

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

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

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

Applicants

**-and-**

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

Respondents

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

**December 3, 2025**

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## INTRODUCTION AND PURPOSE OF THIS REPORT

1. This supplementary report dated December 3, 2025 (the “**Supplementary Report**”) is filed by BDO Canada Limited (“**BDO**”) in its capacity as the Receiver and Manager (the “**Receiver**”) over of all of the assets, undertakings and property of 2250310 Ontario Inc. (“**225**”) and P&H Development Holdings Inc. (“**P&H**” and together with 225, are the “**Debtors**”), including the real properties municipally known as 270 Sheppard Avenue West, Toronto, Ontario (“**270 Sheppard**”) and 5 Addington Avenue, Toronto, Ontario (“**5 Addington**”, and together with 270 Sheppard, are the “**Real Property**”).
2. The purpose of the Receiver’s Supplementary Report is to provide information to the Court with respect to the proposed sale of the Real Property, the status the Receiver’s negotiations with the Addington Occupants and the Deposit Return Protocol (the “**DRP**”), all of which was discussed in the Third Report of the Receiver dated November 20, 2025 (the “**Third Report**”).
3. The disclaimer provisions contained at paragraphs 10 through 12 of the Third Report apply in this Supplementary Report.

## SALE PROCESS AND RECOMMENDATION

4. On June 6, 2025, the court approved a sales process as part of the Receivership Order. Specifically, paragraph 3(k) of the Receivership Order states that “the Receiver is hereby expressly empowered and authorized...to conduct a sale process in accordance with the timeline set out in the Sale Process attached hereto as Schedule “C”, including marketing any or all of the Property, advertising, and soliciting offers in respect of the Property or any part thereof, and negotiating such terms and conditions of sale as the Receiver may deem appropriate in its discretion”. The Receivership Order was granted based on the affidavit of Henryk Gelbert sworn May 21, 2025, and the Exhibits thereto, and the Receiver’s Pre-Filing Report dated May 24, 2025. A copy of the Receivership Order is attached as **Appendix “A”**.
5. Schedule “C” to the Receivership Order included a sales process that was approved by the Court (the “**Sales Process**”). A copy of the Sales Process is attached hereto as **Appendix “B”**.

6. As noted at paragraphs 3–5 of the Third Report, the public portion of the Sales Process was delayed until the Abeyance Date. The purpose of the delay was to permit the Respondents to bring an Application for protection pursuant to the *Companies' Creditors Arrangement Act*. In support of this Application, Ting He, the principal of the Respondents submitted an affidavit sworn July 3, 2025 (the "**He Affidavit**"), which contained an appraisal from Colliers International Realty Advisors Inc. ("**Colliers**") dated August 8, 2024 (the "**Colliers Appraisal**"). A copy of the Colliers Appraisal that was appended to the He Affidavit is attached as **Appendix "C"**.
7. In response, the Applicants submitted the affidavit of Henryk Gelbert sworn July 11, 2025 (the "**Second Gelbert Affidavit**"). The Second Gelbert Affidavit referenced a redacted appraisal from Cushman & Wakefield ULC ("**Cushman**") dated April 30, 2025 (the "**Cushman Appraisal**"). A copy of the unredacted Cushman Appraisal will be provided to the court as **Confidential Appendix "1"**.
8. Further, the Second Gelbert Affidavit referenced Urbanation's Condominium Market Survey for the Greater Toronto and Hamilton Area (the "**Market Survey**"). The Market Survey discusses challenges facing the condominium sector that are driving a decline in the sector's activity. The Market Survey stated, amongst other things:

*The Greater Toronto Hamilton Area (GTHA) new condo market has now been in a decline for three years, with sales in Q1-2025 falling 62% annually to a 30 year low.*

*Construction starts plummeted to a multi-decade low to 497 units in Q1 causing the inventory of condos under construction to fall to a six-year low of 69,042.*

*While the downturn in the new condo market has been prevalent throughout the GTHA and beyond, the City of Toronto has experienced the steepest decrease in activity, with sales collapsing 93% below the 10-year average to the lowest since 1990, which was the beginning of a deep recession.*

*The GTHA new condo market is effectively on pause, with just two projects combining for 275 units launched for presales in the first quarter, and only nine projects totaling 2,281 units launched since the second half of last year. With a lack of absorption, the drop off in new launches has helped to limit further growth in inventory, in addition to some projects being removed from the market. Since the beginning of 2024, 28 presale*

*projects totaling 5,734 units were either put on hold, cancelled, placed in receivership, or converted to purpose-built rental, including four projects totaling 1,042 units removed in Q1-2025.*

A copy of the Market Survey is attached at **Appendix “D”**.

9. The Receiver marketed the Real Property and Project for sale in accordance with the Court approved Sales Process. In paragraphs 24–27 of the Third Report, the Receiver outlined the steps taken in the Sales Process, including how it canvassed the market. In proceeding with the Sales Process, the Receiver was mindful of both the Appraisals and the Market Survey. However, the Receiver’s belief was that the court approved Sales Process would ultimately dictate the value of the Real Property and the Project.
10. The Sales Process contained two phases: (i) Phase One required bidders to submit a Non-Binding APA (as defined in the Sales Process) that conformed with the parameters listed under the “Qualified APA” portion of the Sales Process; and, if the Receiver obtained a one or more “Qualified APAs” (ii) Phase Two required bidders to provide unconditional purchase agreements that complied with the parameters listed under the “Binding APA Deadline” portion of the Sales Process.
11. Phase One concluded on August 26, 2025 (the “**Phase One Deadline**”). At the Phase One Deadline, the Receiver had been provided with two expressions of interest, neither of which complied with the requirements to be deemed a “Qualified APA” (the “**EOIs**”). Specifically, the EOIs:
  - (a) did not include a “firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction” as required under (c) of the Qualified APA portion of the Sales Process;
  - (b) did not include evidence in form and substance reasonably satisfactory to the Receiver, of authorization and approval from the Phase 1 Qualified Bidder’s board of directors, as required under (g) of the Qualified APA portion of the Sales Process; and,
  - (c) did not contemplate a deposit of at least 5% of the purchase price, as required under (h) of the Qualified APA portion of the Sales Process.

12. In addition to the foregoing, neither party used the template purchase agreement contained in the data room (in contravention of the provision contained in the “Non-Binding APA Deadline” portion of the Sales Process.
13. For the reasons in paragraphs 11 and 12 above, together with the fact that the proposed purchase price was not acceptable to the Receiver, the Receiver determined that neither EOI contained terms that were reasonably acceptable to the Receiver (as required at (a) of the Qualified APA portion of the Sales Process) and, as noted at paragraph 27 of the Third Report, the Receiver determined that the EOIs did not qualify to move to Phase 2 of the Sales Process and, accordingly, terminated the Sales Process.
14. With the Sales Process concluded, Fiera engaged with the Receiver on the possibility of a credit bid. The Receiver engaged in these discussions with the understanding that any credit bid would contain a cash component to address: (a) any priority payable obligations owing to any government authority (including realty taxes, sales taxes, and employee remittances); and (b) all priority obligations under the Receivership Order.
15. The negotiations with Fiera concluded with a purchase agreement that is: (a) unconditional; (b) higher than the EOIs; and (c) provides the best opportunity for Fiera to limit its losses.
16. At paragraph 28 of the Third Report the Receiver provided the basis for its recommendation that the Credit Bid be approved. The Receiver further notes:
  - (a) neither EOI would be considered a Phase 2 Qualified Bid;
  - (b) while the Receiver was mindful of the Appraisals, the Receiver believes that the market was canvassed thoroughly pursuant to the Court approved Sales Process and believes the market has spoken in this regard;
  - (c) Fiera is the fulcrum creditor, and the Credit Bid represents its best opportunity for it to mitigate its losses; and
  - (d) any continuation of the Sales Process and the Receiver’s activities thereto are simply eroding recoveries, as the Receiver would incur additional costs with respect to the Real Property and the Project.

17. For the foregoing reasons, and the reasons contained within the Third Report, the Receiver recommends approval of the Credit Bid and a vesting of title in the assets, including the Real Property, to the Purchaser.
18. The Receiver fully canvassed the market in accordance with the Sales Process, did not receive an offer that would be considered as a Qualified APA and thus terminated the Sales Process. Further, the Purchaser's APA is unconditional, provides a sufficient cash component to address priority claims, and permits Fiera to mitigate its losses and limit its continued expenses in this proceeding.

#### **DEPOSIT RETURN PROTOCOL**

19. The Credit Bid excludes the Condo Purchase Agreements. As such, on November 20, 2025 the Receiver served its Motion Record, containing the Third Report, on the stakeholders including the parties who entered into the Purchase Agreements (the "**Condo Purchasers**"). The Motion Record confirmed the Receiver is seeking approval to terminate the Condo Purchase Agreements.
20. As noted in the Third Report, the Condo Purchasers paid the Deposits and the Receiver has been advised that the Deposits are held by the Deposit Trustee. The Receiver has not taken possession of the Deposits.
21. Notwithstanding that the Receiver is not in possession of the Deposits, the Receiver engaged with the Deposit Trustee, counsel to Guarantee Company of North America (now Intact Insurance), in its capacity as surety (the "**Surety**") and counsel to Tarion Warranty Corporation ("**Tarion**") to establish a DRP. To that end, the Receiver, through counsel distributed a proposed form of DRP which is attached as **Appendix "E"** (the "**DRP Proposal**").
22. The Surety had no comments on the DRP Proposal, however, Tarion provided a blackline of its proposed comments, which is attached as **Appendix "F"**. The Receiver is comfortable with Tarion's proposed changes, save for its deletion in paragraph 7. Discussions between the Receiver and Tarion regarding paragraph 7 are ongoing.
23. On the afternoon of December 2, 2025, the Deposit Trustee wrote to the Receiver requesting that it "ensure that [the Deposit Trustee's] fees are covered in the Order that will be putting this process in place". Receiver's counsel responded to the Deposit Trustee

advising that the Receiver does not have funds to pay the Deposit Trustee's fees and inquiring as to how the Deposit Trustee proposes that its fees be "covered" in the proposed form of Order. Later that evening, the Deposit Trustee responded that their position is that the Receiver has "stepped in to the shoes of 225" and is thus responsible for the Deposit Trustee's fees.

24. With respect to the Deposit Trustee, the Receiver notes that it did not take possession of the Deposits and is not a party to the agreement with the Deposit Trustee. Further, and as previously noted, the Receiver is not funded to pay the Deposit Trustee's accounts and believes this matter should be resolved as between the Deposit Trustee, the Surety and Tarion. The Receiver's involvement in the DRP Process is not required under the Receivership Order, but is being moved forward by the Receiver as a service to the Court and to the Condo Purchasers and should not result in additional costs to the Debtors' creditors.
25. To date, the Receiver has only heard from one Condo Purchaser who had queries regarding its deposit and ultimately thanked the Receiver for its "exceptional hard work, diligence, and countless hours that [the] team continue to dedicate to this matter". In short, the Condo Purchasers have not opposed the termination of their Condo Purchase Agreements.
26. The Receiver recommends that it be given approval to terminate the Condo Purchase Agreements and proceed with the DRP Process as outlined in Appendix "B". The Receiver believes the DRP is similar in many respects to other DRP's commonly and frequently approved by the courts.

#### **ADDINGTON OCCUPANTS**

27. The Receiver can confirm that the Addington Occupants vacated the premises on November 28, 2025 and November 30, 2025, respectively. The Receiver provided the Addington Occupants with the Vacancy Payment and has changed the locks at those premises. Attached as **Appendix "G"** are confirmations from the tenants confirming receipt of the Vacancy Payment.

All of which is respectfully submitted this 3<sup>rd</sup> day of December, 2025.

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



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

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