

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

B E T W E E N:

**ROYAL BANK OF CANADA**

Applicant

and

**2162538 ONTARIO INC. and 2202227 ONTARIO INC.**

Respondents

**MOTION RECORD**

July 24, 2024

**DICKINSON WRIGHT LLP**  
Barristers & Solicitors  
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Lawyers for Olympia Trust Company

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

**ROYAL BANK OF CANADA**

Applicant

and

**2162538 ONTARIO INC. and 2202227 ONTARIO INC.**

Respondents

**NOTICE OF MOTION**

BDO Canada Ltd., in its capacity as court- appointed receiver (the “**Receiver**”) of the assets, property and undertakings of the Respondent, 220227 Ontario Inc. (the “**Debtor**”), including the real property municipally known as 252 Dundas Street, London, Ontario (collectively, the “**252 Dundas Property**”) will make a Motion to a Judge on Friday, August 9, 2024 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 (*choose appropriate option*)

- In writing under subrule 37.12.1(1);
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference.

at the following location

80 Dundas St., London, Ontario, N6A 6A3

*(Courthouse address for in person hearing or telephone conference or video conference details, such as a dial-in number, access code, video link, etc. if applicable)*

**THE MOTION IS FOR an Order**

- (a) if necessary, abridging the time for service of the notice of motion and motion record herein, validating service of the motion record, declaring this motion properly returnable on August 9, 2024, and dispensing with any further service thereof;
- (b) authorizing the Receiver to enter into a listing agreement with Colliers Southwestern Ontario for the sale of the 252 Dundas Property, at an initial listing price of \$1,150,000;
- (c) approving a form of Agreement of Purchase and Sale for the 252 Dundas Property;
- (d) approving the First Report and the activities and conduct of the Receiver described therein
- (e) approving the Receiver's Statement of Receipts and Disbursements for the period March 22, 2024 to June 13, 2024 (the "**Statement of Receipts and Disbursements**");
- (f) costs of this Motion; and,
- (g) such further and other relief as to this Honourable Court may seem just.

**THE GROUNDS FOR THE MOTION ARE** *(Specify the grounds to be argued, including a reference to any statutory provision or rule to be relied on).*

- (a) Upon application by Royal Bank of Canada (“**RBC**” ), BDO Canada Ltd. was appointed as Receiver by the Order of Mr. Justice McArthur dated March 22, 2024 (the “**Appointment Order** ”):
- (b) The Appointment Order empowers but does not obligate the Receiver to, among other things:
  - (1) take possession of and exercise control over the 252 Dundas Property.
  - (2) receive, preserve, and protect the 252 Dundas Property, or any part or parts thereof,.
  - (3) manage, operate and carry on the business of the Debtor,
  - (4) receive and collect all monies and accounts now owed or hereafter owing to the Debtor; and .
  - (5) sell, convey, transfer, lease or assign the 252 Dundas Property.
- (c) The Receiver has obtained two appraisals of the 252 Dundas Property and listing proposals from three experienced commercial real estate brokers based in London, Ontario;
- (d) The Receiver recommends entering into a listing agreement with Colliers with an initial listing price of \$1,150,000;
- (e) RBC supports this recommendation;
- (f) the proposed marketing plan to be carried out by Colliers, following the execution of a listing agreement is commercially reasonable;

- (g) The activities carried out by the Receiver , and the Receiver's Statement of Receipts and Disbursements as described in its First Report are commercially reasonable and authorized under the Appointment Order;
- (h) Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure*;and
- (i) Such further and other grounds as the lawyers may advise.

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

- (a) The First Report of the Receiver dated July 17, 2024;
- (b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

July 24, 2024

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Lawyers for Olympia Trust Company

ROYAL BANK OF CANADA et al.  
Applicants

-and- 2162538 ONTARIO INC. et al.  
Respondents

Court File No. CV-24-0000693-0000

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
  
PROCEEDING COMMENCED AT  
LONDON

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**NOTICE OF MOTION**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

**BETWEEN :**

**ROYAL BANK OF CANADA**

**Applicant**

- and -

**2162538 ONTARIO INC. and 2202227 ONTARIO INC.**

**Respondents**

**APPLICATION UNDER** Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and Rule 14.05(3)(g) and (h) of the *Rules of Civil Procedure*

**FIRST REPORT TO THE COURT SUBMITTED BY BDO CANADA LIMITED,  
IN ITS CAPACITY AS RECEIVER OF  
2202227 ONTARIO INC.**

**July 17, 2024**

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- Confidential Appendix A** - Summary of the Appraisals and the Listing Proposals

# 1. Introduction and Background

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## 1.1 Introduction

1.1.1 This report is submitted by BDO Canada Limited, in its capacity as Receiver (“**BDO**” or the “**Receiver**”) of the assets, undertakings and properties of 2202227 Ontario Inc. (“**2202 Ontario**” or the “**Debtor**”), including the real property municipally known as 252 Dundas Street, London, Ontario (“**252 Dundas**” or the “**Real Property**”).

1.1.2 Upon application by Royal Bank of Canada (“**RBC**” or the “**Bank**”) BDO was appointed as Receiver by the Order of Mr. Justice McArthur dated March 22, 2024 (the “**Appointment Order**”). A copy of the Appointment Order is attached as **Appendix A** to this report.

1.1.3 The application by RBC against the related company, 2162538 Ontario Inc. (“**2162 Ontario**”) was withdrawn by RBC on May 31, 2024 as all obligations of 2162 Ontario owing to the Bank were repaid in full.

## 1.2 Background

1.2.1 252 Dundas is a downtown, heritage designated, mixed-used commercial building which currently operates with a restaurant tenant on the main level and residential tenants on the second and third floors.

1.2.2 Mr. Jens Stickling is the sole director of the Debtor.

1.2.3 Further to a Letter of Agreement dated April 16, 2016 RBC provided 2202 Ontario with a credit facility comprised of a Fixed Rate Loan in the amount of \$715,000 (the “**2202 Credit Facility**”)

1.2.4 As security for the 2202 Credit Facility, RBC was granted security by 2202 Ontario, which included a Site Specific Security Agreement dated June 7, 2016 and a Charge/Mortgage on the Real Property dated June 16, 2016 in the principal sum of \$715,000.

- 1.2.5 2202 Ontario defaulted on the terms of the 2202 Credit Facility. Such defaults included the failure to make payments when due and the registration of a subsequent encumbrance against the Real Property without the knowledge or consent of the Bank (the “**Subsequent Charge**”)
- 1.2.6 The Subsequent Charge consists of a Charge/Mortgage registered March 16, 2020 in favor of Olympia Trust Company, in the principal sum of \$648,000.
- 1.2.7 On November 6, 2023 RBC made demand for repayment of the obligations due under the 2202 Ontario Credit Facility and issued a Notice of Intention to Enforce Security under section 244 (1) of *The Bankruptcy and Insolvency Act*
- 1.2.8 Subsequently the Debtor advised the Bank that it was obtaining refinancing, which was not completed, and the Debtor failed to execute a Forbearance Agreement, as required by the Bank.
- 1.2.9 As of February 23, 2024, 2202 Ontario was indebted to RBC in the amount of CDN\$508,440.63 for principal and interest, plus accruing interest and costs.
- 1.2.10 Subsequently, an application was brought by RBC for the appointment of BDO as Receiver of the property of the assets, undertakings and properties of 2202 Ontario, including the Real Property.
- 1.2.11 As noted above, on March 22, 2024, Mr. Justice McArthur granted the relief sought by RBC and granted the Appointment Order over all of the assets, undertakings and properties of 2202 Ontario, including the Real Property (collectively, the “**Property**”).
- 1.2.12 The Appointment Order empowers but does not obligate the Receiver to, among other things:
- (a) take possession of and exercise control over the Property.
  - (b) take possession of and exercise control of any and all proceeds, receipts and disbursements arising out of or from the Property.

- (c) receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, changing the 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.
- (d) manage, operate and carry on the business of 2202 Ontario, 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 2202 Ontario.
- (e) receive and collect all monies and accounts now owed or hereafter owing to 2202 Ontario and to exercise all remedies of 2202 Ontario in collecting such monies, including, without limitation, to enforce any security held by 2202 Ontario.
- (f) sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business 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 \$200,000 and with the approval of the Court in which the purchase price exceeds these monetary thresholds.

## 2. Terms of Reference

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- 2.1 In preparing this First Report, the Receiver has relied upon unaudited and draft, internal financial information obtained from 2202 Ontario's books and records and discussions with management and staff (the "**Information**"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information and expresses no opinion, or other form of assurance, in respect of the Information.

### 3. Purpose of the Receiver's First Report

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- 3.1 This constitutes the Receiver's First Report to the Court (the "**First Report**") in this matter and is filed:
- (a) to provide this Court with information on:
    - (i) the Receiver's activities since the date of the Appointment Order;
    - (ii) the Receiver's advice and recommendation with respect to the sale of the 252 Dundas Property; and
  - (b) in support of the Receiver's motion for Orders:
    - (i) authorizing the Receiver to enter into a listing agreement with Colliers Southwestern Ontario for the sale of the 252 Dundas Property, at an initial listing price of \$1,150,000;
    - (ii) approving a form of Agreement of Purchase and Sale for the 252 Dundas Property;
    - (iii) approving the First Report and the activities and conduct of the Receiver described herein;
    - (iv) approving the Receiver's Statement of Receipts and Disbursements for the period March 22, 2024 to June 13, 2024 (the "**Statement of Receipts and Disbursements**");

## 4. Receiver's Activities

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### Securing the Real Property

- 4.1 The Receiver retained the existing property manager, Nora Property Management Inc, a party related to the Debtor ("**Nora**").
- 4.2 Nora has continued to collect monthly rents from the main level restaurant tenant the upper floor residential tenants and forward these amounts to the Receiver, less post receivership utility bills that were paid by Nora prior to the Receiver transferring these accounts into its name.
- 4.3 The Receiver has maintained the existing commercial insurance policy with Co-operators Insurance and been added as a named insured.

### Receiver's banking

- 4.4 The Receiver made arrangements for a new bank account for the Receiver to facilitate future receipts and disbursements with respect to the receivership administration.

### Statutory Notices

- 4.5 The Receiver prepared and issued a combined notice pursuant to Section 245(1) and 246(1) of the Bankruptcy and Insolvency Act ("**BIA**") to the Office of the Superintendent of Bankruptcy and to all known creditors of the Company (the "**Receiver's Notice**"). A copy of the Receiver's Notice is attached hereto at **Appendix B**.

### Independent Counsel

- 4.6 Receiver has retained Dickenson Wright LLP ("**DW**") as independent counsel. DW will review the security documentation of RBC and provide the Receiver with an opinion on the validity, priority and enforceability of the security as amongst the secured creditors and as against the unsecured creditors.

## 5. Sale of the 252 Dundas Property

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- 5.1 The Receiver obtained two appraisals (the “**Appraisals**”) of the Real Property, as follows:
- i. Otto and Company of London, Ontario, effective April 30, 2024
  - ii. Valco Real Estate Appraisers of London, Ontario, effective May 2, 2024
- 5.2 The Receiver obtained listing proposals from the three experienced commercial real estate brokers based in London, Ontario, namely Avison Young (“**AY**”), CBRE (“**CBRE**”) and Colliers Southwestern Ontario (“**Colliers**”). Each of the brokers inspected the 252 Dundas Property between May 9, 2024 and May 13, 2024 and subsequently submitted listing proposals / opinions of value (the “**Listing Proposals**”).
- 5.3 The Listing Proposals vary in commission structure, suggested listing price, duration of the listing agreement and other terms. A summary of the Appraisals and the Listing Proposals is attached as **Confidential Appendix A**.
- 5.4 The Receiver reviewed the Appraisals, broker opinions of value and suggested listing prices, proposed commission structures and proposed marketing plans.
- 5.5 A summary of the proposed Colliers marketing plan, following the execution of a listing agreement, is as follows:
- (a) Gather due diligence materials such as environmental reports, property tax bills, surveys, zoning information and leases;
  - (b) Establish a due diligence data room;
  - (c) Prepare marketing materials such as printed flyer brochure, HTML eblast, social media and virtual tours, with all marketing costs to be borne by Colliers;
  - (d) Launch marketing including listing on local and MLS real estate listing boards, Globe & Mail advertising, HTML to Colliers client list and cold call direct marketing;

- (e) Execute confidentiality agreements and conduct tours and meetings with interested parties;
  - (f) Review offers received and make recommendations on sign back;
  - (g) Negotiate Agreement of Purchase and Sale;
  - (h) Assist in due diligence process leading to waiver of conditions and closing of transaction;
- 5.6 The Receiver seeks approval to enter into a listing agreement with Colliers with an initial listing price of \$1,150,000. RBC supports this recommendation.
- 5.7 DW has prepared a proposed Agreement of Purchase and Sale for the 252 Dundas Property (the “**APS**”) to be used by the commercial broker in soliciting offers for the Real Property. The APS is attached as **Appendix C**.

## 6. Statement of Receipts and Disbursements of the Receiver

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- 6.1 The Receiver has established a separate trust account for the Receiver's banking activity.
- 6.2 A summary of the Receiver's receipts and disbursements from March 22, 2024 to June 13, 2024 (the "R & D") is attached as **Appendix D**.
- 6.3 Receipts consist of rents, net of post-receivership utilities paid by the property manager, in the total amount of \$16,134.31
- 6.4 The Receiver has made disbursements of approximately \$9,836.75, consisting of appraisal fees, insurance and utilities.

## 7. Recommendations

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7.1. The Receiver recommends and respectfully requests that the Court grant the relief summarized at paragraph 3.1(b) of this First Report.

All of which is Respectfully Submitted this 17 day of July, 2024

BDO Canada Limited in its capacity as Court Appointed Receiver of  
2207227 Ontario Inc. and not in any personal capacity.



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Per: Robyn Duwyn, CPA, CA, CIRP  
Licensed Insolvency Trustee  
Senior Vice President

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR. ) FRIDAY, THE 22ND  
JUSTICE MCARTHUR ) DAY OF MARCH, 2024



**ROYAL BANK OF CANADA**

Applicant

- and -

**2162538 ONTARIO INC. and 2202227 ONTARIO INC.**

Respondents

**ORDER**

**(Appointing Receiver over 2202227 Ontario Inc.)**

THIS APPLICATION made by the Applicant 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 (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2202227 Ontario Inc. (the "Debtor") situate on, used in connection with, or arising from the business or affairs carried on by the Debtor on, at, or about the real property described at Schedule "A" to this Order (the "Real Property") and owned by the Debtor, including all proceeds thereof, and of the Real Property, was heard this day by judicial videoconference via Zoom at the Court House, 80 Dundas Street, London, Ontario.

ON READING the affidavits of Glen Lessard sworn February 27, 2024 and March 8, 2024 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no other party although duly served as appears from the affidavits of service of Samuel Petersen sworn March 1, 2024 and March 11, 2024 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 Application 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 situate on, used in connection with, or arising from the business or affairs carried on by the Debtor on, at, or about the Real Property, including all proceeds thereof, and of the Real Property (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;
- (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 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 consultants, appraisers, agents, experts, auditors, accountants, managers, counsel 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 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 \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$200,000.00; 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; and
- (r) 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 Debtors, 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 Debtors in relation to the Property, 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 Debtors in relation to the Property, 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 in relation to the Property, 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 in relation to the Property 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**

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.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. 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**

17. 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, 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**

18. 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.

19. 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.

20. 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**

21. 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 \$150,000.00 (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.

22. 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.

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

24. 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**

25. 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-%20commercial/#Part III The E-Service List](https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-%20commercial/#Part_III_The_E-Service_List)) 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/2162538-220222ontarioinc>>'.

26. 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**

27. 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.

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

29. 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.

30. 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.

31. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security

or, if not so provided by the Applicant'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.

32. 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.

A handwritten signature in black ink, appearing to read "W.D. Arthur", with a long horizontal stroke extending to the right.

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Justice, Ontario Superior Court of Justice

**SCHEDULE "A"**  
**REAL PROPERTY**

**2202227 Ontario Inc.**

Lands municipally known as 252 Dundas Street, London, ON, and legally described as:

PT LT 2 NW DUNDAS ST, PT 4 33R8650; T/W 829002; LONDON (PIN 08265-0041 LT)

**SCHEDULE "B"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the "Receiver") of the assets, undertakings and properties of 2202227 Ontario Inc. (the "Debtor") situate on, used in connection with, or arising from the business or affairs carried on by the Debtor on, at, or about the Real Property, as defined in the Order,, including all proceeds thereof and including the Real Property (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (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 the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BDO Canada Limited, solely in its capacity  
as Receiver of the Property, and not in its  
personal or corporate capacity

Per: \_\_\_\_\_

Name:

Title:

**Notice of Receiver**  
**Subsection 245(1) and 246 (1) of the Act**  
**Form 87**

In the matter of the receivership of the property of:

**2202227 Ontario Inc. (the “Company”)**

Take Notice that:

1. On the 22<sup>nd</sup> day of March, 2024, the undersigned BDO Canada Limited (“BDO”) became Receiver (the “Receiver”) in respect of the property of 2202227 Ontario Inc. (“Company”), described below as:

I.	Real Property	Unknown
II.	Rents Receivable	Unknown
III.	Cash and Bank Accounts	Unknown
IV.	All other assets, undertakings and properties	Unknown

- 2 The undersigned became Receiver in respect of the property described above by virtue of Order of the Ontario Superior Court of Justice. The Order was issued on and was effective and entered on March 22<sup>nd</sup>, 2024. A copy of the Appointment Order is attached herewith.
- 3 The undersigned has taken possession and control of the property described above on March 22<sup>nd</sup>, 2024.
- 4 The following information relates to the receivership:

Address of Company : 639 Marshall St, London, ON  
Principle Location of Business: 252 Dundas St, London, ON

Principal Business Operations: Commercial and residential property rental

- 5 The intended plan of action of the Receiver during the receivership is:

The Company is the owner of 252 Dundas Street, London (the “Commercial Building”), a commercial and residential building with both leased and vacant units. The Receiver intends to conduct a sales process to solicit proposals to purchase the property. During this time, the Receiver will collect monthly rents and attend to all matters concerning the property. The Receiver is in the process of engaging the related party to manage the Commercial Building on its behalf.

- 6 The parties below hold a security interest over the property of the Debtor:

RBC	\$508,440.63
City of London	\$112,206.30
Olympia Trust Company	\$648,000.00

7 A list of unsecured creditors is attached as **Appendix A**.

Please do not contact our office if the balance owing to you on the attached list is incorrect. As this is a Receivership administration and not a Bankruptcy, there is no mechanism to file a proof of claim. Should the Receiver need to contact you at a later time, written correspondence will be directed to the mailing address indicated on the attached.

8 Estimated Realization

The estimated realization cannot be determined at this early stage in the Receivership.

9 Contact person for the Receiver:

BDO Canada Limited  
100-633 Colborne Street  
London ON N6B 2V3

Attention: Maxine Finnegan  
519-660-6540, ext. 7509

Dated at London, Ontario this 27<sup>th</sup> day of March, 2024

BDO Canada Limited  
Court Appointed Receiver of  
2202227 Ontario Inc.



Per: Robyn Duwyn, CPA, CA, CIRP  
Senior Vice President

**Appendix A**  
Unsecured Creditors

No known unsecured creditors

## OFFER TO PURCHASE

*(PIN 08265-0041 LT, Ontario)*

**TO:** **BDO CANADA LIMITED** (the “**Vendor**” or “**Receiver**”) in its capacity as court-appointed receiver of the assets, undertakings and properties of 220227 Ontario Inc. (the “**Debtor**”) pursuant to an Order of the Honourable Justice McArthur of the Ontario Superior Court of Justice, dated March 22, 2024, in Court File No. CV-24-00000693-0000 at London (the “**Order**”), and not in its personal capacity or corporate capacity

### **1. Offer to Purchase**

The undersigned, \_\_\_\_\_ Purchaser, hereby offers to purchase the right, title and interest in and to the Property (hereinafter defined) which the Vendor is entitled to sell pursuant to the Order at the purchase price set out herein and upon and subject to the terms hereof.

### **2. Definitions**

In this Offer and the Agreement arising from the acceptance hereof, the following terms have the meanings respectively ascribed to them:

“**Agreement**”, “**the Agreement**” or “**this Agreement**” means the agreement of purchase and sale resulting from the acceptance of this Offer by the Vendor.

“**Approval**” in relation to the Court means the making of an appropriate Order of the Court in respect of the particular matter submitted for approval approving the action or proposed action of the Vendor on terms satisfactory to the Vendor.

“**Buildings**” means the building(s), if any, situate on the Lands (as hereinafter defined) together with all other structures situate thereon, including all improvements thereto and all fixtures forming a part thereof.

“**Business Day**” means a day other than Saturday, Sunday or a statutory holiday in the Province of Ontario or any other day upon which the Vendor is not open for the transaction of business throughout normal business hours at its principal office.

“**Closing**” or “**Closing Date**” has the meaning ascribed thereto in Section 19 thereof.

“**Court**” means the Ontario Superior Court of Justice and includes a judge, master or registrar of that court and any appellate court judge having jurisdiction in any particular matter.

“**Deposit**” has the meaning ascribed thereto in Section 3(a) hereof.

“**Environmental Laws**” means all requirements under or prescribed by common law and all federal, provincial, regional, municipal and local laws, rules, statutes, ordinances, regulations, guidelines, directives, notices and orders from time to time with respect to the discharge, generation, removal, storage or handling of any Hazardous Substance.

“**Hazardous Substances**” means any contaminant, pollutant, dangerous substance, potentially dangerous substances, noxious substance, toxic substance, hazardous waste, flammable material, explosive material, radioactive material, urea-formaldehyde foam insulation, asbestos, PCBs radiation and any other substance, material, effect, or thing declared or defined to be hazardous, toxic, a contaminant, or pollutant, in or pursuant to any Environmental Laws.

“**HST**” has the meaning ascribed thereto in Section 18 hereof.

“**Indemnitees**” has the meaning ascribed thereto in Section 26 hereof.

“**Lands**” means the lands legally described in Schedule “A” attached hereto.

“**Lease(s)**” means collectively, all leases, agreements to lease, tenancies, licenses, room rental agreements, and any other rights of occupation of space in the Buildings or on the Lands, if any.

“**Material Documents**” includes copies of all architectural drawings, site plans relating to the Property, existing plan of survey, if any, the Lease(s), if any, and operating statements for the Building, if any, to the extent that such Material Documents are in the possession of the Vendor.

“**Offer**”, “**the Offer**” or “**this Offer**” means the offer to purchase the Property made by the Purchaser and contained in and comprised of this document.

“**Personal Property**” means the inventory and the chattels owned by the Debtor , if any, situate on the Real Property.

“**Property**” means, collectively, the Personal Property, if any, and the Real Property.

“**Purchase Price**” has the meaning ascribed thereto in Section 3 hereof.

“**Real Property**” means collectively, the Lands and Buildings, if any.

“**Vesting Order**” has the meaning ascribed thereto in Section 6 hereof.

### 3. **Purchase Price**

The purchase price for the Property shall be • dollars (\$•) payable in lawful money of Canada (the “**Purchase Price**”), subject to the adjustments hereinafter referred to in Section 8 hereof, and paid by the Purchaser as follows:

- (a) a deposit (the “**Deposit**”), which shall not be less than 10% of the Purchase Price, shall be delivered with submission of this Offer by wire transfer to the Vendor; and,
- (b) the balance of the Purchase Price for the Property shall be paid, subject to the adjustments hereinafter referred to, to the Vendor on the Closing Date by wire transfer to the Vendor’s lawyers (or as the Vendor or its lawyers may direct).

### 4. **Deposit**

The Deposit shall be held in trust by the Vendor and shall be:

- (a) returned to the Purchaser without interest or deduction if the Vendor does not accept this Offer; or,
- (b) credited to the Purchaser as an adjustment against the Purchase Price on the Closing Date if the purchase and sale of the Property is completed pursuant to the Agreement; or,
- (c) refunded to the Purchaser without interest and without deduction if the purchase and sale of the Property is not completed pursuant to the Agreement, provided that the Purchaser is not in default under this Offer or under the Agreement; or,
- (d) retained by the Vendor as a genuine pre-estimate of liquidated damages and not as a penalty, in addition to any other rights and remedies that the Vendor may have under this Offer, the Agreement and at law, including offering the Property for sale to another person, if the purchase and sale of the Property is otherwise not completed pursuant to this Offer and the Agreement, as a result of the Purchaser’s breach hereunder.

### 5. **Acceptance of Offer**

The Purchaser agrees that no agreement for the purchase and sale of the Property shall result from this Offer unless and until this Offer has been accepted by the Vendor and approved by the Court in accordance with the provisions of Section 6 hereof. The Purchaser agrees that this Offer shall be irrevocable by the Purchaser

and open for acceptance by the Vendor until 5:00 o'clock p.m. (Toronto time) on ●, 2024, after which time, if not accepted by the Vendor, this Offer shall be null and void and the Deposit shall be returned to the Purchaser in accordance with Section 4(a) hereof. The Vendor shall indicate the date on which it has accepted this Offer in the space provided on the execution of this Offer.

**6. Court Approval**

The Purchaser hereby acknowledges and agrees that the sale of the Property is by Order of, and is subject to Court Approval. The Vendor shall, forthwith following its acceptance of this Offer, bring a motion to the Court for Approval of the Agreement and an order vesting title to the Property in the Purchaser (the "**Vesting Order**"). The Vendor shall diligently pursue such motion on notice to the Purchaser and shall promptly notify the Purchaser of the disposition thereof. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the Purchaser's power as the Vendor may reasonably require to obtain Approval of the Agreement. If the Court shall not have granted Approval of the Agreement within twenty (21) days of the Vendor's acceptance of this Offer, the Agreement shall automatically be terminated. If the Agreement is terminated under this Section, the Deposit shall be returned to the Purchaser in accordance with Section 4(c) hereof and neither party shall have any further rights or liabilities hereunder.

**7. Capacity of Receiver**

The Vendor, by acceptance of this Offer, is entering into the Agreement solely in its capacity as court-appointed Receiver of all of the assets, undertakings and properties of the Debtor and not in its personal, corporate or any other capacity. Any claim against the Receiver shall be limited to and only enforceable against the assets, undertakings and properties then held by or available to it in its said capacity as Receiver and shall not apply to its personal property and/or any assets held by it in any other capacity. The Vendor shall have no personal or corporate liability of any kind, whether in contract or in tort or otherwise. The term "Vendor" as used in this Agreement shall have no inference or reference to the present registered owner of the Property.

**8. Adjustments**

Save and except for realty taxes, flat/fixed water and sewer rates and charges which may be added to property taxes, the Purchase Price for the Property shall be adjusted as of the Closing Date in respect of items usually adjusted with respect to properties similar to the Property that apply, save and except for rent or any matters related to the Lease(s), if any. Such adjustments shall be pro-rated where appropriate for the relevant period on the basis of the actual number of days elapsed during such period prior to the Closing Date itself to be apportioned to the

Purchaser. There shall be no adjustment in respect of (a) prepaid rents, or, (b) rent or other moneys payable to the Vendor under the Lease(s), if any, in respect of periods prior to the Closing which remain unpaid as at Closing. The Purchaser shall otherwise be responsible for paying any property taxes, flat/fixed water and sewer rates and charges which may be added to property taxes owing in respect of the Property on or after the Closing Date, including, without limitation, any liabilities which arise on or after the Closing Date in respect of the period prior to the Closing Date.

**9. Termination of Agreement**

Notwithstanding anything to the contrary contained in this Agreement, if at any time or times prior to the Closing Date, the Vendor is unable to complete this Agreement as a result of any action taken by an encumbrancer, any action taken by the present registered owner, the refusal by the present registered owner, to take any action, the exercise of any right by the present registered owner or other party which is not terminated upon acceptance of this Agreement, a certificate of pending litigation is registered against the Property, a court judgment or order is made, or, if the Purchaser submits valid title requisition which the Vendor is unable or unwilling to satisfy prior to Closing, or if the sale of the Property is restrained at any time by a court of competent jurisdiction, or if the Property is occupied by the owner of the Property and the Vendor is unable to provide vacant possession on Closing, the Vendor may, in its sole and unfettered discretion, elect by written notice to the Purchaser, to terminate this Agreement, whereupon the Deposit shall be returned to the Purchaser in accordance with Section 4(c) hereof, and neither party shall have any further rights or liabilities hereunder.

The obligation of the Vendor to complete the Agreement is subject to the satisfaction of the following terms and conditions on or prior to the Closing Date, which conditions are for the sole benefit of the Vendor and which may be waived by the Vendor in its sole discretion:

- (a) the representations and warranties of the Purchaser herein being true and accurate as of the Closing Date;
- (b) no action or proceeding at law or in equity shall be pending or threatened by any person, firm, government, government authority, regulatory body or agency to enjoin, restrict or prohibit the purchase and sale of the Property;
- (c) the Property shall not have been removed from the control of the Vendor by any means or process;
- (d) no party shall take any action to redeem the Property; and,

- (e) the Court shall have granted Approval of this Agreement and shall have granted the Vesting Order.

**10. Purchaser's Acknowledgements**

The Purchaser hereby acknowledges and agrees with, and to be subject to, the following:

- (a) it is responsible for conducting its own searches and investigations of the current and past uses of the Property;
- (b) the Vendor makes no representation or warranty of any kind that the present use or future intended use by the Purchaser of the Property is or will be lawful or permitted;
- (c) it is satisfied with the Property and all matters and things connected therewith or in any way related thereto;
- (d) it is relying entirely upon its own investigations and inspections in entering into this Agreement;
- (e) it is purchasing the Property on an "as is, where is" and "without recourse" basis including, without limitation, outstanding work orders, deficiency notices, compliance, requests, development fees, imposts, lot levies, sewer charges, zoning and building code violations and any outstanding requirements which have been or may be issued by any governmental authority having jurisdiction over the Property;
- (f) it relies entirely on its own judgment, inspection and investigation of the Property and acknowledges that any documentation relating to the Property obtained from the Vendor has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of this Offer or the Agreement;
- (g) it will provide the Vendor with all requisite information and materials, including proof respecting source or funds, at any time or times within forty-eight (48) hours of request by the Vendor so that the Vendor may determine the creditworthiness of the Purchaser and any related parties thereto;
- (h) the Vendor shall have no liability or obligation with respect to the value, state or condition of the Property, or the Leases, if any, whether or not the matter is within the knowledge or imputed knowledge of the Vendor, its officers, employees, directors, agents, representatives and contractors;

- (i) the Vendor has made no representations or warranties with respect to or in any way related to the Property, including without limitation, the following: (i) the title, quality, quantity, marketability, zoning, fitness for any purpose, state, condition, encumbrances, description, present or future use, value, location or any other matter or thing whatsoever related to the Property, either stated or implied; and (ii) the environmental state of the Property, the existence, nature, kind, state or identity of any Hazardous Substances on, under, or about the Property, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under the *Environmental Protection Act* (Ontario), or any other statute, regulation, rule or provision of law now in existence, or the state, nature, kind, identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Substances whether on, under or about the Property or elsewhere;
- (j) the Material Documents are being provided to the Purchaser merely as a courtesy and without any representations or warranties whatsoever; and,
- (k) it will ensure that any environmental and/or structural reports obtained on behalf of the Purchaser shall also be addressed to the Vendor and a copy of each such report shall be delivered to the Vendor promptly after the completion thereof, regardless of whether the transaction contemplated by this Offer or the Agreement closes. If for any reason such transaction is not consummated, the Purchaser agrees to deliver promptly to the Vendor any and all reports and other data pertaining to the Property and any inspections or examinations conducted hereunder.

#### **11. Title to the Property**

Provided that the title to the Property is good and free from all restrictions, charges, liens, claims and encumbrances, except as otherwise specifically provided in this Agreement, and save and except for:

- (a) any reservations, restrictions, rights of way, easements or covenants that run with the land;
- (b) any registered agreements with a municipality, region or supplier of utility service including, without limitations, electricity, water, sewage, gas, telephone or cable television or other telecommunication services;
- (c) all laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Property;

- (d) any minor easements for the supply of utility services or other services to the Lands or Buildings, if any, or adjacent properties;
- (e) encroachments disclosed by any error or omission in existing surveys of the Lands or neighbouring properties and any title defects, encroachment or breach of a zoning or building by-law or any other applicable law, by-law or regulation which might be disclosed by a more up-to-date survey of the Lands and survey of the Lands and survey matters generally;
- (f) the exceptions and qualifications set forth in the *Registry Act* (Ontario) or the *Land Titles Act* (Ontario), or amendments thereto;
- (g) any reservation, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown, including, without limitation, the reservation of any mines and minerals in the Crown or in any other person;
- (h) the Lease(s), if any, and the right of any tenant, occupant, lessee or licensee to remove fixed equipment or other fixtures;
- (i) subsection 44(1) of the *Land Titles Act* (Ontario) except paragraphs 11 and 14;
- (j) provincial succession duties and escheats or forfeiture to the Crown;
- (k) the rights of any person who would, but for the *Land Titles Act* (Ontario) be entitled to the Lands or any part of it through length of adverse possession, prescription, misdescription or boundaries settled by convention;
- (l) any lease to which subsection 70(2) of the *Registry Act* (Ontario) applies; and
- (m) those encumbrances set out in Schedule “C” attached hereto.

Notwithstanding the foregoing, the Vesting Order shall provide for the deletion of the instruments or registrations listed in Schedule “B” attached hereto, and for the deletion of any filings under the *Personal Property Security Act* (Ontario), as they affect the Property.

## **12. Authorizations**

The Purchaser shall assume, at its cost, complete responsibility for compliance with all municipal, provincial and federal laws insofar as the same apply to the Property and the use thereof by the Purchaser. It shall be the Purchaser’s sole responsibility to obtain, and pay the cost of obtaining any consents, permits, licenses or other

authorizations necessary or desirable for the transfer to the Purchaser of the Vendor's right, title and interest, if any, in the Property.

**13. As Is Where Is**

For greater certainty, the Purchaser acknowledges that the Vendor is selling and the Purchaser is purchasing the Property on an "as is, where is" basis subject to whatever defects, conditions, impediments, Hazardous Substances or deficiencies which may exist on the Closing Date, including, without limiting the generality of the foregoing, any latent or patent defects in the Property. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Property, and that the Purchaser shall have conducted such inspections of the condition and title to the Property as it deems appropriate and shall have satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose, the existence or non-existence of Hazardous Substances, compliance with any or all Environmental Laws, legality of rents, merchantability, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Property, or the right of the Vendor to sell same, save and except as expressly provided for in this Agreement. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) do not apply hereto and have been waived by the Purchaser. The descriptions of the Property contained in this Agreement are for the purposes of identification only and no representation, warranty or condition has or will be given by the Vendor concerning the accuracy of such descriptions.

**14. Requisition Period**

The Purchaser shall be allowed fifteen (15) days from the date of the Vendor's acceptance of this Offer to investigate the title to the Property and to satisfy itself that all present uses are the legal uses thereof or legal nonconforming uses which may be continued and that the Property may be insured against usual insurable risks, at the Purchaser's own expense. If within such time the Purchaser shall furnish the Vendor in writing with any valid objection to title to the Property, which the Vendor is unable or unwilling to remove, remedy or satisfy and which the Purchaser will not waive, then the Agreement shall be terminated, the Deposit shall be returned to the Purchaser in accordance with Section 4(c) hereof and neither party shall have any further rights or liabilities hereunder. Save as to any valid objection made as aforesaid or which the law allows to be made and is made after expiry of the aforesaid period, the Purchaser shall be conclusively deemed to have accepted the title to the Property to be vested in the Purchaser on Closing in accordance with the Agreement, and to have accepted the Property subject to all applicable laws, by-laws, regulations, easements and covenants affecting its use and the Purchaser shall assume responsibility from and after the Closing Date for compliance therewith.

The Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title to the Lands, except as are in the control or possession of the Vendor. The Vendor shall not be required to produce any other document or report to the Purchaser, unless it is expressly provided for by this Agreement. The description of the Property is believed by the Vendor to be correct but, if any statement, error or omission shall be found in the particulars thereof, the same shall not cancel the sale or entitle the Purchaser to be relieved of any obligation hereunder, nor shall any compensation be allowed to the Purchaser in respect thereof.

**15. Leases**

The Purchaser acknowledges and agrees that:

- (a) the Property may be subject to Lease(s);
- (b) the Vendor makes no representation or warranty respecting the accuracy and completeness of any Lease(s), if any;
- (c) the Purchaser will purchase the Property subject to the terms and conditions of the Lease(s), if any, without representation or warranty (whether expressed or implied) of any kind or type from the Vendor relating to the Leases, including without limitation, (i) the enforceability of same (ii) whether the Leases accurately reflect the correct arrangement with the tenant(s) (iii) whether the tenants are in possession thereunder and/or paying rents in accordance thereof (iv) whether there are any ongoing unresolved disputes relating to the provisions of the Lease(s) or any parties' obligations thereunder and (v) whether any party or parties to the Lease(s) is or are in default of any obligations contained therein;
- (d) the Vendor shall not be required to make any adjustments to the Purchase Price for current rentals or prepaid rents or security deposits which may have been received by the Vendor or any other party; and,
- (e) the Vendor shall not be required to produce acknowledgements from the tenant(s) respecting the status of the Lease(s), if any.

The Vendor will execute and deliver or cause to be executed and delivered to the Purchaser on the Closing Date an assignment of any interest which the Vendor may have in the Lease(s).

**16. Risk of Loss**

The Property and all other things being purchased shall be and remain until completion at the risk of the Vendor. The Property shall thereafter be at the risk of

the Purchaser. Pending completion, the Vendor shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interest may appear and in the event of substantial damage to the Property before the completion of the Agreement which damage gives rise to any insurance proceeds, the Purchaser may either terminate this Agreement and have the Deposit returned without interest or deduction or else take the proceeds of insurance and complete the transaction. Where any damage is not substantial, the Purchaser shall be obliged to complete the Agreement and be entitled to the proceeds of insurance referenced to such damage. The Purchaser agrees that all the insurance maintained by the Vendor shall be cancelled on the Closing Date and that the Purchaser shall be responsible for placing its own insurance thereafter.

**17. Planning Act**

This Agreement is subject to the express condition that if the provisions of Section 50 of the *Planning Act* (Ontario) apply to the sale and purchase of the Lands, then this Agreement shall be effective to create an interest in the Lands only if such provision is complied with.

**18. Harmonized Sales Tax**

The Purchaser hereby represents and warrants to the Vendor that it is or will become registered for the purposes of Part IX of the *Excise Tax Act* (Canada) in accordance with the requirements of Subdivision (d) of Division V thereof and it will continue to be so registered as of the Closing Date. The Purchaser covenants to deliver to the Vendor drafts not less than five (5) Business Days before the Closing Date and originals upon Closing of: (i) a notarial copy of the certificate evidencing its registration for purposes of the goods and services tax / harmonized sales tax (“HST”), including the registration number assigned to it; and (ii) a declaration and indemnity of the Purchaser confirming the accuracy, as at Closing, of the representations and warranties set out herein and agreeing to indemnify the Vendor for any amounts for which the Vendor may become liable as a result of any failure by the Purchaser to pay the HST payable in respect of the sale of the Property under Part IX of the *Excise Tax Act* (Canada) and that the Purchaser is buying for its own account and not as trustee or agent for any other party. Provided that the Purchaser delivers a notarial copy of the certificate and the declaration and indemnity as set out above, the Purchaser shall not be required to pay to the Vendor, nor shall the Vendor be required to collect from the Purchaser, the HST in respect of the Property. In the event that the Purchaser shall fail to deliver the notarial copy of the certificate and the declaration and indemnity as set out above, then the Purchaser shall pay to the Vendor, in addition to the Purchase Price, in pursuance of the Purchaser's obligation to pay and the Vendor's obligation to collect HST under the provisions of the *Excise Tax Act* (Canada), an amount equal to thirteen (13%) percent of the Purchase Price, or such rate due and owing at the time of Closing.

**19. Closing**

Closing shall take place on the date which is seven (7) Business Days following the granting of Approval of the Agreement by the Court and issuance of the Vesting Order, or such other date as the parties or their respective solicitors may mutually agree upon in writing (the “**Closing Date**” or “**Closing**”). Each party covenants and agrees to proceed expeditiously to complete the transaction of purchase and sale contemplated herein. Provided that the Vendor by written notice to the Purchaser or its solicitors may postpone the Closing Date from time to time, but in no event shall the date of Closing be postponed to a date more than sixty (60) days after the original Closing Date. The Vendor and the Purchaser acknowledge that the Teraview Electronic Registration System (“**TERS**”) is operative and mandatory in the Land Titles Division for the Land Registry Office of Frontenac (No. 13). The Purchaser and Vendor shall each retain legal counsel who are authorized TERS users and who are in good standing with The Law Society of Ontario. The Vendor and Purchaser shall each authorize their respective legal counsel to enter into a document registration agreement in the form as adopted by the joint LSUC-CBAO Committee, as amended from time to time, of documents and closing funds and the release thereof to the Vendor and Purchaser, as the case may be:

- (a) shall not occur contemporaneously with the registration of the Application to Register the Vesting Order, and Receiver’s certificate required by the Vesting Order (and other registerable documentation, if any) to be registered by the Purchaser’s solicitor; 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 provisions of the document registration agreement and the Purchaser shall be required to deliver the balance due on closing on the Closing Date to the Vendor’s solicitors, to be held in escrow by them, whereupon the Vendor’s solicitors shall after payment forthwith attend to have the signed Receiver’s Certificate filed with the Court, which signed and entered Receiver’s Certificate and Vesting Order shall form part of the Application to Register the Vesting Order, and which shall be delivered by the Vendor’s solicitors to the Purchaser’s solicitors for immediate registration by the Purchaser’s solicitors. Upon registration of the Application to Register the Vesting Order, the Vendor shall release possession of the Property to the Purchaser and the balance due on closing shall be released from escrow.

**20. Vendor's Closing Deliveries**

The Vendor shall execute and deliver or cause to be executed and delivered to the Purchaser on the Closing Date, against payment of the Purchase Price, the following:

- (a) a statement of adjustments;
- (b) an undertaking by the Vendor to readjust all items on the statement of adjustments within sixty (60) days from the date of Closing on written demand;
- (c) a certificate of the Vendor to the effect that it is not at the Closing Date a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act*;
- (d) a copy of the Vesting Order;
- (e) an assignment of any interest which the Vendor may have in the Lease(s), if any;
- (f) a notice to the tenant(s) under the Lease(s), if any, to pay future rents to the Purchaser, or as the Purchaser may direct;
- (g) keys and combination lock codes that may be in the possession of the Vendor, if any;
- (h) copies of all Material Documents, if not already in the possession of the Purchaser;
- (i) a direction for the payment of the balance of the Purchase Price due on Closing; and
- (j) any other documents relative to the completion of this Agreement as may reasonably be required by the Purchaser or its solicitors.

**21. Purchaser's Closing Deliveries**

The Purchaser shall execute and deliver to the Vendor on the Closing Date the following:

- (a) wire transfer for the balance of the Purchase Price and any other monies required to be paid by the Purchaser pursuant to the Agreement, or the adjustments, including all applicable federal and provincial taxes, duties and registration fees unless the applicable exemption certificates in a form

acceptable to the Vendor are presented to the Vendor on or before the Closing Date to exempt the Purchaser therefrom;

- (b) all certificates, indemnities, declarations and other evidences contemplated hereby in form and content satisfactory to the Vendor's solicitors, acting reasonably;
- (c) an undertaking by the Purchaser to readjust all items on the statement of adjustments;
- (d) a notarial copy of its HST registration and HST certificate and indemnity as required pursuant to this Agreement;
- (e) an agreement to assume all existing Leases, if any, service and supply contracts in place as of Closing;
- (f) the indemnities required to be delivered by the Purchaser to the Vendor pursuant to Section 26 hereof;
- (g) the release and discharge required to be delivered by the Purchaser to the Vendor pursuant to Section 27 hereof; and,
- (h) any other documents relative to the completion of this Agreement as may reasonably be required by the Vendor or its solicitors.

## **22. Inspection**

Without limitation, all of the Property shall be as it exists on the Closing Date with no adjustments to be allowed to the Purchaser for changes in conditions or qualities from the date hereof to the Closing Date. The Purchaser acknowledges and agrees that the Vendor is not required to inspect the Property or any part thereof and the Purchaser shall be deemed, at its own expense to have relied entirely on its own inspection and investigation. The Purchaser acknowledges that no warranties or conditions, expressed or implied, pursuant to the *Sale of Goods Act* (Ontario) or similar legislation in other jurisdictions apply hereto and all of the same are hereby waived by the Purchaser.

## **23. Encroachments**

The Purchaser agrees that the Vendor shall not be responsible for any matters relating to encroachments on or to the Lands or Buildings, if any, or encroachments of the Property onto adjoining lands, or to remove same, or for any matters relating to any applicable zoning regulations or by-laws in existence now or in the future affecting the Property.

**24. Purchaser's Warranties**

The Purchaser represents and warrants that:

- (a) if applicable, it is a corporation duly incorporated, organized and subsisting under the laws of Canada, Ontario or another province of Canada;
- (b) if applicable, it has the corporate power and authority to enter into and perform its obligations under the Agreement and all necessary actions and approvals have been taken or obtained by the Purchaser to authorize the creation, execution, delivery and performance of this Offer and the Agreement and the Offer has been duly executed and delivered by the Purchaser, and the resulting Agreement is enforceable against the Purchaser in accordance with its terms; and,
- (c) it is not a non-Canadian for the purpose of the *Investment Canada Act* (Canada) and it is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

**25. Confidentiality**

The Purchaser agrees that all information and documents supplied by the Vendor or anyone on its behalf to the Purchaser or anyone on the Purchaser's behalf (including but not limited to information in the schedules hereto) shall, unless and until Closing occurs, be received and kept by the Purchaser and anyone acting on the Purchaser's behalf on a confidential basis and shall not without the Vendor's prior written consent be disclosed to any third party. If for any reason Closing does not occur, all such documents (including without limitation, the Material Documents) shall forthwith be returned intact to the Vendor and no copies or details thereof shall be retained by the Purchaser or anyone acting on its behalf. The Purchaser further agrees that the Purchaser shall keep the terms of this Offer and the Agreement confidential and shall not disclose the same to anyone except the Purchaser's solicitors, agents or lenders acting in connection herewith and then only on the basis that such persons also keep such terms confidential as aforesaid.

**26. Indemnification**

The Purchaser shall indemnify and save harmless the Vendor and its directors, officers, employees and agents (collectively, the "**Indemnitees**") from and against any and all liabilities, obligations, losses, damages, penalties, notices, judgments, suits, claims, demands, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in connection with the operations of the Purchaser on the Property or any order, notice, directive, or requirement under,

or breaches, violations or non-compliance with any Environmental Laws after the Closing Date or as a result of the disposal, storage, release or threat of release or spill on or about the Property of any Hazardous Substance after the Closing Date. The obligation of the Purchaser hereunder shall survive the Closing Date.

The Purchaser shall indemnify the Vendor and save harmless the Indemnitees from and against any and all liabilities, obligations, losses, damages, penalties, notices, judgments, suits, claims, demands, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Indemnitees or any of them arising out of or in connection with the failure of the Purchaser to pay any taxes, duties, fees and like charges exigible in connection with this Offer or Agreement. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining, any consents, permits, licenses or other authorizations necessary or desirable for the transfer to the Purchaser of the Property.

**27. Release**

The Purchaser agrees to release and discharge the Vendor together with its officers, employees, agents and representatives from every claim of any kind that the Purchaser may make, suffer, sustain or incur in regard to any Hazardous Substance relating to the Property. The Purchaser further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Vendor to clean up or remove or pay for the cleanup or removal of any Hazardous Substance, remediate any condition or matter in, on, under or in the vicinity of the Property or seek an abatement in the Purchase Price or damages in connection with any Hazardous Substance. This provision shall not expire with, or be terminated or extinguished by or merged in the Closing of the transaction of purchase and sale, contemplated by this Offer and the Agreement, and shall survive the termination of this Offer and the Agreement for any reason or cause whatsoever and the closing of this transaction.

**28. Non-Registration**

The Purchaser hereby covenants and agrees not to register this Offer or the Agreement or notice of this Offer or the Agreement or a caution, certificate of pending litigation, or any other document providing evidence of this Offer or the Agreement against title to the Property. Should the Purchaser be in default of its obligations under this Section, the Vendor may (as agent and attorney of the Purchaser) cause the removal of such notice of this Offer or the Agreement, caution, certificate of pending litigation or other document providing evidence of this Offer or the Agreement or any assignment of this Offer or the Agreement from the title to the Property. The Purchaser irrevocably nominates, constitutes and appoints the Vendor as its agent and attorney in fact and in law to cause the removal of such notice of this Offer or the Agreement, any caution, certificate of pending

litigation or any other document or instrument whatsoever from title to the Property.

**29. Assignment**

Save and except for the completion of this transaction by a company to be incorporated by the Purchaser, the Purchaser shall not have the right to assign its rights under this Agreement without the Vendor's prior written consent, which consent may be unreasonably withheld. Notice of the Purchaser's intention to assign, with the assignee's name and address for service and the assignee's HST number shall be provided to the Vendor not less than seven (7) Business Days prior to the Closing Date.

**30. Notices**

Any notice to be given or document to be delivered to the parties pursuant to this Agreement shall be sufficient if delivered personally or sent by email or sent by facsimile or mailed by prepaid registered mail at the following addresses:

To Vendor:

BDO Canada Limited  
633 Colburne Street  
London, Ontario  
L8P 1H1

Attention: David Flett/Robyn Duwyn  
Email: [dflett@bdo.ca](mailto:dflett@bdo.ca) / [rduwyn@bdo.ca](mailto:rduwyn@bdo.ca)

with a copy to:

Dickinson Wright LLP  
Barristers & Solicitors  
199 Bay Street  
Suite 2200, P.O. Box 447  
Commerce Court Postal Station  
Toronto, Ontario  
M5L 1G4

Attention: John Leslie  
Email: [jleslie@dickinsonwright.com](mailto:jleslie@dickinsonwright.com)

Attention: Lisa S Carne  
Email: [lcarne@dickinsonwright.com](mailto:lcarne@dickinsonwright.com)

and in the case of a notice to the Purchaser, to:

\_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_

Fax: \_\_\_\_\_

with a copy to the Purchaser's solicitors:

Any written notice or delivery of documents given in this manner shall be deemed to have been given and received on the day of delivery if delivered personally or sent by email or sent by facsimile or, if mailed, three (3) Business Days after the deposit with the post office.

**31. Entire Agreement**

The Agreement shall constitute the entire agreement between the parties to it pertaining to the subject matter thereof and shall supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there shall be no agreements or understandings between the parties in connection with the subject matter thereof except as specifically set forth herein. No party hereto has relied on any express or implied representation, written or oral, of any individual or entity as an inducement to enter into the Agreement.

**32. Amendment**

No supplement, modification, waiver or termination of the Agreement shall be binding, unless executed in writing by the parties to be bound thereby, provided that the time provided for doing any matter or thing contemplated herein may be abridged or extended by written agreement, in letter form or otherwise, executed by the duly authorized solicitors for the parties.

**33. Time of Essence**

Time shall be of the essence in this Agreement in all respects and any waiver of any time provision shall not be effective unless in writing and signed by both parties.

**34. Binding Agreement**

This Offer, when accepted, shall constitute a binding agreement of purchase and sale subject to its terms. It is agreed that there is no representation, warranty, collateral agreement or condition affecting the Agreement or the Property supported hereby other than as expressed herein in writing.

**35. Governing Law**

This Offer and the Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**36. Gender, Interpretive Matters**

This Offer and the Agreement shall be read with all changes of gender or number required by the context. The titles to provisions do not form part of this Offer or the Agreement and are inserted for reference purposes only. Preparation and submission of the form of this Offer or any other material by the Vendor shall not constitute an offer to sell.

**37. Severability**

Any provision of this Agreement which is determined to be void, prohibited or unenforceable shall be severable to the extent of such avoidance, prohibition or unenforceability without invalidating or otherwise limiting or impairing the other provisions of this Agreement.

**38. Non-Merger**

The provisions of this Agreement (including, without limitation, the representations and warranties of the Purchaser), shall survive Closing and shall not merge in the Vesting Order or in any other documents delivered hereunder.

**39. Counterparts**

The parties hereto agree that this Agreement may be executed in counterparts and by facsimile transmission and each such counterpart so executed by facsimile transmission shall be deemed to be an original and when taken together shall constitute as one and the same Agreement.

**IN WITNESS WHEREOF** the Purchaser has executed this Offer this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_

Per: \_\_\_\_\_

Name:

Title:

I have authority to bind the Corporation.

Subject to the Approval of the Court, the undersigned hereby accepts the foregoing Offer this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**BDO CANADA LIMITED** in its capacity as court-appointed receiver of the assets, undertakings and properties of 220227 Ontario Inc. and not in its personal or corporate capacity

Per: \_\_\_\_\_

Name: Robyn Duwyn

Title: Senior Vice President

I have authority to bind the Corporation.

**SCHEDULE "A"**

PT LT 2 NW Dundas Street, Pt 4 33R8650; T/W 829002; London

Being all of PIN 08265-0041 (LT)

Land Registry Office of London, No. 33

**SCHEDULE "B"**

**REGISTRATIONS TO BE DELETED FROM PIN 08265-0041 (LT)**

1. Instrument No. ER1018032 registered 2015/12/03 – LIEN in favour of THE CORPORATION OF THE CITY OF LONDON.
2. Instrument No. ER1046538 registered 2016/06/16 – CHARGE in favour of ROYAL BANK OF CANADA.
3. Instrument No. ER1046557 registered 2016/06/16 – NO ASSGN RENT GEN in favour of ROYAL BANK OF CANADA.
4. Instrument No. ER1293046 registered 2020/03/16 – CHARGE in favour of OLYMPIA TRUST COMPANY.
5. Instrument No. ER1293051 registered 2020/03/16 – NOTICE OF ASSIGNMENT OF RENT GEN in favour of OLYMPIA TRUST COMPANY
6. Instrument No. ER1046608 registered 2016/06/16 Postponement from the Corporation of the City of London in favour of ROYAL BANK OF CANADA.

**SCHEDULE “C”**

**REGISTRATIONS TO BE PERMITTED ON PIN 08265-0041 (LT)**

1. Instrument No. ER1046536 registered 2016/06/16– Transfer from WESTANY HOLDINGS INC.
2. Instrument No. 33R8650 registered 1989/02/22– Plan Reference
3. ER902296 registered on 2013/10/10 Bylaw of the Corporation of the City of London designating Heritage Conservation District known as Down Town.



# **Confidential**

# **Appendix**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) FRIDAY, THE 2nd DAY OF  
JUSTICE )  
 ) AUGUST, 2024

B E T W E E N:

*(Court Seal)*

**ROYAL BANK OF CANADA**

Applicant

and

**2162538 ONTARIO INC. and 2202227 ONTARIO INC.**

Respondents

**ORDER**

THIS MOTION, made by BDO Canada Limited in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the assets, property and undertakings of the Respondent, 220227 Ontario Inc. (the “**Debtor**”), including the real property municipally known as 252 Dundas Street, London, Ontario (collectively, the “**252 Dundas Property**”), for an order, among other things, authorizing the Receiver to enter into a listing agreement with Colliers Southwestern Ontario for the sale of The 252 Dundas Property, and approving the First Report of the Receiver dated July 17, 2024 (the “**First Report**”) was heard this day by judicial video conference.

ON READING the First Report and on hearing the submissions of counsel for the Receiver, and other counsel in attendance , no one else appearing for any other person, although properly served as appears from the Affidavit of Service, filed,

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

2. THIS COURT ORDERS that the First Report and the activities and conduct of the Receiver set out in the First Report be and are hereby approved.

3. THIS COURT ORDERS that the only the Receiver, in its personal capacity, and only with respect to its personal liability, shall be entitled to rely upon the approval of the First Report set out in paragraph 2 hereof.

4. THIS COURT ORDERS that the Receiver be and is hereby authorized to enter into a listing agreement with Colliers Southwestern Ontario for the sale of the 252 Dundas Property at an initial listing price of \$1,150,000.00

5. THIS COURT ORDERS that the form of Agreement of Purchase and Sale for the 252 Dundas Property appended to the First Report be and is approved.

6. THIS COURT ORDERS that the Receiver's Statement of Receipts and Disbursements for the period March 22, 2024 to June 13, 2024 be and is hereby approved.

7. THIS COURT ORDERS that Confidential Appendix A to the First Report shall be sealed, kept confidential and not form part of the public record, but rather be placed, separate and apart from all other contents of the Court File, in a sealed

envelope attached to a notice which sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

Date of issuance

*(to be completed by registrar)*

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*(Signature of judge, officer or registrar)*

ROYAL BANK OF CANADA  
Applicant

-and- 2162538 ONTARIO INC. et al.  
Respondents

Court File No. CV-24-0000693-0000

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
  
PROCEEDING COMMENCED AT  
LONDON

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**ORDER**

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Lawyers for the Receiver

ROYAL BANK OF CANADA et al.  
Applicants

-and- 2162538 ONTARIO INC. et al.  
Respondents

Court File No. CV-24-0000693-0000

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
  
PROCEEDING COMMENCED AT  
LONDON

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**MOTION RECORD**

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