:** The reservations, limitations, provisos and conditions expressed in the original grant from the Crown;
3. **Liens:** Any liens for realty taxes accrued but not yet due;
4. **His Majesty the King:** Unregistered liens, charges, adverse claims, security interests or other encumbrances of any nature claimed or held by His Majesty the King in Right of Canada, her agency or authority under or pursuant to any applicable legislation, statute or regulation, save and except for unregistered liens for public utilities and realty taxes which are due and payable;
5. **Expropriation:** All rights of expropriation of any federal, provincial or municipal authority or agency;
6. **Up-to-Date Survey:** Any defects, irregularities, easements or encroachments that might be revealed by any up-to-date survey of the Property;
7. **Land Use Control:** All applicable governmental orders, laws, by-laws and regulations respecting matters related to land use control;
8. **Utility Easements:** Any easement or right-of-way in favour of any utility (either municipal, private or public) whether it be for gas, water, electricity, cable and/or telephone, or otherwise, and any conveyance of any lands for streets, highways, parks, one foot reserves or to any municipality, or for any other public purpose to any public authority as required by relevant authorities having jurisdiction over the Property;
9. **Covenants:** Registered restrictive covenants, registered private deed restrictions, and other similar registered land use control agreements that do not materially impair the use, operation or marketability of the Property and provided that the terms and conditions thereof have been complied with;
10. **Minor Encroachments:** Minor encroachments by the Property over neighbouring lands including those permitted under registered agreements with neighbouring landowners and minor encroachments over the Property by improvements of neighbouring landowners including those permitted under registered agreements with neighbouring landowners that in either case do not materially impair the use, operation or marketability of the Property and in the case of those permitted under an agreement, provided that the terms and conditions thereof have been complied with;
11. **Minor Defects:** Any minor title defects, irregularities, easements, servitudes, encroachments, rights-of-way or other discrepancies in title or possession relating to the Property that do not materially impair the use, operation or marketability of the Property;

⑤ f.w.

12. **Land Titles Act:** Statutory exceptions, reservations or qualifications to title including the liabilities, rights and interests described in Section 44(1) of *the Land Titles Act* (Ontario), except Sections 44(1)(1), 44(1)(3), 44(1)(4) and 44(1)(11), and any rights reserved to or vested in any person by any statutory provision including rights of expropriation; and
13. **Permits:** Any open permit, building permit or permit application.

Specific Permitted Encumbrances

<u>Instrument No.</u>	<u>Description</u>
LT382800	Notice of Agreement between Arose Properties Limited, The Corporation of the City of Brampton, and The Regional Municipality of Peel registered on June 30, 1982.
LT695085	Notice of Agreement between Arose Properties Limited, The Corporation of the City of Brampton, and Vinod Gandhi and Adarsh Gandhi registered on November 4, 1986.

② P-N .

**Form 570**

for use in the Province of Ontario

Amendment to Agreement of Purchase and Sale - Commercial

**BETWEEN:****BUYER:** 12755467 Canada Inc.**AND****SELLER:** See belowRE: Agreement of Purchase and Sale - Commercial (Agreement) between the Seller and Buyer, dated the 21st day of October, 2024,concerning the property known as 25 Sun Pac BldvBrampton ON L6S 5P3 as more particularly described in the aforementioned Agreement.**The Buyer and Seller herein agree to the following amendment(s) to the aforementioned Agreement:**

Seller: BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER AND MANAGER OF CHACON HOLDING CORP. AND NOT IN ANY PERSONAL, CORPORATE OR OTHER CAPACITY

Delete:

(i) "Closing Date" means the tenth (10th) day following the issuance of the Approval and Vesting Order by the Court or such other date as may be agreed to in writing by the Purchaser and the Receiver.

2.2 Purchase Price for Purchased Assets

The purchase price payable by the Purchaser to the Receiver for the Purchased Assets shall be the sum of [REDACTED] (the "Purchase Price").

2.3 Payment of Purchase Price

The Purchase Price shall be paid by the Purchaser to the Receiver as follows:

(a) The Purchaser agrees to submit a collective deposit (the "Deposit") consisting of a first deposit of [REDACTED] within three (3) Business Days following the mutual acceptance of this Agreement, and a second deposit of [REDACTED] within three (3) Business Days upon the fulfillment of the conditions specified in Section 4.2 of the Agreement. Both the First Deposit and the Second Deposit shall be made by way of bank draft or wire transfer to the Receiver's solicitors, WeirFoulds LLP, in Trust; and

4.2 Conditions for the Purchaser

The obligation of the Purchaser to complete the agreement of purchase and sale constituted on the execution and delivery of this Agreement will be subject to the following conditions:

(a) on or before the Conditional Date, the Purchaser shall have given Notice to the Receiver that the Purchaser is satisfied in its sole, subjective and unreviewable discretion with the physical and environmental condition of the Property, title to the Property and the Permitted Encumbrances.

INITIALS OF BUYER(S):

JL

INITIALS OF SELLER(S):

PN



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**Form 570**

for use in the Province of Ontario

Amendment to Agreement of Purchase and Sale - Commercial

BETWEEN:**BUYER:** 12755467 Canada Inc.**AND****SELLER:** See belowRE: Agreement of Purchase and Sale - Commercial (Agreement) between the Seller and Buyer, dated the 21st day of October, 2024,concerning the property known as 25 Sun Pac BlvdBrampton ON L6S 5P3 as more particularly described in the aforementioned Agreement.**The Buyer and Seller herein agree to the following amendment(s) to the aforementioned Agreement:****Insert:**

(i) "Closing Date" means the thirtieth (30th) day following the issuance of the Approval and Vesting Order by the Court or such other date as may be agreed to in writing by the Purchaser and the Receiver.

2.2 Purchase Price for Purchased Assets

The purchase price payable by the Purchaser to the Receiver for the Purchased Assets shall be the sum of [REDACTED] (the "Purchase Price").

2.3 Payment of Purchase Price

The Purchase Price shall be paid by the Purchaser to the Receiver as follows:

(a) The Purchaser agrees to submit a collective deposit (the "Deposit") consisting of a first deposit of [REDACTED] within three (3) Business Days following the mutual acceptance of this Agreement, and a second deposit of [REDACTED] (the "Second Deposit") on January 8th, 2025. Both the First Deposit and the Second Deposit shall be made by way of bank draft or wire transfer to the Receiver's solicitors, WeirFoulds LLP, in Trust. The First Deposit and the Second Deposit shall be credited toward the Purchase Price at the Closing of the transaction.

INITIALS OF BUYER(S):*JL***INITIALS OF SELLER(S):***PN*

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IRREVOCABILITY: This Offer to Amend the Agreement shall be irrevocable by Buyer until 3:00
 (Seller/Buyer) (a.m./p.m.)
 on the 29th day of November, 2024, after which time, if not accepted, this Offer to Amend the Agreement shall be null and void.

For the purposes of this Amendment to Agreement, "Buyer" includes purchaser and "Seller" includes vendor.
 Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective solicitors who are hereby expressly appointed in this regard.

All other Terms and Conditions in the aforementioned Agreement to remain the same.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

12755467 Canada Inc.

(Witness)

Jeff Lal
 (Buyer/Seller/Authorized Signing Officer) **Jeff Lal**



11/28/2024

(Seal)

(Date)

(Witness)

(Buyer/Seller/Authorized Signing Officer)



(Seal)

(Date)

I, the Undersigned, agree to the above Offer to Amend the Agreement.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

Peter Naumis

(Witness)

(Buyer/Seller/Authorized Signing Officer)



11/28/2024

(Seal)

(Date)

(Witness)

(Buyer/Seller/Authorized Signing Officer)



(Seal)

(Date)

The undersigned spouse of the Seller hereby consents to the amendment(s) hereinbefore set out.

(Witness)

(Spouse)



(Seal)

(Date)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed

and written was finally accepted by all parties at this day of....., 20.....
 (a.m./p.m.)

Peter Naumis

(Signature of Seller or Buyer)

11/28/2024, 05:26:17 PM EST

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

(Seller)

(Date)

(Seller)

(Date)

Address for Service

(Tel. No.)

Seller's Lawyer

Address

Email

(Tel. No.)

(Fax. No.)

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

(Buyer)

(Date)

(Buyer)

(Date)

Address for Service

(Tel. No.)

Buyer's Lawyer

Address

Email

(Tel. No.)

(Fax. No.)

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APPENDIX IV

NATIONAL BANK OF CANADA

HIGH RISK LOAN MANAGEMENT UNIT

800 rue St-Jacques, 28 th floor

Montréal (Québec) H3C 1A3

Phone: - Fax:

STATEMENT OF ACCOUNT

Agent:	Trepanier, Melanie	Date:	2024-10-23
Debtor:	CHACON HOLDING CORP.,	Loan no:	20632908579
File:	CHACON HOLDING CORP.,	File no:	281461
T/L partner/corp f/r		Expiry date:	2025-07-26
Interest rate: t/fixe	3.390	As at:	2023-09-14
Debt no:	329618		
Outstanding interest:	5,693.94		
Asset:			

Date	Description	Debit	Credit	Principal balance	Days	Rate %	Interest	Interest balance	Balance princ. + int.
2023-09-14	Principal	5,544,680.26		5,544,680.26			5,693.94	5,693.94	5,550,374.20
2024-09-26	Legal disbursements	2,262.07		5,546,942.33	378	3.390	194,659.29	200,353.23	5,747,295.56
2024-09-26	Legal fees	16,857.48		5,563,799.81	0	3.390	0.00	200,353.23	5,764,153.04
2024-10-23	Legal disbursements	229.80		5,564,029.61	27	3.390	13,952.18	214,305.41	5,778,335.02
2024-10-23	Legal disbursements	382.81		5,564,412.42	0	3.390	0.00	214,305.41	5,778,717.83
2024-10-23	Legal fees	29,971.39		5,594,383.81	0	3.390	0.00	214,305.41	5,808,689.22
2024-10-23	Legal fees	2,531.11		5,596,914.92	0	3.390	0.00	214,305.41	5,811,220.33

TOTAL		5,596,914.92	0.00		405		214,305.41		5,811,220.33
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Daily interest 519.82

This statement supercedes all previous statements. Note that there may be changes from previous statement reflected on this statement. Disregard previous statements. E. & O.E.

NATIONAL BANK OF CANADA

HIGH RISK LOAN MANAGEMENT UNIT

800 rue St-Jacques, 28 th floor

Montréal (Québec) H3C 1A3

Phone: - Fax:

STATEMENT OF ACCOUNT

Agent:	Trepanier, Melanie	Date:	2024-10-23
Debtor:	CHACON HOLDING CORP.,	Loan no:	xxxxxxxxxxx8951
File:	CHACON HOLDING CORP.,	File no:	281461
Mastercard		Expiry date:	2025-07-26
Interest rate:	t/fixe 18.000	As at:	2024-04-12
Asset:			
		Debt no:	n/a
		Outstanding interest:	10,710.00

Date	Description	Debit	Credit	Principal balance	Days	Rate %	Interest	Interest balance	Balance princ. + int.
2024-04-12	Principal	104,198.00		104,198.00			10,710.00	10,710.00	114,908.00
2024-10-23	Interest			104,198.00	194	18.000	10,966.00	20,678.75	124,876.75

TOTAL		104,198.00	0.00		194		21,676.00		125,874.00
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Daily interest 51.39

This statement supercedes all previous statements. Note that there may be changes from previous statement reflected on this statement. Disregard previous statements. E. & O.E.

APPENDIX V

October 9, 2024

Delivered by Email

Peter Naumis
BDO Canada Limited
360 Oakville Place Drive, Suite 500
Oakville, ON. L6H 6K8

Re: 2439656 Ontario Inc. and MS Capital Corp. – Mortgage Statement
Mortgaged Property: 25 Sunpac Blvd., Brampton, Ontario
STS File No. 24-14

Further to your request, below please find the amounts required to discharge our clients' mortgage as of October 10, 2024:

Amount as Per Judgment:	\$3,915,516.99
Accrued Interest from January 19, 2024 to October 10, 2024:	\$453,127.22
For Legal Fees for Mortgage Enforcement for ASPC:	\$28,613.64
For Legal Fees for Mortgage Enforcement for Minhas Lawyers LLP:	\$5,897.73
For Legal Fees for Mortgage Discharge or Assignment:	\$1,695.00
For E-Reg Fee:	\$83.11

Amount Due as of October 10, 2024:	\$4,404,933.69
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(Per Diem = \$1,716.39)

Please note that this statement shall be valid only until October 15, 2024 at 5:00 p.m.

I have enclosed copies of the Judgment and my trust account details. Please note that if you intend to do a wire, please add \$17.50.

Thank you.

Page 2

Yours very truly,

SIDHU TANNENBAUM SHOKAR LAW

Amandeep Sidhu

Amandeep Sidhu, C.S.

AS:as

Encl.

c.c. Manpreet Minhas

c.c. Wojtek Jaskiewicz

c.c. Alex Fernet Brochu



Court File No. CV-23-3785-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

2439656 ONTARIO INC. and MS CAPITAL CORP.

Plaintiffs

and

**CHACON HOLDING CORP., SURINDER KAUR CHAHAL,
PARMINDER CHAHAL and SAWARAN CHAHAL**

Defendants

JUDGMENT

On reading the Statement of Claim in this action and the proof of service of the Statement of Claim on the Defendants, filed, and the Defendants having been noted in default.

1. **IT IS ORDERED AND ADJUDGED** that the Defendants pay to the Plaintiffs the sum of \$3,915,516.99, as of January 18, 2024, and the sum of \$ 1,267.50 for the costs of this action.

2. **IT IS ORDERED AND ADJUDGED** that the Defendant, Chacon Holding Corp., deliver to the Plaintiffs possession of the land referred to in Schedule "A".

This judgment bears interest at the rate of 16% per annum from January 19, 2024 and the costs order bears interest at the rate of 4% per annum from January 19, 2024.

Date: January 18, 2024

Signed by _____

491 Steeles Ave. East
Milton, Ontario

Schedule "A"

PIN: 14209 – 0135 LT

Description: PCL BLOCK 2-2, SEC 43M561; PT BLK 2, PL 43M561, PT 2,
43R13563 ; BRAMPTON

Address: 25 Sun Pac Blvd., Brampton, Ontario L6S 5P6

Land Registry Office No. 43

2439656 ONTARIO INC. et al.
Plaintiffs

and

CHAHAL et al.
Defendants
Court File No. CV-23-3785-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT MILTON

JUDGMENT

KEYSER MASON BALL LLP
Barristers & Solicitors
3 Robert Speck Parkway, Suite 900
Mississauga, ON. L4Z 2G5

Amandeep Sidhu (LSO# 613080)
Telephone No.: (905) 276-0401
Email: asidhu@kmblaw.com

Lawyers for the Plaintiffs

TRUST ACCOUNT

Customer Name

AMANDEEP SIDHU PROFESSIONAL CORPORATION, IN TRUST

**Please add \$17.50 if you
are doing a wire**

Transit No.

0	5	9	3	2
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Inst. No.

0	0	4
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Account No.

5	2	5	2	1	4	8
---	---	---	---	---	---	---

Use the account details provided to set up Direct Deposits and Pre-Authorized Debit Payments.

.....

Direct Deposit

Direct Deposit is the most convenient way to receive recurring deposits (i.e. pay, pension, government payments, annuity, interest, etc.) with immediate access to funds. There are no holds on your funds or a need for special trips to your local branch or ATM to deposit your cheques.

To set up a Direct Deposit with the federal government:

1. Visit **www.directdeposit.gc.ca** for a Government of Canada Direct Deposit enrolment form and use your account information from the fields above when completing the form.
2. If you do not have a cheque to void, have your local TD Canada Trust branch stamp the enrolment form.
3. Once complete, mail the enrolment form to the address provided.

Note: Additional information may be required on the form such as your Social Insurance Number or date of birth. The form includes a toll free number for support with completing the form.

To set up a Direct Deposit with your employer:

1. Provide your account information from the fields above to the payroll department of your employer or company pension provider.

Pre-Authorized Debit (PAD)

A Pre-Authorized Debit (PAD) is an automatic withdrawal taken directly from your TD Canada Trust account by a company or financial institution that you have authorized to do so. PAD is a great way for you to save time with bill payments (i.e. utilities, credit cards) you pay by mail, at the ATM, in branch or by phone; and may help you avoid late fees.

To set up a PAD:

1. Call or visit the website of the company you wish to set up a Pre-Authorized Debit (PAD) with to obtain a PAD Agreement and use your account information noted from the fields above when completing the Agreement.
2. If the company allows for online form submission on its website, you will need to first register for its website and should follow the instructions provided.

*Note: If your billing company accepts Visa Debit in Canada (or Visa internationally) and you have the **enhanced TD Access Card**, setting up a PAD will be easier than ever! Simply provide them with the card's 16 digit number in place of the account information noted above.*

Reminder: If you are setting up a Direct Deposit or Pre-Authorized Debit to a Tax-Free Savings Account other conditions apply. Only the TFSA Holder may make contributions to the account. It is the responsibility of the TFSA Holder to ensure that no contribution exceeds the maximum permitted under applicable tax legislations. Penalty taxes may apply on over-contributions. For further details, please contact the Canada Revenue Agency.

APPENDIX VI

IN THE MATTER OF THE RECEIVERSHIP OF
CHACON HOLDING CORP.
OF THE CITY OF BRAMPTON
IN THE REGIONAL MUNICIPALITY OF PEEL,
IN THE PROVINCE OF ONTARIO.

RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
As at December 2, 2024

RECEIPTS

Rental Income, note 1	\$ 70,625.10
HST Collected	9,181.28
Interest	339.57
TOTAL RECEIPTS	<u>80,145.95</u>

DISBURSEMENTS

Filing fee	80.42
Utilities	2,943.97
Insurance	1,798.78
HST Remitted	5,746.00
TOTAL DISBURSEMENTS	<u>10,569.17</u>
EXCESS RECEIPTS OVER DISBURSEMENTS	<u><u>\$ 69,576.78</u></u>

Notes:

1. Total rental income collected and reported above is inclusive of Jagir Contracting's NSF payments for a portion of September 2024 rent and all of October rent. The NSF cheques have been replaced with post dated cheques. Additionally, Jagir Contracting have provided post dated cheques for November and December rent. All post dated cheques received are dated subsequent to the date of the First Report. Accordingly, the Receiver cannot confirm if Jagir's rent arrears will be cleared.

APPENDIX VII

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

2439656 ONTARIO INC. and MS CAPITAL CORP

Applicants

- and -

CHACON HOLDING CORP.

Respondents

AFFIDAVIT OF PETER NAUMIS

I, PETER NAUMIS, of the City of Mississauga, of the Regional Municipality of Peel, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Vice President of BDO Canada Limited (“**BDO**”), Court appointed receiver of Chacon Holding Corp. (“**Chacon**”) (in such capacity, the “**Receiver**”), and as such have knowledge of the matters hereinafter deposed.
2. The Receiver was appointed pursuant to an Order of the Honourable Madam Justice Shaw dated August 16, 2024 (the “**Order**”).
3. Pursuant to the Order, the Receiver has provided services and incurred disbursements, which are more particularly described in the detailed accounts attached hereto as **Exhibit “A”**.
4. The hourly billing rates set out in the Receiver’s accounts are normal hourly rates charged by BDO for services rendered in relation to similar proceedings.

LEB

Expires November 21, 2025.

11

P. Ram

Peter Naumis

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF PETER NAUMIS

Sworn before me

This 9th day of December, 2024



Commissioner for taking Affidavits, etc.

**Stephanie Anne Burrowes, a Commissioner,
etc., Province of Ontario, for BDO Canada
Limited.**

Expires November 21, 2025.



Tel: 905 615 8787
Fax: 905 615 1333
www.bdo.ca

BDO Canada Limited
360 Oakville Place Drive, Suite 500
Oakville ON L6H 6K8 Canada

In the Matter of the Receivership of
Chacon Holding Corp.
c/o BDO Canada Limited
360 Oakville Place Drive
Suite 500
Oakville, Ontario
L6H 6K8

Date	Invoice No.
December 9, 2024	#CINV - TBD

Re: Court-Appointed Receivership

FOR PROFESSIONAL SERVICES RENDERED for the period commencing April 19, 2024 to December 6, 2024 inclusive per attached detail:

Our Fee	\$ 64,151.25
Disbursements	
Courier/Postage	0.98
Mail Redirection	294.00
Travel	223.64
	<u>518.62</u>
	64,669.87
HST - 13.00% (R101518124)	8,407.08
TOTAL	<u><u>\$ 73,076.95</u></u>

	Hours	Rate	Amount
M. Marchand, Partner	1.00	650.00	650.00
P. Naumis, Senior Manager	62.70	575.00	36,052.50
S. Burrowes, Senior Manager	45.85	537.10	24,626.25
R. George, Senior Analyst	5.50	300.00	1,650.00
T. Montesano, Senior Analyst	0.70	300.00	210.00
Administrative Support	5.50	175.00	962.50
	<u>121.25</u>		<u>\$ 64,151.25</u>



Tel: 905 615 8787
Fax: 905 615 1333
www.bdo.ca

BDO Canada Limited
360 Oakville Place Drive, Suite 500
Oakville ON L6H 6K8 Canada

Date	Employee	Timekeeper Comment	Hours
2024-04-19	Peter Naumis	Review/discussion regarding KMB and WF potential receivership.	0.50
2024-04-30	Peter Naumis	Continued discussions with counsel and counsel for appointing creditor. Review PIN, etc.	1.00
2024-05-01	Peter Naumis	Update, status of materials, National Bank mortgage, etc. Comments and execute Consent to Act.	0.50
2024-06-21	Peter Naumis	Various discussions with National Bank re: request by 2nd mortgagee for BDO to act as Receiver and July 9 application. Call with National Bank and its counsel BLG. Call with Counsel for 2nd and receiver's proposed counsel to discuss National Bank concerns for transparency, etc. Various discussions in preparation of appointment.	2.00
2024-08-16	Peter Naumis	Attend and participate at receiver's application before Justice Shaw. Correspondence with debtor.	2.00
2024-08-16	Stephanie Burrowes	Instruct Maxine to open up time code. Instruct IT to set up website. Discuss taking possession with Peter. Discuss file with Riyan and tasks to complete. Email Riyan samples of correspondence with instructions to start drafting Notice, insurance letter and CRA correspondence. Emails with IT re: set up Receivership website.	0.60
2024-08-16	Peter Naumis	Correspondence with National Bank and second mortgagee re: drive by update, information relating to tenants and leases, valid insurance in place, etc.	0.50
2024-08-19	Stephanie Burrowes	Attend to receivership website.	0.10
2024-08-20	Peter Naumis	Follow up on status of court order.	0.25
2024-08-20	Stephanie Burrowes	Attend Chacon Holdings and meet with Parminder and Chris to tour property and obtain information. Request IT to open a Global Portal. Downloaded photos.	4.00
2024-08-20	Peter Naumis	Travel to premises, meet with Christopher and Parminder. Initial discussion re: books and records, tenancy, commercial tenants, sales process, etc. Answer queries re: receivership process.	2.00
2024-08-21	Peter Naumis	Update on ETA for court order. Correspondence with Christopher and Parminder re: portal and document upload. Correspondence with stakeholders.	0.50
2024-08-22	Stephanie Burrowes	Invite users to global portal. Update insurance letter and fax to broker.	0.40
2024-08-22	Peter Naumis	Update on court order. Discussions with counsel. Discussions with Christopher B. re: uploading books and records to portal. Correspondence to Parm Chahal and Christopher.	0.50

2024-08-23	Stephanie Burrowes	Review Notice of Receiver with Riyan and make changes to same. Organize and save documents sent by the Company. Instructions to Riyan for drafting letters to the banks. Review email to update creditors and respond with changes.	1.50
2024-08-23	Peter Naumis	Chase management for books and records and information requests. Initial update to stakeholders.	1.25
2024-08-23	Riyan George	Prepare the Notice of Receiver s.245 notice. Prepare a letter to the insurance company/broker requesting BDO be added to the insurance policy.	4.00
2024-08-26	Stephanie Burrowes	Finalize notice of receiver. Email notice to the unsecured creditors. Instructions to Tony to mail to secured creditors. Tried completing mail redirect but continued to get error message. Review banking letters for 5 banks. Make changes and sign same. Instructions to Riyan to fax same to the banks. Fax to CRA requesting RT0002 to be opened. Faxed notice to the OSB.	1.50
2024-08-26	Peter Naumis	Correspondence from and to debtor re: outstanding information request and books and records. Review and comment on draft Notice of Receiver. Begin reviewing former employee emails provided by Export Packers.	1.25
2024-08-26	Tony Montesano	Correspond with S. Burrowes; arrange for mailing of Receivers Notice to the secured creditors.	0.70
2024-08-26	Riyan George	Prepared notice of receivership letters to all Banks which Chacon holds accounts under.	1.50
2024-08-27	Stephanie Burrowes	Review utility information. Email company regarding the different utility accounts and entities they are under. Leave message for insurance provider. Complete checklists/forms. Review lease agreements. Update rent roll. Draft direction of payment letters for tenants. Request their email addresses. Call with insurance broker. Correspond with the Region of Peel. Attend post office and complete mail redirect. Fax banking letter to TD.	3.00
2024-08-27	Peter Naumis	Preliminary review of the additional information provided. Note concerns and deficiencies. Discussions with Stephanie. Update and note to Debtor with identified discrepancies re: leases, payments, etc.	1.75
2024-08-28	Stephanie Burrowes	Prepare mailings for tenant letters for rent collections. Discussions with Peter regarding remaining tasks.	0.60



Tel: 905 615 8787
Fax: 905 615 1333
www.bdo.ca

BDO Canada Limited
360 Oakville Place Drive, Suite 500
Oakville ON L6H 6K8 Canada

2024-08-29	Peter Naumis	Attend 25 Sun Pac Blvd. Meet with Rachit, discuss books and records and slow co-operation. Drop rent attornments and copy of order for three non-arm's length tenants at reception. Attend at Rio Sofa and ATL with Rachit to meet owners and provide copy of order and attornment. Owners not onsite. Hand Order and attornment to employees. Rachit explained to them receivership. Employees did not speak English.	1.50
2024-08-29	Stephanie Burrowes	Email 5 tenants copy of order and direction letter for rent payments. Email CBRE and Freeway Group to arrange property tours for listing proposals. Call previous realtor who submitted offer and emailed to see if their client is still interested. Call with Arsh, the realtor who submitted the offer. Draft letter to Alectra to change utilities and email same. Email to Owen for listing proposal.	1.30
2024-09-03	Peter Naumis	Review acknowledgment and direction re: registering on title. Comment and execute. Admin update call with Stephanie. Follow up with Debtor on September rents, missing information and lack of co-operation/responsiveness.	1.25
2024-09-03	Stephanie Burrowes	Email tenants regarding September rent. Email realtors (3) further information on property. Email Cushman to see if they want to submit a listing proposal. Email to Chris regarding access to do tours of property.	1.00
2024-09-04	Stephanie Burrowes	Left message for insurance broker. Call with Jeff from CBRE. Forward copy of leases to Jeff. Call with Smita, the insurance broker regarding having the policy changed to us. Email response to Raymond at Cushman regarding listing proposal and send him information.	1.00
2024-09-04	Lourdes Dula (Terminated)	Filled out all the banking fields, email request to RBC to open a new bank account, per request, sent the banking info to the Trustee.	0.80
2024-09-04	Peter Naumis	Correspondence with debtor re: missing information. Chase tenants re: September rent. Review leases for default provisions.	0.75
2024-09-05	Stephanie Burrowes	Email response to Herj to arrange tours of property. Emails to realtors to arrange tours. Call with Ray from Cushman regarding the property and tour. Review and create excel of construction payments made by EPCM and Kent as prepaid rent. Emails with insurance provider. Review bank statements regarding rent payments. Call TD and email to branch manager to obtain banking information. Email response to Alectra. Email to Rocco regarding snow removal and grass cutting services.	2.80

2024-09-05	Peter Naumis	Work through various emails and information provided. Discussion with Stephanie re: findings on "prepaid" rent analysis, costs, supporting documents, etc. Correspondence with tenants and debtor.	1.50
2024-09-06	Peter Naumis	Tenant interaction (RIO & ATL) re: monthly postdated rent cheques and evidence of valid tenant insurance in accordance with the lease. Further review of discrepancies in leases, non-payments, missing information, etc. Draft correspondence of deficiencies to Chris, Parm and Herj. Update and discussions with Stephanie.	1.25
2024-09-06	Stephanie Burrowes	Attend location to meet with tenants and pick up rent cheques and insurance.	0.50
2024-09-09	Peter Naumis	Update from Stephanie re: realtor showings and initial thoughts. Update to receiver's counsel re: concerns identified, building buildout potential deficiencies, etc.	0.40
2024-09-09	Stephanie Burrowes	Attend Chacon to meet with 3 different realtors to obtain listing proposals.	3.50
2024-09-10	Stephanie Burrowes	Email to Rocco, forwarding him pictures of property for snow and grass maintenance quotes. Respond to TD. Call with legal counsel to discuss rents, tenants and construction. Returned CRA's call and left message. Call with Abby from CRA. Forward documentation to realtors. Call with Rodrigo, realtor, has interested party in property. Emails with Owen to set up realtor proposal.	2.00
2024-09-10	Peter Naumis	Call with Receiver's counsel re: concerns and findings. Review draft email and correspondence for information requests. Discuss next steps and comments.	0.50
2024-09-11	Stephanie Burrowes	Deposit slips for rent. Respond to realtor and several emails. Follow up with Herj for access. Review utility invoice from mail redirect.	0.70
2024-09-11	Lourdes Dula (Terminated)	Entered, posted deposit entries for banking, updated/entered/accrued various postdated cheque.	0.70
2024-09-11	Franca Iannilli	Mail, scan, save and email staff.	0.10
2024-09-12	Franca Iannilli	Respond to email and print out Notice of Receiver and Receiver's Statement and mail to Region of Peel.	0.10
2024-09-12	Stephanie Burrowes	Email IT to update website.	0.20
2024-09-13	Peter Naumis	Travel to property, meet with Lee & Associates re: listing proposal. Tour property. Meet with Herj. Collect Rio postdated cheques. Further demand for tenant insurance. Review and receive same from Rio. Email issue/concerns to Chris and Parm.	1.75
2024-09-15	Stephanie Burrowes	Attend to utility invoices.	0.10

2024-09-16	Stephanie Burrowes	Follow up regarding insurance policy.	0.10
2024-09-17	Stephanie Burrowes	Email response to Laurant at Alectra regarding utility accounts. Email to Region of Peel regarding the water account. Email response to CBRE.	0.50
2024-09-18	Peter Naumis	Correspondence with counsel re: non-compliance from non-arm's length tenants and information requested. Follow up email for missing information, rent payment and evidence of insurance. Correspondence to property manager and termination. Follow up with arm's length tenant re: tenant insurance policy.	0.75
2024-09-18	Franca Iannilli	Prepare cheque requisition for Filing Fees, scan save and email to Toronto office, update the ASCEND notes.	0.15
2024-09-18	Stephanie Burrowes	Review listing proposals from Freeway, Lee & Associates and Cushman's and prepare comparison chart. Call with CBRE to discuss listing proposal. Discuss listing proposals with Peter.	1.90
2024-09-18	Gabriela Arenas	Processed cheque requisition, printed and sent cheque to Oakville office.	0.20
2024-09-19	Stephanie Burrowes	Email response to Enbridge. Add CBRE listing proposal to comparisons. Discuss potential realtors and their proposals with Peter. Response to Owen at Lee & Associates.	0.80
2024-09-19	Franca Iannilli	Photocopy cheque, scan to the directory. Update ASCEND and e-file filing fees, update the ASCEND notes, mail out cheque.	0.15
2024-09-20	Stephanie Burrowes	Call with legal counsel and secured creditors representatives to discuss listing proposals. Emails to CBRE and Cushman's regarding their proposals.	1.00
2024-09-20	Peter Naumis	Call with stakeholders, review realtor listing proposal, discuss options and recommended directions. Update stakeholders on issues with related party tenants.	1.00
2024-09-23	Lourdes Dula (Terminated)	Posted deposit entry for banking.	0.20
2024-09-24	Stephanie Burrowes	Call with Cushman's and CBRE regarding listing proposals. Review new proposals submitted. Updated listing proposal comparison. Review documents received from Rachit including invoice support for prepaid rent for EPCM and updated spreadsheet regarding same to include invoices.	2.00
2024-09-24	Peter Naumis	Call with Cushman's and CBRE re: listing proposals and requested revisions. Correspondence with Freeway Real Estate. Update to stakeholders.	1.25
2024-09-25	Franca Iannilli	Mail, scan save and email staff.	0.10
2024-09-25	Stephanie Burrowes	Respond to Rocco regarding grass/snow removal quote. Follow up with insurance.	0.20



Tel: 905 615 8787
Fax: 905 615 1333
www.bdo.ca

BDO Canada Limited
360 Oakville Place Drive, Suite 500
Oakville ON L6H 6K8 Canada

2024-09-27	Peter Naumis	Call with stakeholders re: revised listing agreements and consensus. Review Rachit email re: Receiver's queries and respond.	1.25
2024-09-27	Franca Iannilli	Mail, scan, save and email staff.	0.10
2024-10-01	Peter Naumis	Update from proposed realtor re: signage and listing agreement. Correspondence with related tenants re: information and rent due. Forward reworded listing agreement to Freeway. Correspondence and update to realtors submitting proposals. Update from Rachit re: missing buildout documents, solar panel information, etc.	1.30
2024-10-02	Franca Iannilli	Mail, scan, save and email staff.	0.10
2024-10-02	Peter Naumis	Call with Weir Foulds re: second floor buildout and compliance. Update and discussions with realtor.	0.75
2024-10-03	Gabriela Arenas	Received post-dated cheques. Entered them in the system, and organized records accordingly.	0.30
2024-10-04	Peter Naumis	Update from realtor. Correspondence with tenant Jagir re: lease default. Update with realtor re: data room, inclusions, NDA, etc. Comments.	1.25
2024-10-04	Franca Iannilli	Mail, scan, save to directory, email staff.	0.15
2024-10-07	Peter Naumis	Updates from realtor. Forward prior Agreement of Purchase and Sale for follow up by Freeway. Correspondence with Debtor re: build out information. Creditor query. Realtor queries re: rent roll, tenant issues, etc.	1.50
2024-10-08	Peter Naumis	Discussion and update with realtor. Call with counsel re: debtor redemption of security. Correspondence with Rachit.	0.50
2024-10-09	Peter Naumis	Call with counsel re: Receiver's form of APS, tenant matters, etc. Call from and to Rachit. Communication with realtor and data room.	1.00
2024-10-09	Franca Iannilli	Mail, scan, save and email staff.	0.10
2024-10-15	Stephanie Burrowes	Email response to prospective purchaser.	0.20
2024-10-15	Peter Naumis	Call with realtor re: LOI. Call from interested party, discuss possible offer, etc. Update status.	0.75
2024-10-16	Peter Naumis	Call with realtor re: LOI and terms. Discuss receiver's purchase agreement, unacceptable conditions, etc. Review NDA and approve access to data room Call with National Bank counsel re: payout statement and update on marketing. Correspondence from anxious creditor re: assets and other properties. Review allegations confirm other real estate in name of separate entity. Counteroffer before Receiver.	1.75

2024-10-16	Franca Iannilli	Photocopy cheques, prepare cheque deposit, scan to approve, scan signed and send now to Toronto.	0.15
2024-10-17	Peter Naumis	Correspondence with debtors re: redemption. Review draft APS, comments and forward to counsel for review. Update to realtor. Receive and review new offer. Sign back. Various correspondence with Rachit and debtors re: redemption. Update and correspondence with counsel for National Bank of Canada.	2.00
2024-10-17	Stephanie Burrowes	Forward notice of receiver to requesting creditor. Email to legal counsel regarding CRA question.	0.40
2024-10-18	Peter Naumis	Realtor correspondence, various NDA's, review and approve. Sign back offer. Correspondence from and to counsel for secured lender.	1.00
2024-10-18	Stephanie Burrowes	Email response to creditor. Call to CRA regarding scheduling trust exam.	0.20
2024-10-21	Peter Naumis	Correspondence from and to Rachit re: rent hold. Discussions with counsel and update from realtor. Advised to hold off submitting sign back. Revisit LOI and counter. Revise and send to realtor. Correspondence with counsel and realtor. Receive and review offer. Comments and sign back.	2.00
2024-10-21	Stephanie Burrowes	Call with Peter, an investor of Chacon. Emailed him information as well.	0.30
2024-10-21	Gabriela Arenas	Received cheques. Reordered them in the system. Deposited them at the bank.	0.40
2024-10-22	Peter Naumis	Realtor correspondence. Update and correspondence with counsel. Related party tenant correspondence and request to hold rent. Updated and receipt of Conditional PSA. Confirm deposit payment.	1.00
2024-10-23	Peter Naumis	Realtor correspondence. New NDA, offer deposit, etc. Counsel correspondence re: court date. Receive and review National Bank payout statement. Discussions with counsel.	0.50
2024-10-24	Peter Naumis	Correspondence from realtor and update re: first deposit.	0.25
2024-10-24	Franca Iannilli	Scan, save invoice to the directory email staff.	0.10
2024-10-31	Peter Naumis	Realtor update. Creditor query. Correspondence form and to Tajinder Kaur Sivia.	0.50
2024-10-31	Stephanie Burrowes	Review September bank reconciliation.	0.05
2024-11-01	Peter Naumis	Realtor update, conditions, due diligence, etc. Review proposals submitted for snow clearing. Query.	0.40
2024-11-04	Peter Naumis	Realtor correspondence and update. Correspondence from counsel for National Bank.	0.50

2024-11-07	Peter Naumis	Update from and to realtor re: status of purchaser due diligence. Draft lease assumption review. Correspondence with counsel.	0.75
2024-11-07	Gabriela Arenas	Received, recorded and deposited cheques at the bank.	0.20
2024-11-11	Peter Naumis	21-day due diligence period expires. Follow up with realtor. Correspondence with counsel. Review draft extension and comment.	0.75
2024-11-12	Peter Naumis	Update from realtor. Review November rent collection, issue default notice to Jagir.	0.25
2024-11-13	Stephanie Burrowes	Review HST account re: arrears of RT0001. Left message for Lisa at CRA regarding an audit. Review court order re: potential powers to bankrupt company.	0.30
2024-11-13	Franca Iannilli	Mail, scan save and email staff.	0.15
2024-11-13	Peter Naumis	Update with realtor re: lease assumptions, status of ESA report, etc. Follow up with counsel. Correspondence with Jagir re: rent arrears, status of November payment, etc. Call with Rachit.	1.00
2024-11-14	Stephanie Burrowes	Review and approve cheque requisition and sign cheque.	0.10
2024-11-14	Gabriela Arenas	Processed cheque requisition. Printed cheque and arranged delivery to Oakville office.	0.30
2024-11-15	Stephanie Burrowes	Left message for Lisa at CRA. HST filing tracker. File HST for August - October. Cheque requisition to pay same and instructions to staff. Draft first report to court.	1.90
2024-11-15	Peter Naumis	Update with Stephanie re: pre-filing HST account, CRA audit, outstanding returns and incomplete information. Update from realtor re: conditional date and conditions.	0.30
2024-11-15	Gabriela Arenas	Processed cheque requisition and arranged cheque to be sent to Oakville office.	0.30
2024-11-18	Stephanie Burrowes	Draft court report.	1.80
2024-11-19	Stephanie Burrowes	Draft court report and confidential supplement to the court report.	3.20
2024-11-19	Peter Naumis	Call from realtor re: debtor interference with sale, removal of realtor signage, debtor advice they own building and paid out mortgages, etc. Correspondence to debtor re: interference.	1.00
2024-11-20	Franca Iannilli	Scan, save and mail out cheque to Region of Peel.	0.10
2024-11-20	Peter Naumis	Correspondence with counsel. Update from realtor re: waiver of conditions with the exception of building condition report. Update with Stephanie re: CRA and HST exposure, outstanding returns, audit, etc.	1.00



Tel: 905 615 8787
Fax: 905 615 1333
www.bdo.ca

BDO Canada Limited
360 Oakville Place Drive, Suite 500
Oakville ON L6H 6K8 Canada

2024-11-20	Stephanie Burrowes	Call with Lisa from CRA regarding outstanding RT and RC returns. Email update to Peter.	0.30
2024-11-21	Stephanie Burrowes	Court report. Review rents.	1.50
2024-11-22	Peter Naumis	Realtor update. Call from National Bank counsel.	0.30
2024-11-22	Stephanie Burrowes	Draft court report and confidential court report.	2.00
2024-11-26	Peter Naumis	Correspondence and amended offer from Freeway. Counter. Various calls with Freeway re: counter price, etc. Discuss and provide instructions. Draft summary of payouts. Correspondence to Jagir re: rent default.	2.00
2024-11-27	Peter Naumis	Correspondence form and to National Bank re: update on offer and conditional period. Follow up with realtor re: revised offer, price abatement, closing timeline.	0.50
2024-11-28	Peter Naumis	Review amended APS received re: purchase and deposit adjustments. Note deficiencies. Call to Freeway to discuss. Forward recommended adjustments for review and update.	1.50
2024-11-28	Franca Iannilli	Mail, photocopy cheque and prepare for deposit, email Gabriela for NSF.	0.15
2024-12-02	Gabriela Arenas	Updated direct debit payment in Ascend. Received cheques. Entered cheques in Ascend. Deposit them at the bank.	0.40
2024-12-02	Peter Naumis	Call and email from debtor re: disclosure of sale price, ground maintenance, etc. Follow up with realtor re: ground maintenance. Creditor queries. Follow up with CRA.	1.00
2024-12-02	Stephanie Burrowes	Amendments to first court report.	1.00
2024-12-03	Peter Naumis	Correspondence with realtor re: upcoming lease expiry. Review leases and terms to confirm. Correspondence from former building operations manager re: ground maintenance, etc. Update from realtor re: snow clearing. Discussions with Stephanie re: Receiver's report, fee affidavit, etc.	1.25
2024-12-03	Stephanie Burrowes	Amendments to Court Report, Confidential Court Report. Complete interim R&D and fee affidavit.	1.30
2024-12-04	Peter Naumis	Review report, comments, update. Correspondence with counsel.	3.00
2024-12-05	Peter Naumis	Continued court report updating and revisions. Confidential supplementary. Field calls from interested party.	3.00
2024-12-06	Peter Naumis	Revisions and comments to First Report and Confidential Supplemental. Assemble appendices.	1.00
2024-12-06	Matthew Marchand	Review and comment on first report; review and comment on confidential supplemental report.	1.00
			121.25

APPENDIX VIIK

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

2439656 ONTARIO INC. and MS CAPITAL CORP.

Applicants

- and -

CHACON HOLDING CORP.

Respondent

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

AFFIDAVIT OF PHILIP CHO

I, **Philip Cho**, of the City of Toronto, in the Province of Ontario, **MAKE OATH**

AND SAY:

1. I am a Partner at the law firm of WeirFoulds LLP (“**WeirFoulds**”), lawyers for BDO Canada Limited, as receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Chacon Holdings Corp., in this proceeding. As such, I have knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out below, I state the source of my information and verily believe such information to be true.

2. Attached hereto and marked as **Exhibit “A”** to this affidavit is a summary of fees during the periods from April 19, 2024 to August 13, 2024; August 14, 2024 to August 31, 2024;

and September 1, 2024 to November 30, 2024. Attached hereto and marked as **Exhibit “B”** are true copies of the accounts rendered between April 19, 2024 to August 13, 2024; August 14, 2024 to August 31, 2024; and September 1, 2024 to November 30, 2024, which contains detailed descriptions of the services provided by WeirFoulds pursuant to the Receiver’s instructions. The accounts indicate that the following individuals at our firm provided services:

<u>Name</u>	<u>Position</u>	<u>2024 Hourly Rate</u>	<u>Total Hours</u>	<u>Year of Call</u>
Wojtek Jaskiewicz	Partner	\$725	13.20 5.40 24.60	2004
Patrick Nugent	Partner	\$750	0.50 5.20	1999
Raj Kehar	Partner	\$650	1.10	2011
Yalda Mousavi	Associate	\$375	1.30 13.00	2024
Irene Warman	Law Clerk	\$385	0.80 1.30	N/A
Bobbie-Jo Brinkman	Law Clerk	\$290	1.80	N/A
Sharon Holden	Law Clerk	\$225	0.20	N/A

3. The work was, to the best of my knowledge, all performed, and the billing rates are the normal billing rates for the individuals who performed the work. Except to the extent that fees were discounted as expressly indicated on certain accounts, there were no additional or special compensation arrangements entered into with the Receiver and as a result, all of the amounts billed were properly due and owing.

SWORN by **Philip Cho** at the City of Toronto,)
 in the Province of Ontario, before me on)
 December 9, 2024 in accordance with)
 O. Reg. 431/20, Administering Oath or)
 Declaration Remotely.)



LSO #90229S

A Commissioner for Taking Affidavits, etc.)
)



PHILIP CHO

This is **Exhibit “A”** referred to in the Affidavit of Wojtek Jaskiewicz sworn by **Philip Cho** at the City of Toronto, in the Province of Ontario, before me on December 9, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



LSO #90229S

A Commissioner for Taking Affidavits, etc.

SUMMARY OF FEES AND DISBURSEMENTS

Account Period	Fees	Disbursements	HST	Account Total (including taxes)	Hours and Rates Lawyers/Law Clerks
19/04/2024-13/08/2024	\$9,570.00	\$0.00	\$1,244.10	\$10,814.10	WJ – 13.20 hours @ \$725.00
14/08/2024-31/08/2024	\$5,085.50	\$40.95	\$666.44	\$5,792.89	WJ – 5.40 hours @\$725.00 PN – 0.50 hours @\$750.00 YM – 1.30 hours @\$375.00 IW – 0.80 hours @ \$385.00
03/09/2024-30/11/2024	\$28,392.50	\$127.80	\$3,707.64	\$32,297.89	WJ – 24.60 hours @\$725.00 PN – 5.20 hours @\$750.00 RK – 1.10 hours @ \$650.00 YM – 13.00 hours @\$375.00 IW – 1.30 hours @ \$385.00 SH – 0.20 hours @ \$225.00 BJB – 1.80 hours @290.00
<u>TOTAL:</u>	<u>\$43,048.00</u>	<u>\$168.75</u>	<u>\$5,618.18</u>	<u>\$48,904.88</u>	
WJ = Wojtek Jaskiewicz RK = Raj Kehar PN = Patrick Nugent YM = Yalda Mousavi IW = Irene Warman BJB = Bobbie-Jo Brinkman SH = Sharon Holden					

This is **Exhibit "B"** referred to in the Affidavit of Wojtek Jaskiewicz sworn by **Philip Cho** at the City of Toronto, in the Province of Ontario, before me on December 9, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



LSO #90229S

A Commissioner for Taking Affidavits, etc.

INVOICE



4100 - 66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON, Canada. M5K 1B7	T: 416-365-1110 F: 416-365-1876
	www.weirfoulds.com

August 26, 2024
Invoice 375191
Page 1

BDO Canada Limited
360 Oakville Place Drive
Suite 500
Oakville, ON L6H 6K8

Our Matter # 21961.00014 Receivership of Chacon Holding Corp.

For Professional Services through August 13, 2024

FEES	\$9,570.00
DISBURSEMENTS (Taxable)	None
DISBURSEMENTS (Non Taxable)	None
HST	\$1,244.10
TOTAL FOR THIS INVOICE (CAD)	<hr/> \$10,814.10

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August 26, 2024

Invoice 375191

Page 2

Below is a description of the services rendered through August 13, 2024 with respect to our File No. 21961.00014

Fee Detail

Date	Description	Name	Hours
19/04/24	Drafting the consent for BDO to act as receiver; email to P. Naumis and A. Sidhu re same.	Wojtek Jaskiewicz	0.30
26/04/24	Email correspondence with A. Sidhu and P. Naumis re the consent to act as receiver.	Wojtek Jaskiewicz	0.20
30/04/24	Email correspondence with A. Sidhu re the appointment; telephone conference with A. Sidhu re the appointment.	Wojtek Jaskiewicz	0.30
01/05/24	Revising the consent; email to A. Sidhu and P. Naumis re the consent; email correspondence re the mortgages registered on title; reviewing the PIN for the subject property and the National Bank registration.	Wojtek Jaskiewicz	0.20
02/05/24	Reviewing email correspondence re previous offers and appraisals; drafting the appointment order; email to P. Naumis and A. Sidhu enclosing the draft order.	Wojtek Jaskiewicz	1.50
03/05/24	Email correspondence with P. Naumis and A. Sidhu re the appointment order.	Wojtek Jaskiewicz	0.20
13/05/24	Reviewing the Notice of Application; email correspondence with A. Sidhu re the Notice of Application; reviewing and revising the appointment order; telephone conference with A. Sidhu to discuss the application.	Wojtek Jaskiewicz	0.80
14/05/24	Email correspondence with A. Sidhu re the property tax arrears.	Wojtek Jaskiewicz	0.10
29/05/24	Reviewing the issued notice of application; email correspondence with P. Naumis and A. Sidhu re the application.	Wojtek Jaskiewicz	0.30
11/06/24	Telephone conference with A. Sidhu and P. Naumis re the receivership; email correspondence with A. Sidhu and P. Naumis re the application and National Bank.	Wojtek Jaskiewicz	0.80
13/06/24	Corresponding with P. Naumis re National Bank; email to I. Desharnais and A. Fernet Brochu re the receivership.	Wojtek Jaskiewicz	0.20
14/06/24	Email correspondence with A. Fernet Brochu and P. Naumis re the receivership application.	Wojtek Jaskiewicz	0.20

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August 26, 2024

Invoice 375191

Page 3

Fee Detail

Date	Description	Name	Hours
18/06/24	Reviewing email correspondence re a potential refinancing.	Wojtek Jaskiewicz	0.20
20/06/24	Receipt and review of the notice of appearance from National Bank; email correspondence re A. Sidhu and P. Naumis re attending at the application.	Wojtek Jaskiewicz	0.30
21/06/24	Reviewing email correspondence re National Bank's position on the receivership.	Wojtek Jaskiewicz	0.10
25/06/24	Receipt and review of the Notice of Return of Application; email to P. Naumis to report.	Wojtek Jaskiewicz	0.20
16/07/24	Reviewing email correspondence re the appointment order telephone conference with A. Sidhu to discuss the appointment order.	Wojtek Jaskiewicz	0.50
17/07/24	Reviewing the appointment order; email correspondence with P. Naumis and A. Sidhu re the appointment order.	Wojtek Jaskiewicz	0.30
18/07/24	Telephone conference with A. Sidhu re the receivership, the CRA debt, and a potential purchaser.	Wojtek Jaskiewicz	0.50
19/07/24	Attending at the application to appoint the receiver; reviewing the endorsement of Justice Harris; email to P. Naumis to report.	Wojtek Jaskiewicz	2.60
22/07/24	Email correspondence re the insurance coverage for the property.	Wojtek Jaskiewicz	0.20
06/08/24	Email correspondence with A. Sidhu and P. Naumis re the HST arrears.	Wojtek Jaskiewicz	0.20
08/08/24	Reviewing the supplementary application record; revising the order appointing BDO; email correspondence with P. Naumis re the revised order.	Wojtek Jaskiewicz	1.00
09/08/24	Email correspondence with S. Burrowes, P. Naumis, and A. Sidhu re the appointment order.	Wojtek Jaskiewicz	0.40
11/08/24	Email correspondence with A. Sidhu re the appointment order and attending at the application.	Wojtek Jaskiewicz	0.10
12/08/24	Email correspondence with A. Sidhu re attending at the application to appoint the receiver; telephone conferences with A. Sidhu and P. Naumis re the appointment order;	Wojtek Jaskiewicz	1.50

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August 26, 2024

Invoice 375191

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Fee Detail

Date	Description	Name	Hours
	telephone conference with A. Sidhu, P. Naumis and A. Fernet Brochu re the power to bankrupt the debtor.		

Total Fees for Professional Services	\$9,570.00
HST	\$1,244.10
Total Fees including HST	<u>\$10,814.10</u>

Totals For This Matter

Total Fees Including HST	\$10,814.10
Total Disbursements Including HST	\$0.00
Total Fees and Disbursements Including HST	<u>\$10,814.10</u>
Amount Applied From Trust	\$0.00
Total Due For This Matter	<u>\$10,814.10</u>

Summary

Name	Hours	Rate	Fees
Wojtek Jaskiewicz	13.20	725.00	9,570.00
Total Summary	<u>13.20</u>		<u>\$9,570.00</u>

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August 26, 2024
Invoice 375191
Page 5

THIS IS OUR ACCOUNT HEREIN.

WeirFoulds LLP

Per



Wojtek Jaskiewicz

Account Payable upon receipt. In accordance with Section 33 of the Solicitors Act, interest will be charged at 3.0% per annum calculated from 30 days after delivery of this account. A receipted account will not be mailed unless requested by you

GST/HST REG.NO.
R119427177RT0001

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August 26, 2024
Invoice 375191
Page 6

Outstanding AR Summary

Date	Invoice Number	Outstanding Amount
08/26/24	375191	10,814.10
Outstanding AR Summary		10,814.10

PAYMENT REMITTANCE FORM

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WeirFoulds LLP accepts payment by EFT, Wire Transfer, Direct Deposit, Credit Card, E-transfer, and Cheque.

1. *Preferred Method* EFT/Wire Transfer

Once payment is made, please send payment confirmation with invoice / matter number(s) to accountingstaff@weirfoulds.com.

Bank of Montreal Address: 100 King Street West, Toronto, Ontario, M5X 1A3
Account Address: 66 Wellington Street West, Suite 4100
Toronto, Ontario, M5K 1B7

CANADIAN GENERAL ACCOUNT

Account Name: WeirFoulds LLP
Transit Number: 00022
Bank Number: 001
Account Number: 1987-799 (for Canadian Dollars)
Account Number: 4775 002 (for US Dollars)
Swift Code: BOFMCAM2 (Payments from outside Canada)
Routing Number: //CC000100022

FOR WIRE PAYMENTS ORIGINATING FROM THE USA

USD CORRESPONDENT BANK INFORMATION:

Pay through: Wells Fargo Bank (FKA Wachovia Bank)
Bank Address: 11 Penn Plaza 4th Fl New York, NY 10001 US
ABA: 026005092
Swift: PNBPU3N3NYC
S.W.I.F.T BIC Code: PNBPU3N3NYC
AND - Fedwire ABA: 026005092
OR - CHIPS UID: 0509

2. Direct Deposit

Once payment is made, please email a copy of the deposit receipt along with invoice / matter number(s) to accountingstaff@weirfoulds.com.

3. Online Credit Card for invoices

Please process your Credit Card payment(s) online using the following link <https://www.weirfoulds.com/pay> or call us at 416-365-6506 / 416-365-1110 (Accounts Receivable).

4. E-Transfer

Please send e-transfers to accountingstaff@weirfoulds.com with invoice / matter number(s) to allocate payment to your account.

5. Cheque

Please indicate the invoice / matter number(s) and mail to:

WeirFoulds LLP - Attention: Accounting Dept.
66 Wellington Street West, Suite 4100, Toronto, Ontario, M5K 1B7

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September 17, 2024
Invoice 376285
Page 1

BDO Canada Limited
360 Oakville Place Drive
Suite 500
Oakville, ON L6H 6K8

Our Matter # 21961.00014 Receivership of Chacon Holding Corp.

For Professional Services through August 31, 2024

FEES	\$5,085.50
DISBURSEMENTS (Taxable)	\$40.95
DISBURSEMENTS (Non Taxable)	None
HST	\$666.44
TOTAL FOR THIS INVOICE (CAD)	<hr/> \$5,792.89

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September 17, 2024

Invoice 376285

Page 2

Below is a description of the services rendered through August 31, 2024 with respect to our File No. 21961.00014

Fee Detail

Date	Description	Name	Hours	Rate	Fees
14/08/24	Email correspondence with A. Sidhu, P. Naumis, and A. Fernet Brochu; revising the authorization to bankrupt in the appointment order.	Wojtek Jaskiewicz	0.60	725.00	435.00
16/08/24	Telephone conference with all counsel re the offer to purchase the property and the application; reviewing the offer; attending at the application to appoint the receiver.	Wojtek Jaskiewicz	2.50	725.00	1,812.50
19/08/24	Email correspondence with P. Naumis and A. Sidhu re the appointment order.	Wojtek Jaskiewicz	0.20	725.00	145.00
20/08/24	Email correspondence with A. Sidhu and P. Naumis re the appointment order; telephone conference with P. Naumis re the appointment order.	Wojtek Jaskiewicz	0.50	725.00	362.50
21/08/24	Email correspondence with P. Naumis re the court order and registering a caution on title to the property; reviewing email correspondence re the broker to be used for the sale of the property.	Wojtek Jaskiewicz	0.20	725.00	145.00
22/08/24	Telephone conference with P. Naumis re the appointment order.	Wojtek Jaskiewicz	0.30	725.00	217.50
27/08/24	Discussion with P. Nugent and W. Jaskiewicz regarding the court order. Drafted an electronic application to register court order.	Irene Warman	0.80	385.00	308.00
27/08/24	Review order and discussion with Y. Mousavi and conveyancer re: registration of order; discussion with W. Jaskiewicz re: registration of order.	Patrick Nugent	0.50	750.00	375.00
27/08/24	Reviewing email correspondence re the issued order; arranging for registration of the order on title; reviewing the update from P. Naumis on the	Wojtek Jaskiewicz	1.00	725.00	725.00

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September 17, 2024

Invoice 376285

Page 3

Fee Detail

Date	Description	Name	Hours	Rate	Fees
	enforcement efforts; email correspondence with P. Naumis re terminating the property manager; office conference to discuss registration of the appointment order.				
27/08/24	Draft A&D for Court Order; correspondence to and from I. Warman re registering order; discussions with P. Nugent, I. Warman and W. Jaskiewicz re same.	Yalda Mousavi	1.00	375.00	375.00
28/08/24	Email correspondence with P. Naumis re obtaining an appraisal.	Wojtek Jaskiewicz	0.10	725.00	72.50
28/08/24	Review Application from I. Warman; correspondence to P. Nugent re same.	Yalda Mousavi	0.30	375.00	112.50

Total Fees for Professional Services	\$5,085.50
HST	\$661.12
Total Fees including HST	<u>\$5,746.62</u>

Disbursements

Taxable Disbursements	
Electronic Filing Fee	40.95
Total Taxable Disbursements	<u>40.95</u>
Total Disbursements	\$40.95
HST	\$5.32
Total Disbursements and HST for this Invoice	<u>\$46.27</u>

INVOICE



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September 17, 2024
Invoice 376285
Page 4

Totals For This Matter

Total Fees Including HST.....	\$5,746.62
Total Disbursements Including HST.....	\$46.27
Total Fees and Disbursements Including HST.....	\$5,792.89
Amount Applied From Trust.....	\$0.00
Total Due For This Matter	\$5,792.89

Summary

Name	Hours	Rate	Fees
Irene Warman	0.80	385.00	308.00
Patrick Nugent	0.50	750.00	375.00
Wojtek Jaskiewicz	5.40	725.00	3,915.00
Yalda Mousavi	1.30	375.00	487.50
Total Summary	8.00		\$5,085.50

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September 17, 2024

Invoice 376285

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THIS IS OUR ACCOUNT HEREIN.

WeirFoulds LLP

Per



Wojtek Jaskiewicz

Account Payable upon receipt. In accordance with Section 33 of the Solicitors Act, interest will be charged at 3.0% per annum calculated from 30 days after delivery of this account. A receipted account will not be mailed unless requested by you

GST/HST REG.NO.
R119427177RT0001

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September 17, 2024
Invoice 376285
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Outstanding AR Summary

Date	Invoice Number	Outstanding Amount
08/26/24	375191	10,814.10
09/17/24	376285	5,792.89
Outstanding AR Summary		16,606.99

PAYMENT REMITTANCE FORM

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WeirFoulds LLP accepts payment by EFT, Wire Transfer, Direct Deposit, Credit Card, E-transfer, and Cheque.

1. *Preferred Method* EFT/Wire Transfer

Once payment is made, please send payment confirmation with invoice / matter number(s) to accountingstaff@weirfoulds.com.

Bank of Montreal Address: 100 King Street West, Toronto, Ontario, M5X 1A3
Account Address: 66 Wellington Street West, Suite 4100
Toronto, Ontario, M5K 1B7

CANADIAN GENERAL ACCOUNT

Account Name: WeirFoulds LLP
Transit Number: 00022
Bank Number: 001
Account Number: 1987-799 (for Canadian Dollars)
Account Number: 4775 002 (for US Dollars)
Swift Code: BOFMCAM2 (Payments from outside Canada)
Routing Number: //CC000100022

FOR WIRE PAYMENTS ORIGINATING FROM THE USA

USD CORRESPONDENT BANK INFORMATION:

Pay through: Wells Fargo Bank (FKA Wachovia Bank)
Bank Address: 11 Penn Plaza 4th Fl New York, NY 10001 US
ABA: 026005092
Swift: PNBPU3N3NYC
S.W.I.F.T BIC Code: PNBPU3N3NYC
AND - Fedwire ABA: 026005092
OR - CHIPS UID: 0509

2. Direct Deposit

Once payment is made, please email a copy of the deposit receipt along with invoice / matter number(s) to accountingstaff@weirfoulds.com.

3. Online Credit Card for invoices

Please process your Credit Card payment(s) online using the following link <https://www.weirfoulds.com/pay> or call us at 416-365-6506 / 416-365-1110 (Accounts Receivable).

4. E-Transfer

Please send e-transfers to accountingstaff@weirfoulds.com with invoice / matter number(s) to allocate payment to your account.

5. Cheque

Please indicate the invoice / matter number(s) and mail to:

WeirFoulds LLP - Attention: Accounting Dept.
66 Wellington Street West, Suite 4100, Toronto, Ontario, M5K 1B7

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Invoice 380774
Page 1

BDO Canada Limited
360 Oakville Place Drive
Suite 500
Oakville, ON L6H 6K8

Our Matter # 21961.00014 Receivership of Chacon Holding Corp.

For Professional Services through November 30, 2024

FEES	\$28,392.50
DISBURSEMENTS (Taxable)	\$127.80
DISBURSEMENTS (Non Taxable)	\$69.95
HST	\$3,707.64
TOTAL FOR THIS INVOICE (CAD)	<hr/> \$32,297.89

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Below is a description of the services rendered through November 30, 2024 with respect to our File No. 21961.00014

Fee Detail

Date	Description	Name	Hours	Rate	Fees
03/09/24	Revising of Acknowledgment and Direction; e-mail correspondence to P. Naumis;	Sharon Holden	0.20	225.00	45.00
03/09/24	Email correspondence re registering the order on title.	Wojtek Jaskiewicz	0.10	725.00	72.50
04/09/24	Reviewed the application to register a court order with P. Nugent. Registration of the application	Irene Warman	0.80	385.00	308.00
04/09/24	Discussion with conveyancer re: form of filing and appropriate parties; attend to registration of order.	Patrick Nugent	0.60	750.00	450.00
04/09/24	Email correspondence re the registration of the order on title.	Wojtek Jaskiewicz	0.10	725.00	72.50
04/09/24	Correspondence to and from I. Warman and S. Holden re draft application and to and from W. Jaskiewicz re same.	Yalda Mousavi	0.20	375.00	75.00
05/09/24	Considering termination of the property management agreement; reviewing the appointment order; email correspondence with P. Naumis re terminating the property management agreement.	Wojtek Jaskiewicz	0.50	725.00	362.50
09/09/24	Email correspondence with P. Naumis re the non-arms length leases.	Wojtek Jaskiewicz	0.30	725.00	217.50
10/09/24	Meeting with P. Naumis and S. Burrowes re the related party leases and construction at the property; email correspondence with S. Astolfo and R. Kehar re the construction.	Wojtek Jaskiewicz	1.20	725.00	870.00
11/09/24	Email correspondence with R. Kehar re the second floor build out; reviewing email correspondence re the sales process.	Wojtek Jaskiewicz	0.20	725.00	145.00

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
12/09/24	Reviewing the prepaid rent agreements.	Wojtek Jaskiewicz	0.20	725.00	145.00
13/09/24	Reviewing the email correspondence to the tenant re prepaid rent.	Wojtek Jaskiewicz	0.20	725.00	145.00
17/09/24	review and respond to e-mail from W. Jaskiewicz re list of items to request to confirming space is legal from zoning and building code perspective;	Raj Kehar	0.10	650.00	65.00
18/09/24	Review schedule; meeting with W. Jaskiewicz.	Patrick Nugent	0.30	750.00	225.00
18/09/24	Email correspondence with P. Naumis re the APS, payment of rents, terminating leases, and the build out; meeting with Y. Mousavi and P. Nugent re the APS; reviewing the termination provisions in the related party leases; email to P. Naumis and S. Burrowes re the termination provisions; email correspondence with P. Naumis re terminating the management agreement.	Wojtek Jaskiewicz	1.00	725.00	725.00
18/09/24	Review Schedule A to APS; discussion with P. Nugent and W. Jaskiewicz re same.	Yalda Mousavi	0.70	375.00	262.50
19/09/24	Email correspondence with P. Naumis re the listing proposals.	Wojtek Jaskiewicz	0.20	725.00	145.00
19/09/24	Discussion with P. Nugent re schedule to power of sale.	Yalda Mousavi	0.30	375.00	112.50
20/09/24	Email correspondence and telephone conference with P. Naumis re the listing proposals; meeting with P. Naumis, S. Burrowes, M. Minhas, A. Sidhu, A. Fernet Brochu, and to discuss the listing proposals and to update the creditors.	Wojtek Jaskiewicz	1.60	725.00	1,160.00

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
23/09/24	Reviewing email correspondence re the broker to be retained to market the property; email correspondence with P. Naumis re same.	Wojtek Jaskiewicz	0.20	725.00	145.00
24/09/24	Reviewing email correspondence re the information request from R. Jain; email correspondence with P. Naumis re the responses.	Wojtek Jaskiewicz	0.30	725.00	217.50
25/09/24	Reviewing correspondence re the listing proposals and the tenancies; email correspondence with P. Naumis re the information provided by the debtor.	Wojtek Jaskiewicz	0.30	725.00	217.50
26/09/24	review and respond to e-mail from W. Jaskiewicz re FOI process to obtain records;	Raj Kehar	0.20	650.00	130.00
26/09/24	Email correspondence with P. Naumis re the sales process; telephone conference with P. Naumis re the sales process and the tenants; telephone conferences with A. Sidhu, A. Fernet, P. Naumis re Freeway	Wojtek Jaskiewicz	2.00	725.00	1,450.00
27/09/24	review and respond to e-mail from W. Jaskiewicz re court order and whether it would move things quicker for production with municipality;	Raj Kehar	0.10	650.00	65.00
27/09/24	Telephone conferences with A. Fernet and P. Naumis to discuss the broker; meeting with A. Sidhu, P. Naumis, M. Minhas, and A. Fernet to discuss the broker; email correspondence with R. Kehar and P. Naumis re the zoning issues; reviewing email correspondence re the tax arrears and retaining Freeway.	Wojtek Jaskiewicz	1.50	725.00	1,087.50
30/09/24	Email correspondence with P. Naumis re the listing agreement and the unpaid rent; reviewing the listing agreement	Wojtek Jaskiewicz	0.50	725.00	362.50

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
01/10/24	Reviewing email correspondence re the listing agreement and the build out.	Wojtek Jaskiewicz	0.10	725.00	72.50
02/10/24	Virtual meeting with P. Naumis and W. Jaskiewicz re process for obtaining documents through FOI request;	Raj Kehar	0.50	650.00	325.00
02/10/24	Meeting with P. Naumis and R. Kehar to discuss municipal issues.	Wojtek Jaskiewicz	0.50	725.00	362.50
03/10/24	draft e-mail with list of items to request associated with building permit;	Raj Kehar	0.20	650.00	130.00
03/10/24	Email correspondence re the sale of the property.	Wojtek Jaskiewicz	0.10	725.00	72.50
04/10/24	Email correspondence with P. Naumis and S. Burrowes re the rent arrears; email to Jagir re the rent arrears.	Wojtek Jaskiewicz	0.40	725.00	290.00
07/10/24	Email correspondence with Y. Mousavi and P. Naumis re the APS; email correspondence with P. Naumis re redemption; reviewing email correspondence re the rent cheques and tenancy issues.	Wojtek Jaskiewicz	0.50	725.00	362.50
08/10/24	Reviewing email correspondence re the offer to purchase the property; meeting with P. Naumis to discuss the potential redemption.	Wojtek Jaskiewicz	0.30	725.00	217.50
08/10/24	Pull instruments and pin from teraview; correspondence to and from W. Jaskiewicz; review schedule.	Yalda Mousavi	0.50	375.00	187.50
09/10/24	Discussion with client re: APS; instructions to Y. Mousavi.	Patrick Nugent	0.60	750.00	450.00
09/10/24	Meeting with P. Naumis, Y. Mousavi, and P. Nugent to discuss the agreement of purchase and sale; reviewing email correspondence re the	Wojtek Jaskiewicz	1.00	725.00	725.00

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
	redemption; email correspondence with P. Naumis re the rent cheques.				
09/10/24	Meeting with BDO, P. Nugent and W. Jaskiewicz;	Yalda Mousavi	1.60	375.00	600.00
10/10/24	Review and comment on template APS for receiver sale; instructions to Y. Mousavi.	Patrick Nugent	2.00	750.00	1,500.00
10/10/24	Reviewing email correspondence re redemption and payment of rent.	Wojtek Jaskiewicz	0.20	725.00	145.00
10/10/24	Review receiver APS and Akram APS; draft APS; discussions with P. Nugent re same.	Yalda Mousavi	2.70	375.00	1,012.50
11/10/24	Email correspondence re the APS, offers to purchase the building, and redemption; reviewing the offer from 12755467 Canada Inc.; reviewing the draft APS; meeting with Y. Mousavi re the APS; providing additional information for the APS.	Wojtek Jaskiewicz	1.00	725.00	725.00
11/10/24	Discussion with W. Jaskiewicz re APS; edits to APS; correspondence to W. Jaskiewicz and P. Nugent re same.	Yalda Mousavi	1.90	375.00	712.50
15/10/24	Review of comments on APS; telephone conference with W. Jaskiewicz and Y. Mousavi re: revisions to APS template.	Patrick Nugent	0.80	750.00	600.00
15/10/24	Email correspondence with P. Naumis re the rent and vacant possession; telephone conference with A. Sidhu re vacant possession; telephone conference with P. Nugent and Y. Mousavi re the agreement of purchase and sale.	Wojtek Jaskiewicz	0.50	725.00	362.50
15/10/24	Edit APS, review leases and add to Schedule in APS; correspondence to P. Nugent re same.	Yalda Mousavi	1.30	375.00	487.50

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
16/10/24	Review purchase agreement and instructions to Y. Mousavi.	Patrick Nugent	0.90	750.00	675.00
16/10/24	Reviewing email correspondence re redemption; email correspondence with P. Naumis re the Goreway properties; obtaining parcel registers for the Goreway properties. email correspondence with P. Naumis re vacant possession; reviewing the broker's activity report; meeting with Y. Mousavi re the APS; reviewing the parcel registers for the Goreway properties.	Wojtek Jaskiewicz	1.00	725.00	725.00
16/10/24	Discussion with P. Nugent re APS; correspondence to client; pull pins from Teraview.	Yalda Mousavi	1.00	375.00	375.00
17/10/24	Email correspondence re the potential redemption; telephone conference with P. Naumis and A. Sidhu re the offers to purchase the property; email correspondence re CRA; reviewing the APS; email correspondence with Y. Mousavi re the APS.	Wojtek Jaskiewicz	1.50	725.00	1,087.50
17/10/24	Review and update draft APS; correspondence to and from W. Jaskiewicz and client.	Yalda Mousavi	0.60	375.00	225.00
18/10/24	Reviewing correspondence re redemption; email correspondence with P. Naumis re the APS and the condition of the interior of the premises.	Wojtek Jaskiewicz	0.30	725.00	217.50
21/10/24	Telephone conference with A. Sidhu and P. Naumis re the purchase price; email correspondence with R. Jain and P. Naumis re payment of rent.	Wojtek Jaskiewicz	0.80	725.00	580.00
22/10/24	Email correspondence with R. Jain and P. Naumis re payment of rent	Wojtek Jaskiewicz	0.20	725.00	145.00

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
22/10/24	Review executed APS and create summary of critical dates.	Yalda Mousavi	0.50	375.00	187.50
23/10/24	Review of email from W. Jaskiewicz and Y. Mousavi; review of summary of critical dates chart; review of notice to profession for Brampton Courthouse and prepare email to W. Jaskiewicz; review of Calendly for short motion dates; review of email from W. Jaskiewicz regarding no longer needing long motion and short motion being suffice; email to W. Jaskiewicz and provide dates for short motion and obligations for same; call with Brampton Courthouse to find out when long motion dates are being booked.	Bobbie-Jo Brinkman	0.60	290.00	174.00
23/10/24	Email correspondence re the motion to approve the transaction; email correspondence with the real estate agent re the deposit; email correspondence with all counsel re the AVO motion.	Wojtek Jaskiewicz	1.00	725.00	725.00
23/10/24	Create closing agenda.	Yalda Mousavi	0.60	375.00	225.00
24/10/24	Emails with W. Jaskiewicz regarding Brampton motion and need to wait to wait to book motion until closer to conditional date;	Bobbie-Jo Brinkman	0.20	290.00	58.00
24/10/24	Email correspondence with P. Naumis and the secured creditors re reviewing the various security interests; email correspondence with the broker re the deposit; email correspondence with the secured creditors re the motion to approve the sale; email correspondence with R. Jain re the rent payments.	Wojtek Jaskiewicz	0.70	725.00	507.50
31/10/24	Email to A. Fernet Brochu and A. Sidhu	Wojtek Jaskiewicz	0.10	725.00	72.50

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
	re providing security documents.				
11/11/24	Emails with W. Jaskiewicz regarding transaction and Court time.	Bobbie-Jo Brinkman	0.10	290.00	29.00
11/11/24	Reviewing email correspondence re the conditional date.	Wojtek Jaskiewicz	0.10	725.00	72.50
12/11/24	Emails with WJ regarding motion date and extension of conditional date.	Bobbie-Jo Brinkman	0.10	290.00	29.00
12/11/24	Email correspondence with A. Fernet and A. Sidhu re the conditional date.	Wojtek Jaskiewicz	0.10	725.00	72.50
13/11/24	Email correspondence with A. Sidhu re the motion to approve the sale; reviewing the notice of leases to be assigned; email correspondence with P. Naumis re same.	Wojtek Jaskiewicz	0.30	725.00	217.50
14/11/24	Dealt with returned TERAVIEW application to register a court order	Irene Warman	0.50	385.00	192.50
14/11/24	Email correspondence with P. Naumis re the leases; telephone conference with Y. Mousavi and P. Nugent re the registration of the appointment order on title.	Wojtek Jaskiewicz	0.50	725.00	362.50
14/11/24	Discussions with P. Nugent, I. Warman and W. Jaskiewicz re amendments to court order registration; review amended registration; correspondence to and from I. Warman and LRO re same.	Yalda Mousavi	1.10	375.00	412.50
19/11/24	Reviewing correspondence re the owner removing the broker's signs.	Wojtek Jaskiewicz	0.10	725.00	72.50
20/11/24	Reviewing correspondence re the damage to the broker's "for sale" signs and the owner's interference in the receivership.	Wojtek Jaskiewicz	0.20	725.00	145.00

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
21/11/24	Reviewing correspondence re waiving conditions.	Wojtek Jaskiewicz	0.20	725.00	145.00
22/11/24	Email correspondence with P. Naumis re providing the APS to National Bank.	Wojtek Jaskiewicz	0.10	725.00	72.50
25/11/24	Email correspondence with A. Sidhu and P. Naumis re the APS; telephone conference with A. Sidhu and P. Naumis re the purchaser waiving conditions.	Wojtek Jaskiewicz	1.00	725.00	725.00
27/11/24	Review of Brampton Courthouse motions; email to W. Jaskiewicz regarding need to book court time soon; review of emails between counsel regarding same.	Bobbie-Jo Brinkman	0.20	290.00	58.00
27/11/24	Email correspondence with P. Naumis re providing an update to subsequent lenders; reviewing emails re closing the transaction re the sale of the property; email correspondence with P. Naumis re the motion to approve the sale.	Wojtek Jaskiewicz	0.30	725.00	217.50
28/11/24	Following up with W. Jaskiewicz regarding APS, as Court time needs to be booked.	Bobbie-Jo Brinkman	0.10	290.00	29.00
28/11/24	Reviewing the amendments to the APS; email correspondence with P. Naumis, A. Kooner, S. Burrowes, and A. Dhaliwal re the amendments.	Wojtek Jaskiewicz	0.50	725.00	362.50
29/11/24	Review of email from WJ regarding APS and Court time; review of Calendly for court time in Brampton; emails with WJ regarding court time, consulting counsel, and appropriate time frames; attend to booking court time through Calendly; email to WJ regarding same.	Bobbie-Jo Brinkman	0.50	290.00	145.00
29/11/24	Email correspondence with P. Naumis re the APS and the motion to approve the sale; email correspondence with A.	Wojtek Jaskiewicz	0.60	725.00	435.00

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Fee Detail

Date	Description	Name	Hours	Rate	Fees
	Fernet and A. Sidhu re the approval motion; providing update to J. Billen; email correspondence with Y. Mousavi and P. Nugent re vetting the security.				

Total Fees for Professional Services	\$28,392.50
HST	\$3,691.03
Total Fees including HST	\$32,083.53

Disbursements

Non-taxable Disbursements

Electronic Filing Fee	69.95	
Total Non-taxable Disbursements		69.95

Taxable Disbursements

Electronic Filing Fee	127.80	
Total Taxable Disbursements		127.80

Total Disbursements	\$197.75
HST	\$16.61
Total Disbursements and HST for this Invoice	\$214.36

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December 5, 2024

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Totals For This Matter

Total Fees Including HST.....	\$32,083.53
Total Disbursements Including HST.....	\$214.36
Total Fees and Disbursements Including HST.....	\$32,297.89
Amount Applied From Trust.....	\$0.00
Total Due For This Matter	\$32,297.89

Summary

Name	Hours	Rate	Fees
Bobbie-Jo Brinkman	1.80	290.00	522.00
Irene Warman	1.30	385.00	500.50
Patrick Nugent	5.20	750.00	3,900.00
Raj Kehar	1.10	650.00	715.00
Sharon Holden	0.20	225.00	45.00
Wojtek Jaskiewicz	24.60	725.00	17,835.00
Yalda Mousavi	13.00	375.00	4,875.00
Total Summary	47.20		\$28,392.50

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Wojtek Jaskiewicz

Account Payable upon receipt. In accordance with Section 33 of the Solicitors Act, interest will be charged at 3.0% per annum calculated from 30 days after delivery of this account. A receipted account will not be mailed unless requested by you

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Outstanding AR Summary

Date	Invoice Number	Outstanding Amount
08/26/24	375191	10,814.10
09/17/24	376285	5,792.89
12/05/24	380774	32,297.89
Outstanding AR Summary		48,904.88

PAYMENT REMITTANCE FORM

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1. *Preferred Method* EFT/Wire Transfer

Once payment is made, please send payment confirmation with invoice / matter number(s) to accountingstaff@weirfoulds.com.

Bank of Montreal Address: 100 King Street West, Toronto, Ontario, M5X 1A3
Account Address: 66 Wellington Street West, Suite 4100
Toronto, Ontario, M5K 1B7

CANADIAN GENERAL ACCOUNT

Account Name: WeirFoulds LLP
Transit Number: 00022
Bank Number: 001
Account Number: 1987-799 (for Canadian Dollars)
Account Number: 4775 002 (for US Dollars)
Swift Code: BOFMCAM2 (Payments from outside Canada)
Routing Number: //CC000100022

FOR WIRE PAYMENTS ORIGINATING FROM THE USA

USD CORRESPONDENT BANK INFORMATION:

Pay through: Wells Fargo Bank (FKA Wachovia Bank)
Bank Address: 11 Penn Plaza 4th Fl New York, NY 10001 US
ABA: 026005092
Swift: PNBPU3N3NYC
S.W.I.F.T BIC Code: PNBPU3N3NYC
AND - Fedwire ABA: 026005092
OR - CHIPS UID: 0509

2. Direct Deposit

Once payment is made, please email a copy of the deposit receipt along with invoice / matter number(s) to accountingstaff@weirfoulds.com.

3. Online Credit Card for invoices

Please process your Credit Card payment(s) online using the following link <https://www.weirfoulds.com/pay> or call us at 416-365-6506 / 416-365-1110 (Accounts Receivable).

4. E-Transfer

Please send e-transfers to accountingstaff@weirfoulds.com with invoice / matter number(s) to allocate payment to your account.

5. Cheque

Please indicate the invoice / matter number(s) and mail to:

WeirFoulds LLP - Attention: Accounting Dept.
66 Wellington Street West, Suite 4100, Toronto, Ontario, M5K 1B7

2439656 ONTARIO INC. and MS CAPITAL CORP.
Applicants

- and -

CHACON HOLDING CORP.
Respondent

Court File No. CV-24-00002400-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding Commenced at Toronto

FEE AFFIDAVIT

WEIRFOULDS LLP
66 Wellington Street West, Suite 4100
P.O. Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

Wojtek Jaskiewicz (LSO #49809L)
wjaskiewicz@weirfoulds.com

Tel: 416-619-6296

Fax: 416-365-1876

Lawyers for BDO Canada Limited

TAB 3

SUBJECT TO A REQUEST FOR SEALING ORDER

TAB 3:

**Confidential Supplemental Report to the First Report to the Court of
BDO Canada Limited, in its capacity as Court Appointed Receiver of
Chacon Holding Corp., dated December 9, 2024, with appendices**

TAB 4

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE)	TUESDAY, THE 7 th
)	
JUSTICE)	DAY OF JANUARY, 2025

B E T W E E N:

2439656 ONTARIO INC. and MS CAPITAL CORP.

Applicants

- and -

CHACON HOLDING CORP.

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited in its capacity as the Court-appointed receiver and manager (the "Receiver") of the undertaking, property and assets of Chacon Holding Corp. (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and 12755467 Canada Inc. (the "Purchaser") dated October 21, 2024, and amended November 28, 2024, and appended to the Report of the Receiver dated December 9, 2024 (the "Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 7755 Hurontario St., Brampton, Ontario.

ON READING the Report and the Confidential Supplemental Report to the First Report of the Receiver dated December 9, 2024 (the "Confidential Report") and on hearing the

submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Shaw dated August 16, 2024; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Peel (No. 43) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple,

and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver’s Certificate

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

PLAINTIFF

Plaintiff

- and –

DEFENDANT

Defendant

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable [NAME OF JUDGE] of the Ontario Superior Court of Justice (the "Court") dated [DATE OF ORDER], [NAME OF RECEIVER] was appointed as the receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor").

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "Sale Agreement") between the Receiver [Debtor] and [NAME OF PURCHASER] (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section •

of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**[NAME OF RECEIVER], in its capacity as
Receiver of the undertaking, property and
assets of [DEBTOR], and not in its personal
capacity**

Per: _____
Name:
Title:

Schedule B – Purchased Assets

Address: 25 Sun Pac Blvd, Brampton, Ontario

PIN: 14209-0135 (LT)

Legal Description: PCL BLOCK 2-2, SEC 43M561; PT BLK 2, PL 43M561, PT 2, 42R13563;
BRAMPTON

Schedule C – Claims to be deleted and expunged from title to Real Property

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)**

2439656 ONTARIO INC. and MS CAPITAL CORP.

- and -

CHACON HOLDING CORP.

Applicants

Respondent

Court File No. CV-24-00002400-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding Commenced at Toronto

APPROVAL AND VESTING ORDER

WEIRFOULDS LLP

66 Wellington Street West, Suite 4100
P.O. Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

Wojtek Jaskiewicz (LSO #49809L)

wjaskiewicz@weirfoulds.com

Tel: 416-619-6296

Fax: 416-365-1876

Lawyers for BDO Canada Limited

Court File No. ~~CV-24-2400-0000~~

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) ~~TUESDAY~~WEEKDAY, THE ~~7th~~#
JUSTICE)
DAY OF ~~JANUARY~~MONTH,
~~2025~~20YR

B E T W E E N:

~~2439656 ONTARIO INC. and MS CAPITAL CORP.~~

~~Applicants~~

PLAINTIFF

Plaintiff

- and -

~~CHACON HOLDING CORP.~~

~~Respondent~~

DEFENDANT

Defendant

APPROVAL AND VESTING ORDER

THIS MOTION, made by ~~BDO Canada Limited~~[RECEIVER'S NAME] in its capacity as the Court-appointed receiver~~-and-manager~~ (the "Receiver") of the undertaking, property and assets of ~~Chacon Holding Corp.~~[DEBTOR] (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and ~~12755467 Canada Inc.~~[NAME OF PURCHASER] (the

"Purchaser") dated ~~October 21, 2024, and amended November 28, 2024,~~[\[DATE\]](#) and appended to the Report of the Receiver dated ~~December 9, 2024~~[\[DATE\]](#) (the "Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at ~~7755 Hurontario St., Brampton~~[330 University Avenue, Toronto](#), Ontario.

ON READING the Report ~~and the Confidential Supplemental Report to the First Report of the Receiver dated December 9, 2024 (the "Confidential Report")~~ and on hearing the submissions of counsel for the Receiver, [\[NAMES OF OTHER PARTIES APPEARING\]](#), no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed¹:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and the execution of the Sale Agreement by the Receiver³ is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement [\[and listed on Schedule B hereto\]](#)⁴ shall vest absolutely in the

¹ [This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.](#)

² [In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.](#)

³ [In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.](#)

⁴ [To allow this Order to be free-standing \(and not require reference to the Court record and/or the Sale Agreement\), it may be preferable that the Purchased Assets be specifically described in a Schedule.](#)

Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"⁵) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice ~~Shaw~~[NAME] dated ~~August 16, 2024~~[DATE]; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver]~~[Land Titles Division of Peel (No. 43)]~~{LOCATION} of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the Land Registration Reform Act⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ from the sale of the Purchased Assets shall stand in the place and stead

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

⁷ The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale⁸, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. ~~6.~~ THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

⁸ This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. [THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* \(Ontario\).](#)

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

Schedule A – Form of Receiver’s Certificate

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

PLAINTIFF

Plaintiff

- and –

DEFENDANT

Defendant

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable [NAME OF JUDGE] of the Ontario Superior Court of Justice (the "Court") dated [DATE OF ORDER], [NAME OF RECEIVER] was appointed as the receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor").

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "Sale Agreement") between the Receiver [Debtor] and [NAME OF PURCHASER] (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section ●

of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section • of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**[NAME OF RECEIVER], in its capacity as
Receiver of the undertaking, property and
assets of [DEBTOR], and not in its personal
capacity**

Per: _____
Name:
Title:

Schedule B – Purchased Assets

~~Address: 25 Sun Pac Blvd, Brampton, Ontario~~

~~PIN: 14209-0135 (LT)~~

~~Legal Description: PCL BLOCK 2-2, SEC 43M561; PT BLK 2, PL 43M561, PT 2, 42R13563;
BRAMPTON~~

Schedule C – Claims to be deleted and expunged from title to Real Property

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property
(unaffected by the Vesting Order)**

2439656 ONTARIO INC. and MS CAPITAL CORP.		—and—		CHACON HOLDING CORP.	
Applicants				Respondent	
				Court File No. CV-24-00002400-0000	
				ONTARIO	
				SUPERIOR COURT OF JUSTICE	
				Proceeding Commenced at Toronto	
				APPROVAL AND VESTING ORDER	
				WEIRFOULDS LLP	
				66 Wellington Street West, Suite 4100	
				P.O. Box 35, Toronto Dominion Centre	
				Toronto, ON M5K 1B7	
				Wojtek Jaskiewicz (LSO #49809L)	
				wjaskiewicz@weirfoulds.com	
				Tel: 416-619-6296	
				Fax: 416-365-1876	
				Lawyers for BDO Canada Limited	

Document comparison by Workshare Compare on December 9, 2024 2:28:57 PM

Input:	
Document 1 ID	iManage://im10.weirfoulds.com/ACTIVE/21525404/1
Description	#21525404v1<im10.weirfoulds.com> - Approval and Vesting Order MR
Document 2 ID	iManage://im10.weirfoulds.com/ACTIVE/21525393/1
Description	#21525393v1<im10.weirfoulds.com> - Approval and Vesting Order Model
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
<u>Moved from</u>	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	55
Deletions	44
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	99

TAB 5

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE)	TUESDAY, THE 7 th
)	
JUSTICE)	DAY OF JANUARY, 2025

B E T W E E N:

2439656 ONTARIO INC. and MS CAPITAL CORP.

Applicants

- and –

CHACON HOLDING CORP.

Respondent

ANCILLARY RELIEF ORDER

THIS MOTION, made by BDO Canada Limited in its capacity as the Court-appointed receiver and manager (the "Receiver") of the undertaking, property and assets of Chacon Holding Corp. (the "Debtor") for an order:

1. Requiring Kend Metal Fabrication Ltd. ("Kent") to pay to the Receiver \$32,894.14 on account of rent arrears to the period ending December 31, 2024;
2. Approving the activities of the Receiver as set out in the First Report of the Receiver dated December 9, 2024 (the "Report"), and the Confidential Supplemental Report to the First Report of the Receiver dated December 9, 2024 (the "Confidential Report");
3. Approving the fees and disbursements of the Receiver and its counsel;
4. Approving the distribution of proceeds available in the estate of the Debtor;

5. Approving the interim statement of operational receipts and disbursements from the date of the Receiver's appointment to December 2, 2024 (the "Interim R&D") and

6. Sealing the Confidential Report.

was heard this day at 7755 Hurontario St., Brampton, Ontario.

ON READING the Report, the Confidential Report and the affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits"), and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. THIS COURT ORDERS that Kent pay to the Receiver the sum of \$32,894.14;
2. THIS COURT ORDERS that the activities of the Receiver, as set out in the Report and the Confidential Report, are hereby approved.
3. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, as set out in the Report and the Fee Affidavits, are hereby approved.
4. THIS COURT ORDERS that the Receiver shall pay the monies remaining in its hands to National Bank of Canada and the Applicants in the amounts to be determined by the Receiver.
5. THIS COURT ORDERS that the Interim R&D be and is hereby approved.
6. THIS COURT ORDERS that the Confidential Report be sealed and kept confidential and not form part of the public record, until the completion of the sale of the assets, undertakings and properties of the Debtor or further order of the Court.

2439656 ONTARIO INC. and MS CAPITAL CORP.

- and -

CHACON HOLDING CORP.

Applicants

Respondent

Court File No. CV-24-00002400-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding Commenced at Toronto

ANCILLARY RELIEF ORDER

WEIRFOULDS LLP

66 Wellington Street West, Suite 4100
P.O. Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

Wojtek Jaskiewicz (LSO #49809L)

wjaskiewicz@weirfoulds.com

Tel: 416-619-6296

Fax: 416-365-1876

Lawyers for BDO Canada Limited

2439656 ONTARIO INC. and MS CAPITAL CORP.
Applicants

- and -

CHACON HOLDING CORP.
Respondent

Court File No. CV-24-00002400-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding Commenced at Toronto

MOTION RECORD

WEIRFOULDS LLP
66 Wellington Street West, Suite 4100
P.O. Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

Wojtek Jaskiewicz (LSO #49809L)
wjaskiewicz@weirfoulds.com

Tel: 416-619-6296

Fax: 416-365-1876

Lawyers for BDO Canada Limited